



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

Stock Code: 1876

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

About Bud APAC

Budweiser Brewing Company APAC Limited (“We”, the “Company” or “Bud APAC”), a company incorporated in the Cayman Islands with limited liability, is delighted to present you the third Environmental, Social and Governance (“ESG”) Report (the “Report”) which provides information about progress towards our 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 2021 Annual Report, in particular the Corporate Governance Report contained therein.



About this Report

This Report covers our progress and performance on our Environmental, Social and Governance (“ESG”) journey from 1 January to 31 December 2021 (“FY21”). Unless otherwise specified, the reporting scope of this Report is the same as our 2021 Annual Report, covering Bud APAC and all of our subsidiaries and primarily covers ESG initiatives in China, South Korea, India, Vietnam and other Asia Pacific (“APAC”) regions.

The Report is prepared in accordance with:

- The ESG Reporting Guide (“Guide”) located in Appendix 27 to the Listing Rules on The Stock Exchange of Hong Kong Limited (“HKEX”)
- The Global Reporting Initiative (“GRI”) Standards (Core Option)
- The United Nations (“UN”) Global Compact

This Report has been reviewed and approved by our ESG Committee and, subsequently, the Board. Disclosures in this Report and certain information in this report has been subject to PricewaterhouseCoopers (“PwC”) limited external assurance as outlined on pages 98 - 100.

You can access our 2021 Annual Report, historical ESG Reports, policies, responses to the CDP Climate Change and Water Security Questionnaires, as well as our Supplier Engagement Rating, on our website (www.budweiserapac.com). Our website also showcases our ESG journey and how our priority areas align with the United Nations (“UN”) Sustainable Development Goals (“SDGs”).

We welcome your feedback

We 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.

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Co-Chairs' Statement



We dream big to create a future with more cheers. But more cheers means so much more than just more toasts. It means more sustainability, more innovation, more inclusivity, more natural ingredients, more local impact, more prosperity for all. That's a future we can all celebrate.

Michel Doukeris
Co-chair of the Board



Looking back over the year, we are inspired by the vitality of our communities across the region through the continued pandemic uncertainty. We strove to make solid progress on Environmental, Social and Governance (“ESG”) in 2021. Our team as a whole navigated the year with agility, showing relentless courage to seize opportunities and a readiness to keep innovating.

As Asia’s largest beer company, our ambition to lead and grow the beer category is reinforced by our shared belief and clear intention to enable a sustainable and inclusive future. That is why we introduced our new global purpose:

We dream big to create a future with more cheers.

In 2021, the global community rolled out a raft of policies and measures to counter climate change. The recent United Nations Climate Change Conference (“COP26”) outcome will profoundly impact climate actions. Reviewing our role and impact in the value chain across APAC, we decided to take our ESG commitment one step further. **We want to take this opportunity to share Bud APAC’s ambition to achieve net zero across our value chain by 2040.**

This Report provides a detailed account of the work we have done over the past year, and we want to take this opportunity to share with you some of the key accomplishments and learnings from this year.

Accelerating our Sustainability Goals and Growing with our Stakeholders

We are committed to transparency in disclosing our efforts as we align performance metrics across key ESG ratings, including MSCI, Sustainalytics, DJSI, and CDP. Last year marked the first year we participated in the CDP Climate Change (where we received a Supplier Engagement Rating) and Water Security questionnaires. We are proud that our performance was recognized by CDP as being among the leaders in the industry.

MSCI raised Bud APAC’s ESG rating to “A” for 2021, and the rating agency also acknowledged our efforts on environment, governance, supplier engagement and product safety. Benchmarking our performance against key industry indices means that we steer our ESG journey with increasing focus and clarity. We are proud to have an MSCI ESG rating improvement each year since our Hong Kong public listing in 2019.

Relentless focus on our ESG strategy allows us to create measurable positive impacts and drive continuous growth. In 2021, through technological innovation and industry partnerships, we made substantial strides in our 2025 Sustainability Goals for Climate Action, Water Stewardship, Circular Packaging and Smart Agriculture.





Environmental, Social and Governance (“ESG”) remained a top priority and ingrained in our business. As Asia’s leading beer company, we will continue to leverage technological innovation, industry insights, and localized partnerships to create a sustainable and inclusive future with more cheers.

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



Among many important achievements throughout 2021, three breweries in China achieved RE100¹ and we expect more to be achieved in 2022; 13 of our breweries across APAC installed solar panels, helping to further convert our energy supply to renewable sources; and our Wuhan brewery became not only the first carbon neutral plant in China, but also the first within the global AB InBev network.

As part of our Green Logistics initiative, which was launched in 2014, we have worked tirelessly to reduce the CO₂ emissions in our logistics network. Some of the initiatives have included deploying alternative energy vehicles and electric forklifts, upsizing truck capacities, reducing shipping distance, and shifting from road to rail transportation. In 2021, we deployed 335 green vehicles in our fleet, including 30 electric heavy trucks and the first hydrogen fuel cell heavy truck in China.

Knowing that “No water, no beer!”, we have long pursued water use efficiency and are proud to lead the industry in our water practice. In 2021, we lowered our water usage to 2.34 hectolitres (“hl”) per hl of beer produced across APAC breweries, representing a 22% decrease against the 2017 baseline. We continue to invest in water availability and quality improvement in communities with significant water stress. In India, our water program replenished 15.5 million hl of water to high-risk areas through the restoration of ground and surface water supplies, with a rate of approximately 130% against our total water usage.

We continued to make progress on circular packaging as 65.1% of our total packaging volume is in returnable packaging or made from majority recycled content, and 50.1% of our packaging is made of recycled content (52.4% in glass and 18.3% in cans).

In addition to being an industry leader in delivering environmental performance, we are determined to create social values. Our commitment to upholding the highest labor practices is well aligned with the UN Global Compact principles. We are committed to making continuous contributions through our business operations to support targets and indicators laid out in the UN Sustainable Development Goals (“UN SDGs”).

We worked to encourage individual growth throughout the year and promote flexibility, diversity, and inclusion in our workplace and beyond. We advocate gender equity with several flagship programs to empower women in our workplace and communities where we operate.

We leveraged our resources to support the local communities in our principal markets during the year. Drawing on our smart agriculture goals, we deepened partnerships with our direct farmers and developed programs to enhance skills, increase connectivity, and improve financial literacy and capabilities. Approximately 5,000 farmers have benefited from our Smart Agriculture program in 2021.



Co-Chairs' Statement

We continued to roll out Smart Drinking campaigns to raise awareness of responsible drinking and road safety across APAC. We also initiated projects to support poverty alleviation, education, environmental protection, and health. When disaster struck, we supported our communities, actively deploying our resources to help provide relief and support the recovery.

ESG touches every aspect of our business and beyond. A meaningful learning is that **innovation must align with pragmatism to shape a better future for our business, people, and society.**

We seized opportunities in the capital markets to further accelerate and incentivize our ESG efforts. We secured a USD500 million green financing loan, one of the largest of its kind among publicly-listed consumer goods companies in APAC, that integrated sustainability considerations into our financing mechanisms.

Creating a #FutureWithMoreCheers

The past year was challenging, yet we have created great memories with our business performance and ESG endeavors. We begin 2022 with strong upward momentum to drive positive changes across our value chain. In the year ahead, we will remain focused and agile, collaborative and inclusive as we brew for a diverse range of consumers, take seriously our environmental stewardship, deepen our roots in local communities, encourage innovation, and build inclusivity.

Our ESG strategy has eight priorities – Climate Action, Water Stewardship, Circular Packaging, Smart Agriculture, Smart Drinking & Moderation, Entrepreneurship, Diversity & Inclusion and Ethics & Transparency. With these strategic priorities, we aim to bring long-term values to our stakeholders through our business, under the three cross-over themes of natural, local, and inclusive.

We are grateful to have built a robust, sustainable business, and we remain focused on making a future-proofed company that can actively address emerging risks and opportunities.

We leverage our resources and expertise to establish a more inclusive and sustainable ecosystem, where we strengthen our partnerships with small farmers, shop owners, and other businesses. We remain humble and aware that we are on a journey and must not rest or take our accomplishments for granted.

Our progress would not have been possible without the tenacity, dedication, and ingenuity of every member of the Bud APAC community and we know that all the work that we do ultimately safeguards our environment and our collective future.

In 2022, we can-and will-continue to do better to create a sustainable and inclusive future with more cheers.



Michel Doukeris
Co-chair of the Board



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



About Bud APAC

Pan-Asian Brewing Champion

Stock Code

1876

The year Budweiser was first brewed

We are Budweiser Brewing Company APAC Limited ("BUD APAC"), part of the AB InBev Group. We are the largest beer company in Asia Pacific and our growth continues at pace. We celebrated a landmark step in our journey by publicly listing our shares in Hong Kong on 30 September 2019. Our collection of well-loved brands, talented people, operational efficiencies, scale, state-of-the-art facilities and powerful route to market position us well for long-term growth and competitiveness.

Bud APAC at a Glance

Countries/territories

35+



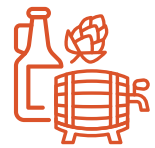
Brands

50+



Breweries

48



Distribution centers

51



Colleagues

26,000+



Female colleagues

41.1%



Nationalities across our workforce

24



About Bud APAC

Sharing our Passion for Beer

We are brewers at heart, positioned to serve the evolving needs of our consumers in the Asia-Pacific Region.

Our brands are classified into Super Premium, Premium, Core+, Core and Value beers. Each of our beers has its unique characteristics, offering every consumer a choice across multiple occasions and price points.

Each of our brands is part of a broader growth strategy based on demand, while we continually innovate our product offerings to address changing consumer preferences over time. Our comprehensive brand portfolio not only allows us to expand in all categories but also to capture opportunities from around the region.

As part of the AB InBev Group, we leverage more than 600 years of brewing heritage. Our local beers have a strong presence in the region, delivering beer lovers a range of choices, each with its own clearly defined character. In addition to global brands such as Budweiser, Corona and Stella Artois, our local brands such as Cass in South Korea, Haywards in India and Harbin in China are renowned and well received across the region. We also produce, market, distribute and sell other non-beer beverages. Our operations are primarily located in China, South Korea, India and Vietnam.



Our Purpose

“We dream **BIG** to create a future with more cheers.”

Our renewed purpose will help drive shared prosperity for our communities, the planet, and our Company for years to come. We are committed to furthering sustainability, innovation, inclusivity and expanding our positive local impact for all to thrive. Everything we do is inspired by building a future that we can all celebrate with more cheers.

Our Approach to ESG

Sustainability has always been intrinsically embedded into our strategies and operations. We have made solid progress in achieving our 2025 Sustainability Goals through piloting industry-first innovation in climate action, water stewardship, circular packaging and smart agriculture. With our 2025 Sustainability Goals paving the way, we decided to take our ESG commitment one step further. We want to share Bud APAC’s ambition to achieve net zero across our value chain by 2040.

For 2022, we have sharpened our focus on eight ESG strategic priorities to propel us to further our commercial excellence, environmental resilience and social cohesion. Across our priorities, we have identified three cross-cutting themes:

- **Inclusive** From farmers, customers, suppliers to consumers, we strive to improve livelihoods and increase access to quality growth opportunities across our value chain.
- **Natural** As our business exists in nature, we design our products with simple ingredients, nature-based solutions, and healthy watersheds.
- **Local** We champion local agricultural development and focus on strengthening the economies and communities in which we operate.



About Bud APAC

Our ESG Priorities

Climate Action

- Working toward a shared long-term ambition pushes us forward
- Short-term goals drive innovation and decarbonization today
- Focusing on additionality and proximity accelerates the energy transition



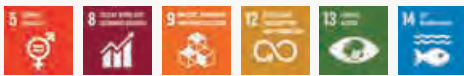
Water Stewardship

- Tailored solutions are needed to address the local, complex water challenges around the world
- Innovation can help unlock higher water efficiency and improved water security
- Partnerships and multi-stakeholder collaboration are critical for scaling impact



Circular Packaging

- Innovation is key in developing sustainable, circular packaging
- Investing in local recycling systems is a critical enabler to scale circular packaging
- Brands can build awareness and engage consumers to think about their own packaging choices and recycling habits



Smart Agriculture

- Farmers are at the center of smart agriculture
- Building resilience with regenerative practices is critical to the future of farming and nature
- Technology is a key enabler of sustainable agriculture



Entrepreneurship

- The digital transformation of small- and medium-sized businesses scales impact
- Empowering women entrepreneurs is good for communities and for business
- Capacity building and market linkages help sustain growth



Ethics & Transparency

- Ethical behavior is the foundation for building a company to last
- Digital ethics is key to continue building trust with consumers and customers
- Respecting human rights is fundamental to creating healthy, thriving communities
- Prioritizing health and safety is critical for creating Shared Prosperity with our colleagues



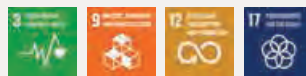
Diversity & Inclusion

- We strive to be an inclusive workplace with equal opportunity for all
- We are using the power of our brands to inspire change
- We work to empower and promote the economic inclusion of all our direct farmers



Smart Drinking & Moderation

- Leveraging our brands and marketing to shift social norms
- Providing Smart Drinking resources and evidence-based programs to consumers and communities
- Expanding consumer access to No-Alcohol Beer and Low-Alcohol Beer alternatives
- Amplifying our Smart Drinking messages through digital and technology platforms
- Promoting the adoption of evidence-based public policy regarding alcohol



Our Values

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.



About Bud APAC

Economic Value and Financial Sustainability

Delivering economic value

Financial sustainability and commercial success are the foundation of our ESG journey. We maintain a robust financial position to support our stakeholders, uphold effective operations, and drive stable development for the long run. As we share our passion for beer, we also aim to share economic value with our stakeholders who are also part of our ESG journey.

Economic value generated

	Revenue generated 6,788 million USD	EBITDA 2,139 million USD
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Value for our shareholders

	Dividend returned ~400 million USD	Dividend per share 3.02 cents USD
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Value for our customers and consumers

	Beers and beverages sold 87,878 thousand hl
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Value for our people

	Jobs created 2,533	Over 26,000 employees across APAC
	Payroll and related benefits 764.21 million USD	

Value for our partners

	1,038 new suppliers and contractors	6,357 suppliers and contractors in total
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Value for our communities

	Community investment >2 million USD	Costs arising from COVID-19 response activities 1.3 million USD
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Driving financial sustainability

We make investments and decisions that bring both financial benefits and sustainable outcomes. Ensuring our financial sustainability is critical in maintaining our strong market position while delivering our ESG strategies.

There are emerging sustainable finance instruments such as sustainability-linked securities and loans linking interest payments to an issuer's achievement of key sustainability commitments. The market for sustainability-linked fundraising is currently growing in APAC. In July 2021, we announced our first green financing initiative with a bank consortium in an amount of USD500million in aggregate. We entered into sustainability-linked loans with a three-year term and, together, they mark one of the largest transactions of its kind for a consumer-packaged goods business across APAC. Our green financing initiative further incentivizes and accelerates our actions to improve environmental performance, social inclusion and commercial development.

Of most note in 2021, we made significant investments to realize our greenhouse gas emission ("GHG") reduction targets and deliver on our RE100 commitment to source 100% of our electricity from renewable sources. We built our first carbon neutral brewery in Wuhan, and we will continue to apply this innovative investment approach to more breweries and to support our suppliers in their low carbon transition. In addition to environmental benefits, these initiatives boost economic and social returns in the long run. Further examples of our initiatives and progress are detailed in the **Environment Chapter** of this Report.

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We are proud to secure a total of USD 500 million Sustainability-Linked Loan Revolving Credit Facilities with a bank consortium. This is Bud APAC's first and one of the largest green financing loans among publicly-listed consumer goods companies in Asia. Most importantly, this loan can incentivize and accelerate our sustainability performance and contribute to our 2025 Sustainability Goals. The support that we have received from the banks demonstrates trust in, and recognition of, our ESG performance, and we are thrilled to have these partners with us on our ESG journey.

Ignacio Lares
Chief Financial Officer



Our Value Chain

Creating value from seed to sip

Farmers

We value our relationships with our farmers. Our mutual collaboration is a key element to creating a sustainable supply of high-quality natural ingredients that our products demand. That is why we invest in programs such as Smart Agriculture to help growers improve their profitability and contributes toward our 2025 Sustainability Goals.

Suppliers

We source from up to 209 tier 1 (direct) suppliers that are essential to our operations. We work closely with our suppliers to build a robust and sustainable supply chain that delivers value and contributes toward our 2025 Sustainability Goals.

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. We value partners that through innovation and collaboration help us rise to these challenges.

Communities

We are an integral part of the communities where we live and work. We seek to make a positive and lasting impact in our communities, advancing initiatives in areas such as sustainability, financial inclusion, COVID-19 vaccinations, Smart Drinking and road safety, often through partnerships.

Employees

We have over 26,000 employees in APAC all sharing the same purpose to build an inclusive and sustainable future. Our operations in over 35 countries consist of 48 breweries and verticalized operations including hop farms and barley malting facilities. Our brewers and manufacturers use their knowledge, expertise and innovation to transform ingredients and raw materials into a product that consumers love by brewing, bottling, packaging and developing our products.

Customers

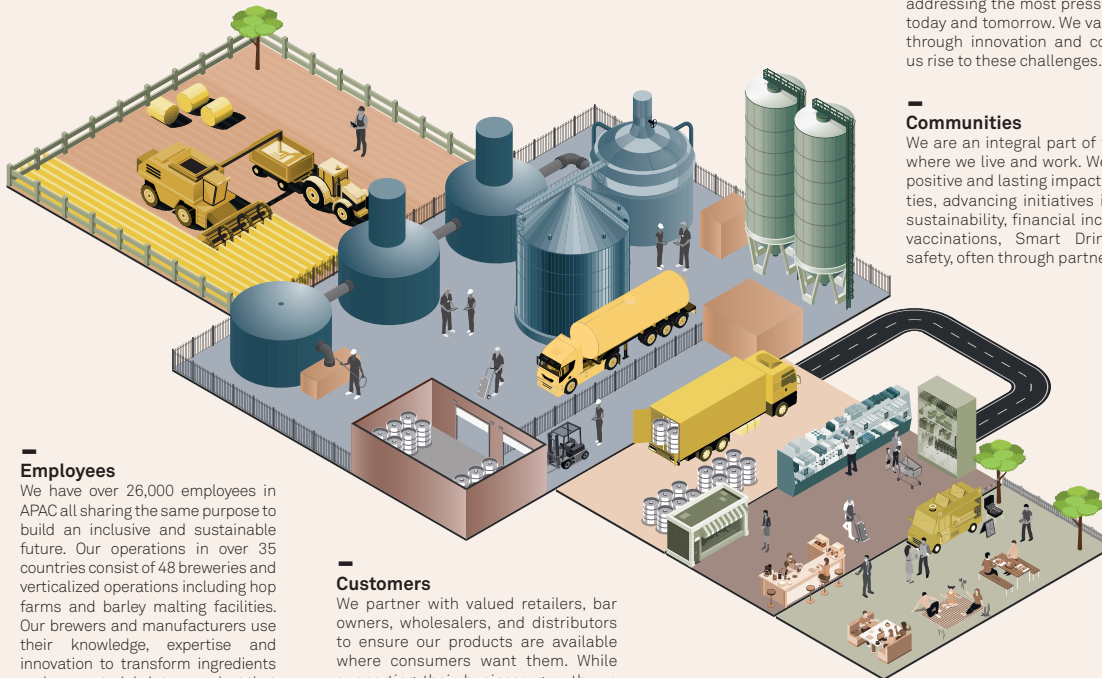
We partner with valued retailers, bar owners, wholesalers, and distributors to ensure our products are available where consumers want them. While supporting their business growth, we strive to provide best-in-class service and to optimize our operations for greater efficiency in a way that is in line with our values.

Consumers

In the last step, but perhaps the most important of all, consumers enjoy our beer. We are always looking to serve up new ways to meet life's moments, and we connect with our consumers by offering meaningful brand experiences, in a responsible way.

Recycling Collectors

We have worked closely with collectors, small and medium enterprises and cooperatives to increase recovery and collection efficiencies, improve the livelihoods of recycling collectors and build towards our Circular Packaging Goal. Our approach enables us to support networks of local businesses by delivering long-term economic security while eliminating waste.



ESG Highlights

ESG Factsheet

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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ESG Rating 17.7 Low Risk

Negligible	0-10
Low	10-20
Medium	20-30
High	30-40
Severe	40+

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Constituent of the Dow Jones Sustainability Asia Pacific Index



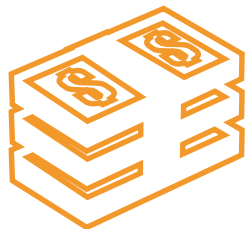
Climate Change Questionnaire



Water Security Questionnaire



Supplier Engagement



USD 500 million

Sustainability-linked Loan Signed

Hong Kong ESG Reporting Awards with the Carbon Neutral Award – Grand Award



CARBON NEUTRAL GRAND AWARD 2021 卓越碳中和大獎

In support of

Bud APAC is a signatory of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

WE SUPPORT



Environment

Climate Action



Leader in driving **RE100** across APAC

• Pioneer in implementing **renewable electricity** in South Korea, where our breweries will adopt rooftop solar, the **1st** at this scale

• **13 breweries in APAC** installed solar panels

• Achievement of **RE100** at three breweries in Ziyang, Wuhan and Kunming, China

Carbon neutral brewery in Wuhan, China, the first of its kind in the Chinese brewing industry

Closed-loop renewable electricity in our Foshan brewery, China, is a breakthrough in promoting circularity, as we reuse retired batteries powered by solar to generate energy

15.5% reduction of GHG emissions (kgCO₂e/hl) across our value chain (compared to our baseline year 2017)

Water Stewardship



Comprehensive water risk

assessment to monitor water issues where we operate and within the supply chain, including areas where we source our agricultural commodities

Increased our water use efficiency

ratio to 2.34 hl/hl, representing **22%** decrease (compared against our baseline year 2017)

In India, we replenished **15.5 million hl** of water to our five high-risk areas with a return rate of approximately **130%** against our total water usage in the country

Returned 19+ million hl

of water from our operations to the surrounding communities in China

Our Zero Liquid Discharge

strategy in India aims to minimize our effluent through the application of state-of-the-art technologies

Circular Packaging



65.1% of our total packaging volume is in **returnable packaging** or made from majority recycled content

50.1% of our packaging was made of **recycled content** (52.4% in glass, 18.3% in cans)

Our brewery in Taizhou, China operates a **Zero Waste** approach

Smart Agriculture



Approximately **5,000 farmers** in APAC benefited from our **Smart Agriculture program in 2021**

100% of our **farmers** are **skilled**, **100%** are **connected** and **99%** are **financially empowered**

Launched an indoor hop farm at scale in China, reducing **80%** water use, **90%** land use and **95%** shipping fuel



ESG Highlights

Value Chain

Supplier Collaboration



Deployed **335** green trucks in our fleet including **30 electric heavy trucks** and **5 hydrogen-powered trucks** as part of our green logistic strategy with our logistic partners

Implemented scaled, solar power projects in our glass and aluminum can suppliers, driven by our **renewable energy strategy**

Sustainable Expansions



Distributed **over 50 brands** across our markets to meet consumers' diversified and evolving needs

Invested in a craft brewery with the capacity expansion up to **20 million hl** in Putian, China, which is expected to be **Asia's largest brewery** and meet consumers needs for **high-end beer**

Smart Drinking and Moderation



Launched the **Global Smart Drinking Week** to raise public awareness of the danger of drink-driving

>10,000 colleagues engaged in our **Global Smart Drinking Week**

Community Support



73,500+ hours of volunteering in 171 events under various initiatives

Distributed over **1.5 million cans** of emergency drinking water to communities in need since 2015

Held **33 events** across **29 Hope Schools** in China

25,000 kg of limes sold through the **Budweiser China Lime Project**

Innovation



Inspired over **115 projects** through our local Sustainability Innovation Hubs

Attracted over **600** applications for our **Beer Garage Accelerator Program 2021 – APAC Edition**

Established **Sustainability 100+** to progress the SDGs in India, drawing total campaign impressions to over 100 million

Dream-People-Culture

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

24 nationalities across our workforce

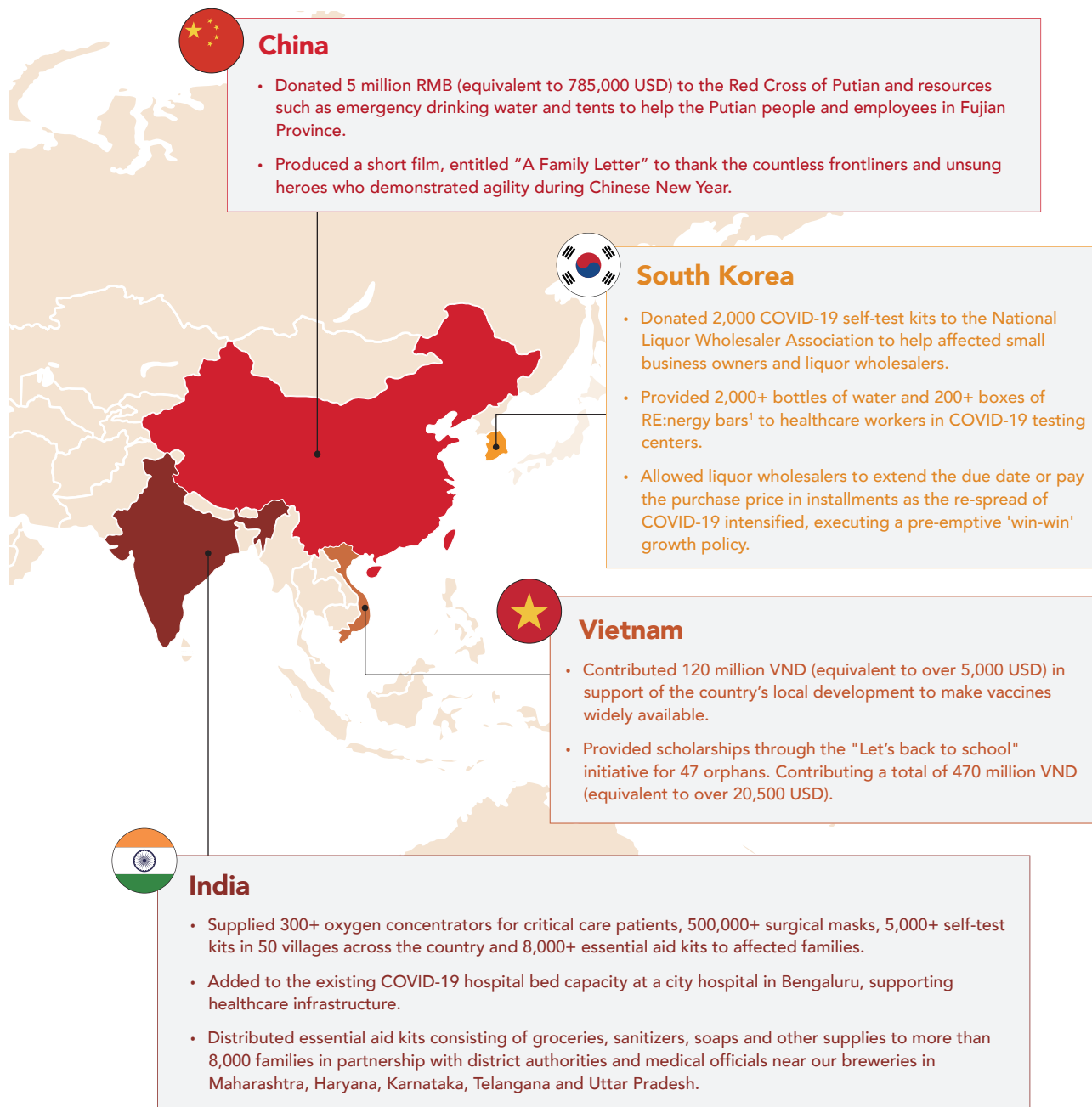
41.1% of our colleagues are female

433,856 hours of training provided to our colleagues



Our Response to COVID-19

As the COVID-19 pandemic continues to disrupt daily life, we have increased our efforts to support local communities by providing essential aid and wellbeing initiatives across APAC.



1 RE:nergy bar is a high-protein granola bar made with our saved grains. We partner with RE:harvest Company Limited ("RE:harvest"), a local venture specializing in food upcycling, to make our beer by-products.



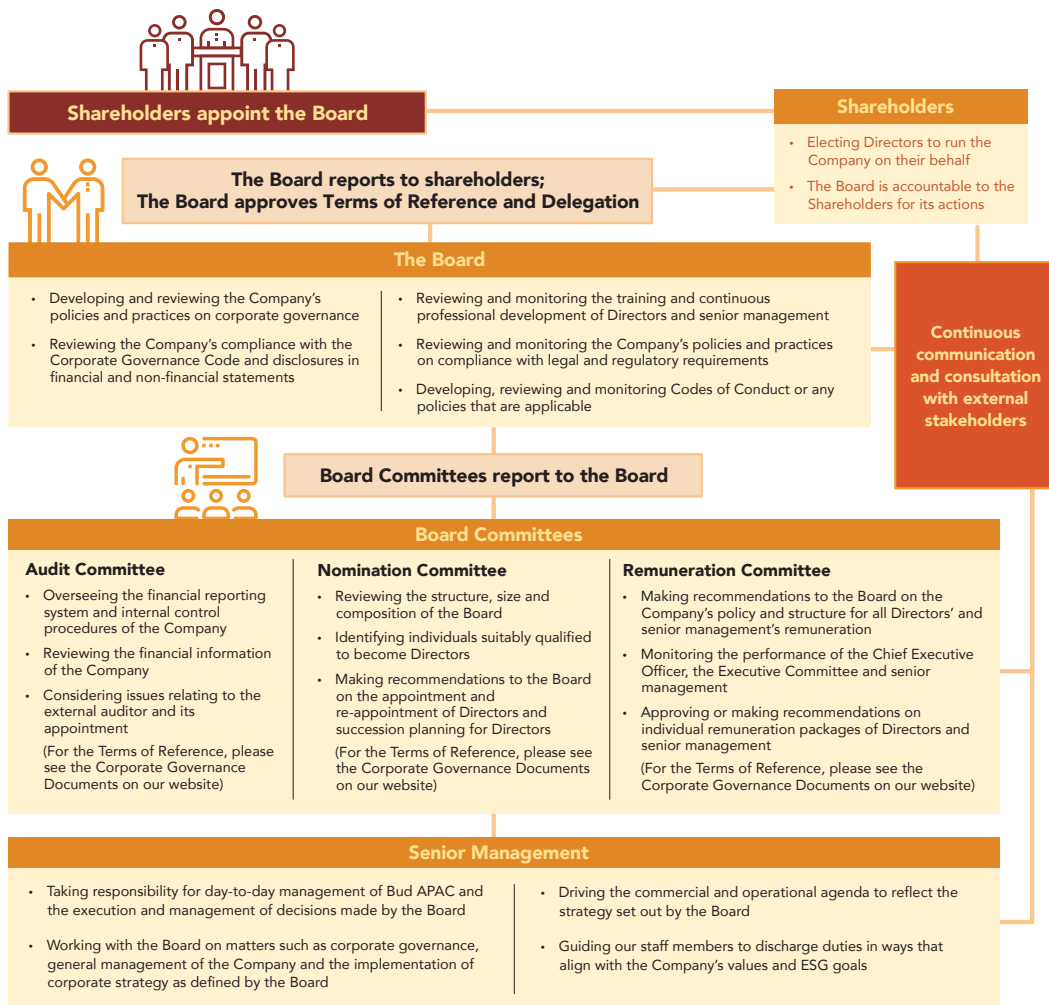
ESG Governance

Corporate Governance

Grounded by our values, the effectiveness and accountability of the Board are the two most important factors that drive our high standards of corporate governance to safeguard the interests of our shareholders and stakeholders, and to sustain business continuity.

For more details regarding our Corporate Governance, please see the **Corporate Governance Report** on page 36 of our 2021 Annual Report. With a sound and robust governance framework in place, Bud APAC works with the Board Committees to cascade oversight and commitments down to our Executive Committee and senior management, and consequently our colleagues. For detail regarding our leadership team, please see the **Directors and Senior Management section** on page 28 of our 2021 Annual Report.

Effectiveness
<ul style="list-style-type: none"> Reflects the quality of leadership and direction that our Board provides Is measured by performance and reflected in enhanced shareholder value
Accountability
<ul style="list-style-type: none"> Covers issues surrounding disclosure and transparency to demonstrate the legitimacy to our Board's actions



Having a balanced yet diverse composition of skills and experience at the Board level brings a range of perspectives and insights enabling the Board to discharge duties and responsibilities effectively. This also contributes to sound decision-making that considers all facets of the Company's strategy and long-term plans, whilst supporting succession planning and development of the Board.

We have a **Board Diversity Policy** that sets out our approach to achieve diversity on the Board. Measurable objectives with specific targets are set and reviewed regularly to ensure the effectiveness and accountability of the Board. Criteria and considerations for Board appointments are based on the **Terms of Reference for the Nomination Committee** and candidates' merits and potential contributions. With the ultimate goal of bringing the Board to gender parity, we consider stakeholders' expectations and international and local recommended best practices as part of the process.

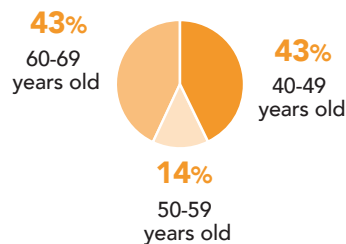
Composition and diversity

Diversity within the Board enhances the quality of its performance and decision-making.

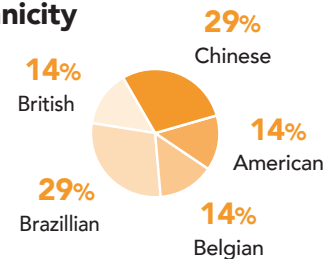
Gender



Age



Ethnicity



Independence

The Board ensures the effectiveness of Bud APAC's corporate governance practices on behalf of its shareholders and stakeholders.



Skills and expertise

The Board and Board Committees have experienced and high caliber individuals to ensure the balance of power and authority.

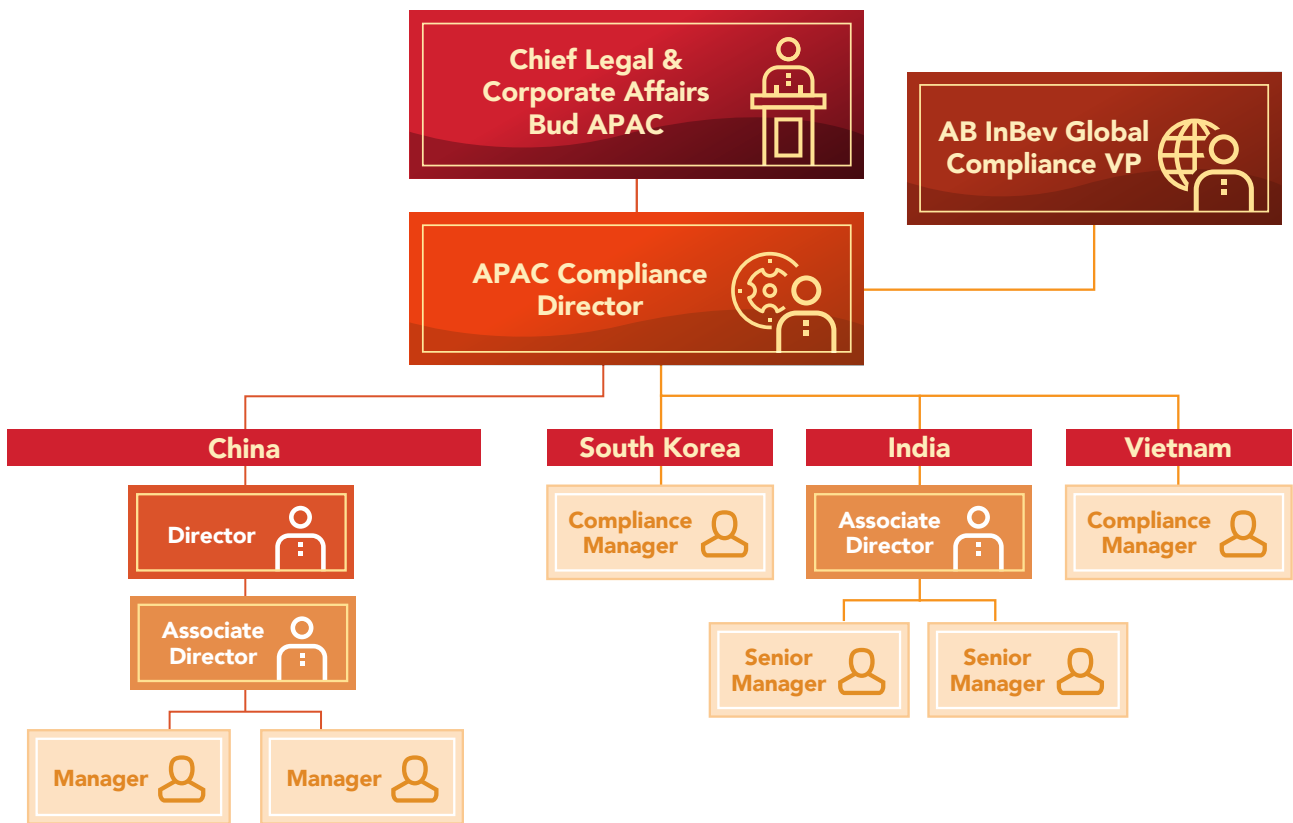


ESG Governance

Ethics and Transparency

Ethics and transparency are key to building our reputation and maintaining our trusted relationships with stakeholders. We are committed to upholding high standards of business ethics with honesty and integrity, creating a corporate culture that promotes fair business practices. Our Legal, Compliance and Corporate Affairs department is responsible for monitoring the Company's compliance with applicable laws and

regulations to ensure that all business activities are ethical and legally compliant. This department is led by our Chief Legal and Corporate Affairs Officer who is also a part of the Executive Committee of Bud APAC. Within this department, we also have dedicated Ethics and Compliance teams located in four markets to address relevant, locally specific issues.



ESG Governance

With direct oversight from senior management, the cross-departmental ESG Committee supervises the Company's overall ESG strategies and goals. The ESG Committee is responsible for overseeing, planning and reviewing matters related to Bud APAC's ESG journey, and leads the ESG Working Group to implement ESG initiatives. Compensation of the ESG Committee, together with our management and executives, is tied

to our 2025 Sustainability Goals and other ESG-related targets, providing financial incentives to drive improved performance. In addition, the relevant employees at operation levels have specific annual targets on ESG aspects, linked to their performance compensation.



ESG Governance

Risk Management and Internal Control

An effective risk management framework underpins concerns regarding risks awareness and management from the Board and senior management. The overall responsibility for risk management and internal control lies within the Board and is supported by senior management, setting the strategic direction and policies. Bud APAC’s risk management process identifies potential events that may impact the Company and manages risks within the risk tolerance to the Company. For details regarding our **Risk Management and Internal Control**, please see page 46 of our 2021 Annual Report.

We have sets of policies and procedures in place to guide business decisions in a professional, fair and

honest manner. Relevant departments and teams are responsible for reviewing these policies and updating them periodically as needed.

Our **Whistleblower Policy** encourages employees and business partners to raise concerns related to compliance and behavior that violates our Company’s 10 Principles. Individuals can make reports confidentially and anonymously without fear of retaliation through one of our reporting channels. These include our independently-run Compliance Helpline (online and via our toll-free 24-hour phone service)², through line managers, or directly to our Ethics and Compliance teams that handle all reports in a timely manner.

Policy and Procedure	Expectations
Code of Business Conduct	<ul style="list-style-type: none"> Directors and employees of Bud APAC should ensure compliance with ethical business practices as stipulated
Anti-corruption Policy	<ul style="list-style-type: none"> Directors and employees of Bud APAC should ensure compliance with anti-corruption practices as stipulated
Supplier Anti-corruption Policy	<ul style="list-style-type: none"> Suppliers and business partners should ensure that their directors, officers, employees and agents will comply with our anti-corruption practices in connection with goods or services provided to Bud APAC
Whistleblower Policy	<ul style="list-style-type: none"> Employees and other workers of Bud APAC should report any suspected cases of bribery and other unethical business practices
Privacy Policy	<ul style="list-style-type: none"> Employees and other workers of Bud APAC should ensure compliance with principles to access, process and protect personal and confidential data of customers, consumers, website users, suppliers and vendors

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.

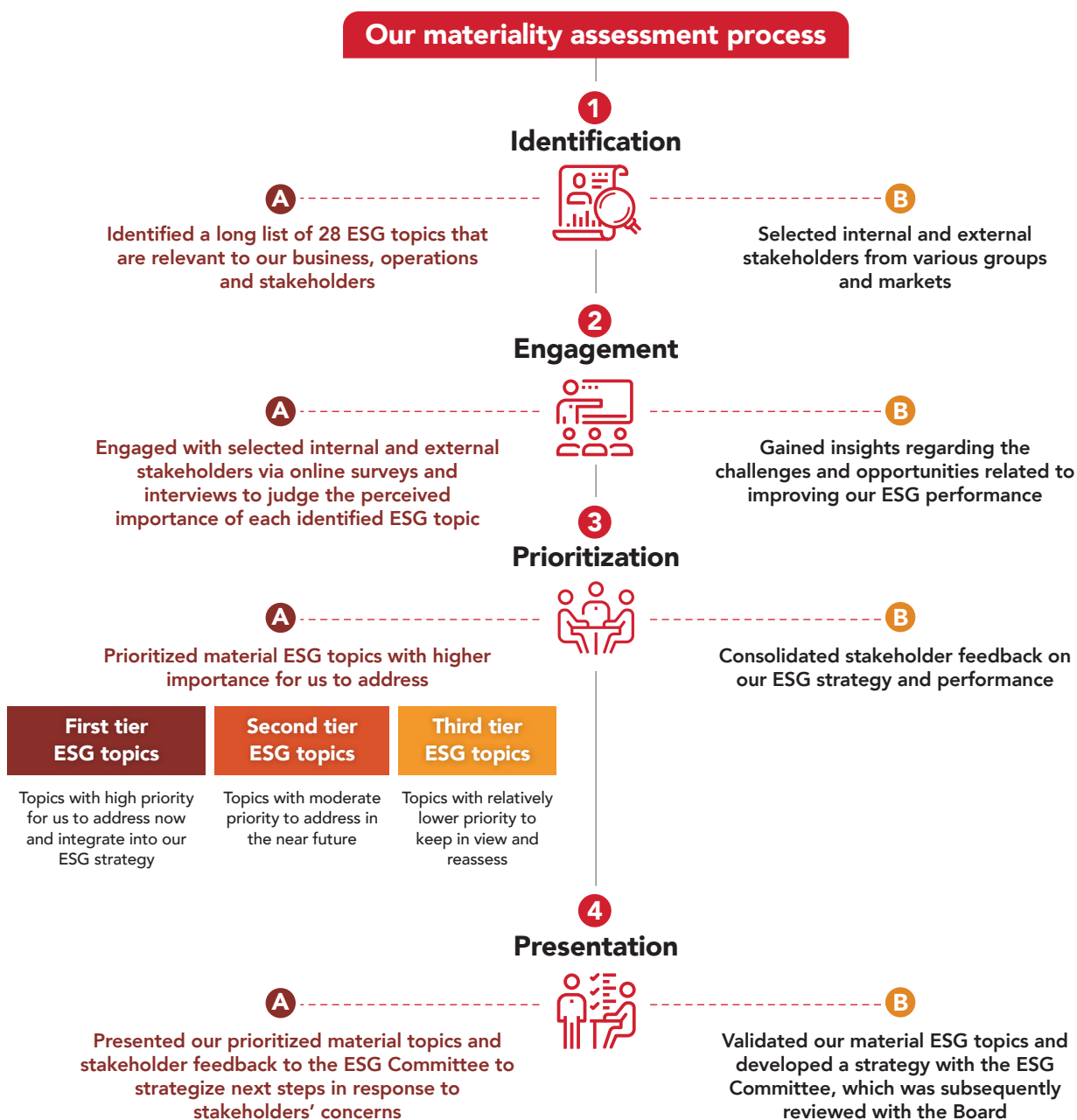
² Our Compliance Hotline can be accessed at <http://www.budweiserapac.com/caseReport>.



Materiality Assessment and Stakeholder Engagement

In the context of a rapidly changing market landscape and emerging stakeholder expectations, we strive to position ourselves as a future-proof company through identifying risks and opportunities, balancing and addressing stakeholders' interests, and making informed decisions.

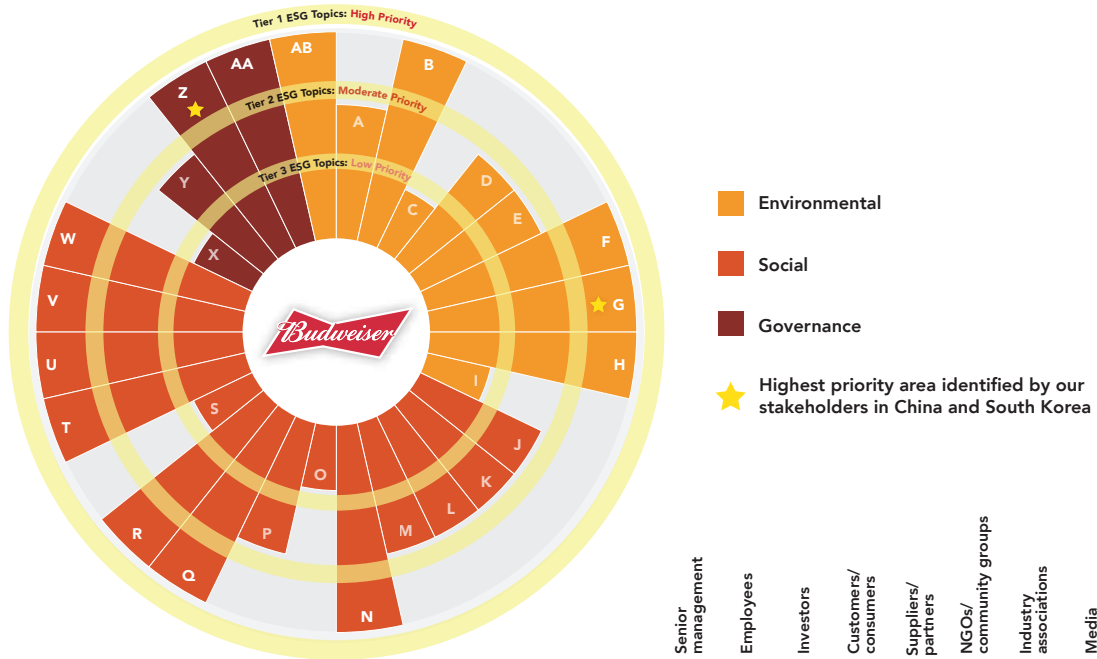
In FY21, we conducted a materiality assessment to pinpoint ESG topics that are material to us, guide how we prioritize different ESG aspects and strategize our next steps.



ESG Governance

Our material topics are closely aligned with our ESG strategic priorities. The results from our materiality exercise enables us to better address stakeholder expectations and more efficiently allocate resources in moving forward in the development of our ESG strategic priorities.

This polar chart illustrates how our ESG topics align with the priority areas, and the level of the materiality of each topic.








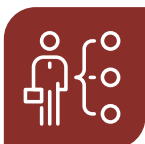

Priority area / aspect	Topic	Label	Senior management	Employees	Investors	Customers/ consumers	Suppliers/ partners	NGOs/ community groups	Industry associations	Media
Tier 1 ESG Topics: High Priority			Stakeholder groups that perceive this topic as most important							
Climate Action	GHG emissions	B	✓	✓						
Water Stewardship	Watersheds management	F	✓	✓			✓			
	Effluent management	G★	✓	✓	✓	✓	✓	✓	✓	✓
	Water conservation	H	✓	✓	✓	✓	✓	✓	✓	✓
Workplace Safety	Workplace safety	N	✓	✓	✓	✓	✓	✓	✓	
Business Ethics	Labor management	Q			✓	✓	✓	✓	✓	✓
	Human rights	R			✓	✓	✓	✓	✓	✓
Product Responsibility	Product safety	T	✓	✓	✓	✓	✓	✓	✓	✓
	Product labelling	U		✓	✓			✓	✓	
	Data security and privacy	V					✓		✓	
Smart Drinking and Moderation	Responsible marketing and consumer education	W	✓	✓		✓				
Economic	Corporate governance and business ethics	Z★	✓	✓	✓	✓	✓	✓	✓	✓
	Board and management effectiveness	AA	✓	✓	✓	✓	✓	✓	✓	✓
	Innovation	AB	✓	✓	✓	✓	✓	✓	✓	✓
Tier 2 ESG Topics: Moderate Priority										
Climate Action	Energy management	A	✓							
Circular Packaging	Packaging strategy	D		✓						✓
	Waste management	E	✓							✓
Employee Experience	Talent attraction and retention	J		✓						
	Employee engagement	K	✓	✓						
	Employee wellbeing	L							✓	
	Employee learning and development	M							✓	
Diversity and Inclusion	Diversity and inclusion	P			✓					
Economic	Value chain management	Y					✓			
Tier 3 ESG Topics: Low Priority										
Climate Action	Climate resilience	C								
Smart Agriculture	Biodiversity conservation	I			✓	✓				
Road Safety	Road safety	O			✓					
Acting in our Communities	Community engagement	S	✓							
Economic	Economic performance	X								



Stakeholder Engagement

This year we mapped our stakeholder groups and have begun an annual engagement process with different groups to understand their expectations, capture feedback on our performance and to inform our ESG approach. We maintain communication and build trusting relationships with those who have a direct influence on us and may be influenced by our activities.

Through surveys and interviews we engaged more than 170 stakeholders both internal including employees, senior managers and division heads at AB InBev, and external including investors, customers and consumers, suppliers and business partners, community representatives, industry associations and the media³. The topics that these groups prioritized formed the basis for reviewing our management approach and initiatives, details of which are included in this report.

	Why we engage?	How we engage?
Our People	 <ul style="list-style-type: none"> • Our greatest strength is our people. Our people are curious, bold and adaptable. We recruit, develop and retain people who aim to be the best that they can be. 	<ul style="list-style-type: none"> • Annual Engagement survey • Annual performance appraisals • Staff activities and sustainability activities • Intranet and official websites • Volunteer activities
Our Customers	 <ul style="list-style-type: none"> • We partner with valued retailers, bar owners, wholesalers, and distributors to bring our beers to our consumers. 	<ul style="list-style-type: none"> • Customer services • Important notices regarding products • Various social media sites • Sustainability activities
Our Consumers	 <ul style="list-style-type: none"> • Our consumers are the boss. Beer brings people together to celebrate life experiences. 	<ul style="list-style-type: none"> • Important notices regarding products • Various social media sites • Sustainability activities
Our Communities	 <ul style="list-style-type: none"> • We are closely connected to the communities where we live and work. 	<ul style="list-style-type: none"> • Initiatives of our Global Smart Drinking Goals • Activities supporting communities
Our Shareholders	 <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Annual and interim reports • General meetings of shareholders and presentations on financial results • Investor relations meetings • Official website disclosing information for investors
Our Suppliers	 <ul style="list-style-type: none"> • 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 to our 2025 Sustainability Goals. 	<ul style="list-style-type: none"> • Supplier assessments • Supplier meetings • Partnerships
Our Partners	 <ul style="list-style-type: none"> • Organizations cannot solve today's global challenges alone – we recognize that effective partnerships are critical to addressing the most pressing challenges of today and tomorrow. 	<ul style="list-style-type: none"> • Collaboration • Partnerships

³ Our engagement activities achieved a response rate of 68%.





Environment: Realizing our 2025 Sustainability Goals

Overview

Our 2025 Sustainability Goals are underpinned by a clear strategy with measurable targets to achieve positive environmental impact and create value for our communities. This year we built on our near-term objectives and announced our ambition to achieve net zero by 2040. Our efforts are guided by our **Environmental Policy**, which was strengthened in FY21, and which stipulates our overall commitment to reduce adverse environmental impacts across four key priority areas of Climate Action, Water Stewardship, Circular Packaging and Smart Agriculture. Our efforts to improve our environmental sustainability go beyond our own footprint and put an emphasis on catalyzing action across our value chain to drive transformational change.





We are proud to continuously bring positive impacts to the communities where we live and operate. With our solid progress in GHG emission reduction, we announced our ambition to achieve net zero emissions across the value chain by 2040. We remain committed to leveling up our efforts and adopting greener alternatives.



Jan Clysner
Vice President of Sustainability & Procurement



Climate Action

<p>UN SDGs</p>  	<p>Disclosure Items</p> <p>GRI 302, 305 HKEX A1, A2, A4</p>
<p>ESG Topics</p> <p>GHG emissions • Energy management • Climate resilience</p>	

threats faced by human society in the long-term⁴. Our business is closely tied to the natural environment, which is vulnerable to climate impacts, as our beer relies on high-quality agricultural commodities, raw materials for packaging, water resources and energy. As the largest beer company in APAC, we leverage our influence in the industry and markets to support the enforcement and implementation of effective climate change mitigation and adaptation measures.

Why it Matters

Our business, value chain and communities are impacted by climate change in a range of different ways. Countries and corporates around the world have announced respective climate action pledges at different paces. According to the World Economic Forum, climate action failure is one of the most impactful and existential

Our Ambition and Progress

We recognize the urgent need for climate action and, in FY21, released our **Climate Policy** outlining our ambition and our commitment to implementing best practices in mitigation and helping our partners to adapt. As we look beyond our 2025 Sustainability Goals, we have set our sights on achieving net zero by 2040 through sourcing renewable energy to improve energy efficiency, to reduce our GHG emissions⁵.

Our Goals and Targets:	Current Progress:
Purchasing electricity will be from renewable sources	<ul style="list-style-type: none"> On track 25.6% of our purchased electricity was powered by renewable sources
Reducing GHG emissions (kgCO₂e/hl) across our value chain (Scope 1, 2 and 3)	<ul style="list-style-type: none"> On track We have achieved 15.5% reduction of GHG emissions (kgCO₂e/hl) across our value chain since 2017
Reducing GHG emissions (kgCO₂e) intensity within our operation (Scope 1 and 2)	<ul style="list-style-type: none"> On track We have achieved 38% of GHG emissions (kgCO₂e/hl) reduction within our operation since 2017

⁴ World Economic Forum Global Risk Report 2021: https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf

⁵ Our GHG deduction targets are in line with AB InBev and approved by the Science Based Targets initiative (“SBTi”), reinforcing our commitment towards mitigating the impacts of climate change.



Environment: Realizing our 2025 Sustainability Goals

Our Ambition to Achieve Net Zero

As part of our commitment to driving decarbonization and building climate resilience through our 2025 Sustainability Goals, we are proud to have announced our

ambition to achieve net zero across our value chain by 2040.



With a clear understanding of our GHG emissions within the value chain, we have developed our decarbonization plan and identified reduction opportunities. These opportunities are inclusive, natural, and have local

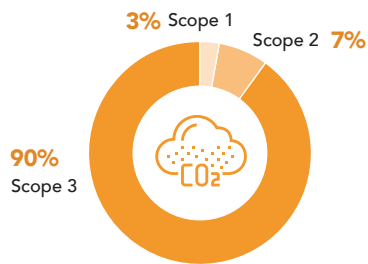
impact. An overview of our emissions and details of key actions across our value chain that are aimed at accelerating our transition are provided on the following pages.



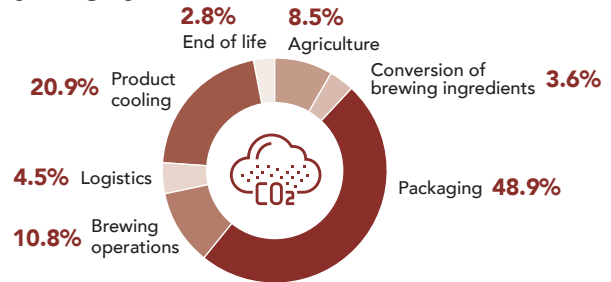
Our Carbon Footprint

Emission breakdown by scope and by category

Breakdown of GHG emissions by Scope 1, 2 and 3

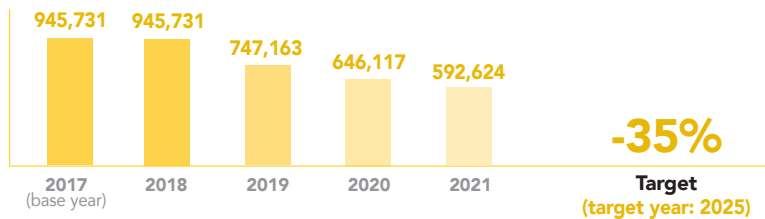


Breakdown of GHG emissions by category



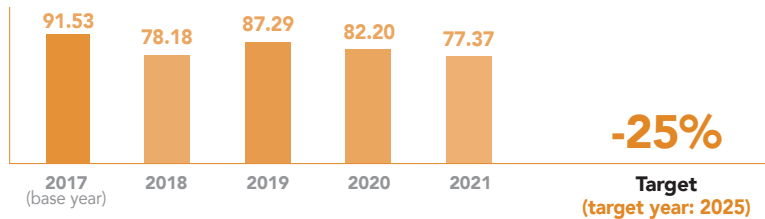
Emissions from own operations (Scope 1 and 2) *

Unit: tons of CO₂



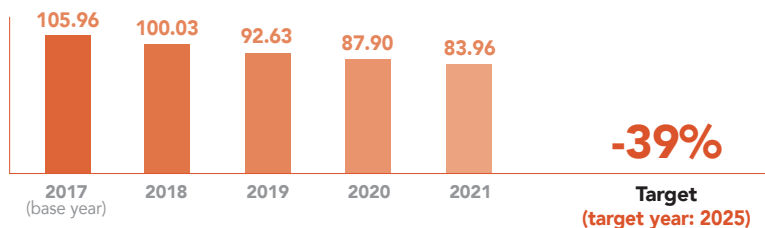
Emissions across value chain (Scope 1, 2 and 3) *

Unit: kilograms of CO₂ / hl of production



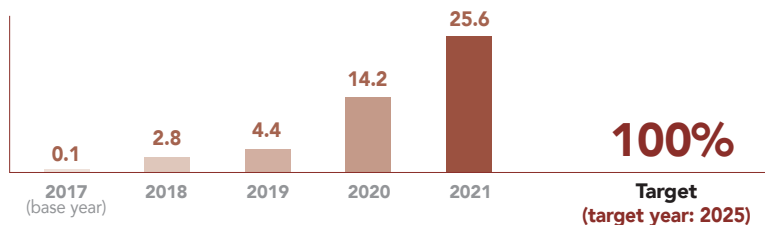
Energy intensity of own operations

Unit: Megajoules / hl of production



Percentage of purchased electricity from renewable sources *

Unit: %



*This is part of our 2025 Sustainability Goals.

All products are included in our carbon footprint assessment.



Environment:

Realizing our 2025 Sustainability Goals







Our Approach

Climate-related risk management

As we seek to transition to a more sustainable, low carbon economy, we aim to have a clear understanding of risks and opportunities related to climate change. We have conducted a preliminary review of where physical and transition climate-related risks are more prominent in the APAC region and influential to our value chain.

Going forward we will be using the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) and conducting a comprehensive assessment.

GHG emissions % by category

	Agriculture	Conversion of brewing ingredients	Packaging	Brewing operations	Logistics	Product cooling	End of life
Physical climate-related risks	8.5%	3.6%	48.9%	10.8%	4.5%	20.9%	2.8%
 Changing weather patterns Building adaptable supply chains that act proactively and quickly to ensure stable supplies against the backdrop of shifts in weather patterns	✓	✓		✓			
 Extreme weather events Strategizing plans to mitigate and adapt to weather events that may damage our facilities and disrupt our operations	✓	✓		✓	✓		
 Water availability Assessing levels of water risk to restore watersheds under high-stress, avoiding sourcing commodities from water-stressed areas, and safeguarding the quality and availability of water for our beverages and operations as well as the surrounding communities	✓	✓		✓			
Transition climate-related risks							
 Legal and regulations Reviewing and reacting to changes in GHG-related regulations that are new or emerging in the short, medium and long-term		✓	✓	✓	✓		✓
 Technological advancement Innovating and exploring ways to improve efficiency and reduce reliance on natural resources, shifting to low-emission operations, and minimizing waste to reduce our emissions		✓	✓	✓	✓	✓	
 Market and reputation Driving research and development (“R&D”) in products, operations, packaging and labelling to cater to increasing awareness on environment			✓	✓	✓		✓

A preliminary assessment of our climate-related risk management.



Decarbonization

In FY21, we continued to work toward our 2025 Climate Action Goals while also looking ahead to our ambition to achieve net zero by 2040.

From renewable energy to packaging and end-of-life solutions, we aim to innovate and create efficiencies that can deliver progress.

Scope 1 and Scope 2

Opportunities

Operations, focusing on:

Electricity from renewable sources Energy efficiency

Highlights

Our goal is to reduce absolute scopes 1 and 2 GHG emissions 35% by 2025 from a 2017 base year. Therefore, we have implemented measures to improve energy efficiency and reduce GHG emissions in our production and operations across our breweries and distribution centers.



Surpassing “90025” – 90 MJ/hl total purchased energy, 0 CO₂ purchases and 2.5 hl/hl water usage – in AB InBev breweries is key to delivering our global 2025 Sustainability Goals. In APAC, we led the way in implementing “90025” in our breweries in FY21 and ranked first in the global “2021 90025 Better World Results”. In FY21, 12 out of the 17 breweries successfully operating “90025” were located in APAC and, for the second consecutive year, our Nanning brewery in China won the global “90025 competition”. Looking ahead, our breweries in APAC will continue to share best practices and strive to remain a benchmark for our sister breweries worldwide.



Congratulations to the Nanning brewery team for their hard work and “90025” results.

China

Following our Ziyang brewery, the Wuhan and Kunming breweries are now also 100% powered by electricity from renewable sources. Our Wuhan brewery sourced 100% electricity from Hubei Qingjiang Hydropower Station, whilst our Kunming brewery self-generates 24% from onsite solar panels and purchases the remaining electricity from certified renewable sources including hydropower, solar and wind.

20 breweries in China have in place or are contracted to implement on-site solar panels for self-generation of electricity.

We established the first grid-connected distributed power storage system in Foshan, storing 7.2 million kWh of electricity generated onsite in our Foshan brewery. We also used 120 tons of retired battery from EV trucks.



Foshan power storage system.

Contracted 27.5% of our electricity from renewable sources. This can reduce 103,328.44 tCO₂e on an annual basis.



Environment: Realizing our 2025 Sustainability Goals

South Korea



Inaugural solar panel installation.

All three breweries have begun the installation of rooftop solar panels.

Contracted 12.2% of our electricity from renewable sources. This can reduce 7,576.94 tCO₂e on an annual basis.

India

Guided by our success in the Mysore and Aurangabad breweries, two of our Telangana breweries have made a shift to solar power.

Contracted 31.1% of our electricity from renewable sources. This can reduce 14,482.39 tCO₂e on an annual basis.



Our brewery teams in India celebrate the shift to solar power.



RE amplifies our commitment to build a brighter future.

Vietnam

Two breweries have entered phase two of solar project and will carry out phase three by the end of 2022.

Contracted 40.2% of our electricity from renewable sources. This can reduce 1,727.76 tCO₂e on an annual basis.



Two of our breweries in Vietnam entered the second phase of the solar project.



Scope 3

Opportunities

Agriculture

Highlights

We work closely with our farmers to support sustainable farming practices through crop management, improved varieties and risk mitigation tools, whilst also exploring how agriculture can be part of the solution to reducing GHG emissions.

Opportunities

Packaging

Highlights

We have developed lightweighting, which means reducing the weight of our bottles and cans, as well as sourcing packaging materials made from recycled content.

Opportunities

Logistics

Highlights

We proactively embrace innovation that explores new approaches and provides incentives to achieve green logistics, adopt new technologies to drive GHG emission reduction, and push the development of clean energy sources. Green logistics KPIs are set and reviewed on an annual basis.

China

As part of our Green Logistics initiative, we deployed 335 green vehicles in our fleet, including 30 electric heavy trucks and the first hydrogen fuel cell heavy truck in China, further decreasing our scope 3 emissions.

South Korea

Our 100% forklift transformation from diesel to electric can reduce 1,176 tCO₂e on an annual basis.

India

We replaced 17 diesel powered forklifts and now use 100% electric powered forklifts in our breweries, helping to reduce 500 tCO₂e.



Charging EV heavy truck batteries.



In China, we now deliver our products using a fleet of 30 EV trucks.

Opportunities

Product cooling

Highlights

We install energy-efficient and reduced environmental impact chillers, coolers and refrigerants.

Opportunities

End-of-life

Highlights

We explore ways to repurpose waste and minimize any generation of waste to promote a circular loop within each individual brewery.



Environment: Realizing our 2025 Sustainability Goals



The “Carbon Neutral” Ceremony in Wuhan was a cause for cheers.

Case Study

First Carbon Neutral Brewery in China and in AB InBev

Achieving carbon neutrality at our Wuhan brewery is a testament to low carbon transition, leveraging innovation and our way to facilitate China’s pledge to reach carbon peak by 2030 and carbon neutral by 2060.

YanJun Cheng
Chief Supply & Logistics Officer

Our Wuhan brewery has been certified carbon neutral by an independent third-party and is the first within AB InBev’s operations and in China to meet this standard. Our “Carbon Neutral” strategy focuses on curbing Scope 1 and 2 emissions, creating a model for green transformation and low carbon development for local manufacturers.

Key features driving carbon neutrality include:

- Investing in biomass conversion to eliminate the use of natural gas
- Purchasing 100% electricity from renewable sources via a power purchase agreement (“PPA”)





The overall technology of the carbon neutrality project reached international standards of reducing energy consumption. In December, we won second place for the “China Alcoholic Drink Association” award.

- Switching to electric shuttle buses from vehicles that consume gasoline or diesel
- Purchasing zero refrigerants as cooling agents
- Recycling CO₂ from our production process to reduce total GHG emissions

Under the national carbon neutrality pledge, China commits to achieving 80% of its energy mix from non-fossil fuel sources and increasing the capacities of renewable energy generation. As a result, in many provinces, the costs of electricity powered by solar are becoming on par with electricity from traditional and non-renewable sources. We see this upward trend in adopting energy from renewable sources and we are able to realize the increasing economic incentives for rolling out our carbon neutrality strategy at the brewery level.



Unique packaging with “carbon neutral” words on it had been designed.



Our carbon neutral brewery is a key milestone in our decarbonization journey.



Environment: Realizing our 2025 Sustainability Goals



Bud APAC EV Heavy Truck & Power Storage System Launch Ceremony.

Case Study

Closed-Loop Renewable Electricity Recycling

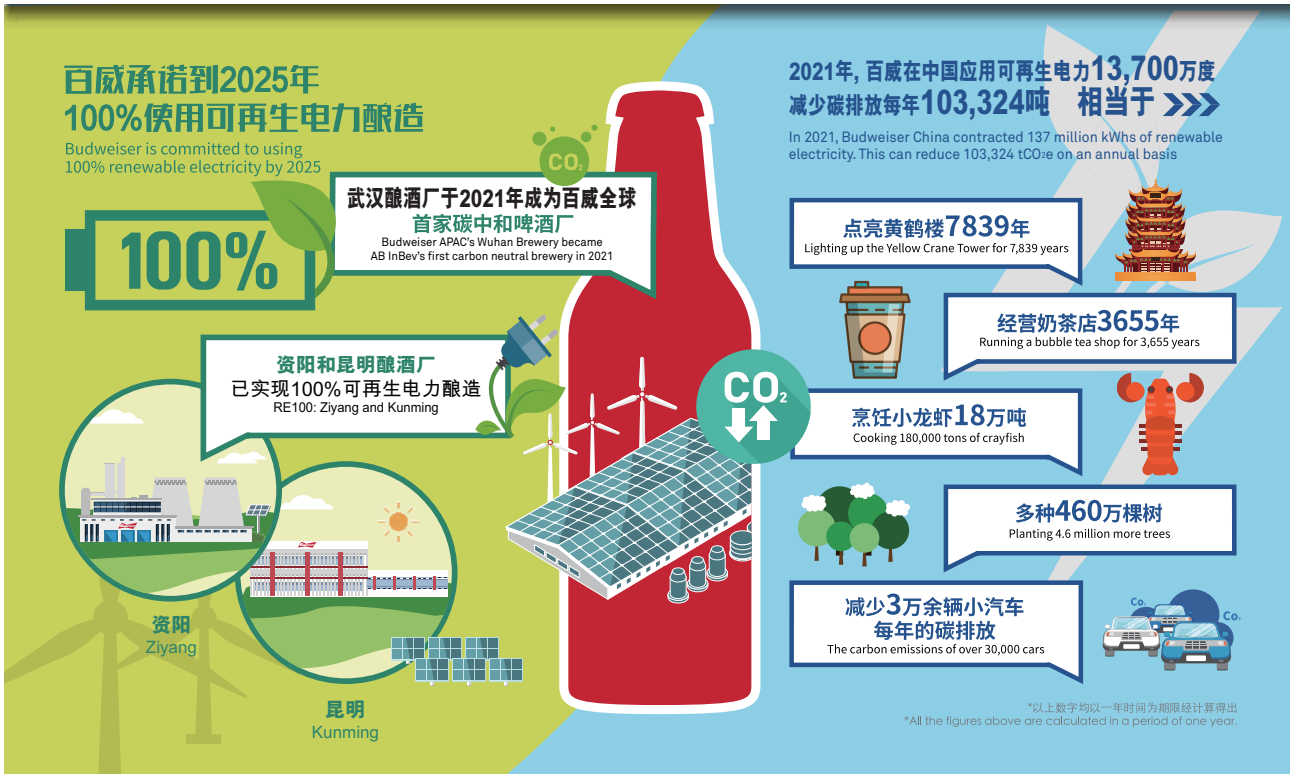
By deploying EV heavy trucks and a smart power storage system in our Foshan brewery, we are creating an innovative closed-loop model that will recycle retired EV batteries to store green power from renewable sources.

This model reuses 120 tons of retired EV batteries to store 7.2 million kWh of self-generated electricity from on-site solar panels and grid. The stored electricity is used for producing beer in the brewery itself, and also for charging EV heavy truck batteries during on-peak hours when utility fees tend to be higher. In addition to the environmental benefits that this model brings, we also foresee the long-term economic benefits of using our own electricity during on-peak hours to save cost. In light of this, we will scale up this model in other breweries starting with Wenzhou and Suqian.



As EV charging becomes more available, we will go further with our EV trucks.





At Bud APAC, sustainability is our business.

Looking Forward

We see ourselves as part of the global climate action to turn pressing climate-related risks into inspiring opportunities that not only reduce our own footprint but also help our value chain and communities to adapt.

Moving towards net zero, our decarbonization plan will focus more on ways to influence our partners across the value chain. To do so, we will continue to lend support to explore and implement solutions that are advanced, integrated, innovative and nature-based.



Environment: Realizing our 2025 Sustainability Goals



Water is a critical ingredient in our products and an essential resource for the wellbeing of our communities. As the leading brewer in APAC, we are fully committed to improving water efficiency in our breweries and water quality and quantity among our communities.



Ashwin Kak
Procurement Director
India and Southeast Asia



Water Stewardship

UN SDGs



Disclosure Items

GRI 303
HKEX A2, A3

ESG Topics

Watersheds management • Effluent management •
Water conservation

with changing weather and water cycles will continue to impact the availability of water. The agricultural commodities that we source also rely on a high-quality water supply. Water is also essential for the economic, social and environmental wellbeing of our communities.

Our Ambition and Progress

Roughly 10% of our breweries are located in proximity to watersheds identified as facing “high water stress” in India. Every drop counts and, as the world’s leading brewer, it is our role to work towards water stewardship throughout our operations and value chain. In the reporting year, we have updated our **Water Policy** emphasizing our commitment to minimizing water discharge, reducing water usage intensity and improving water availability and quality.

Why it Matters

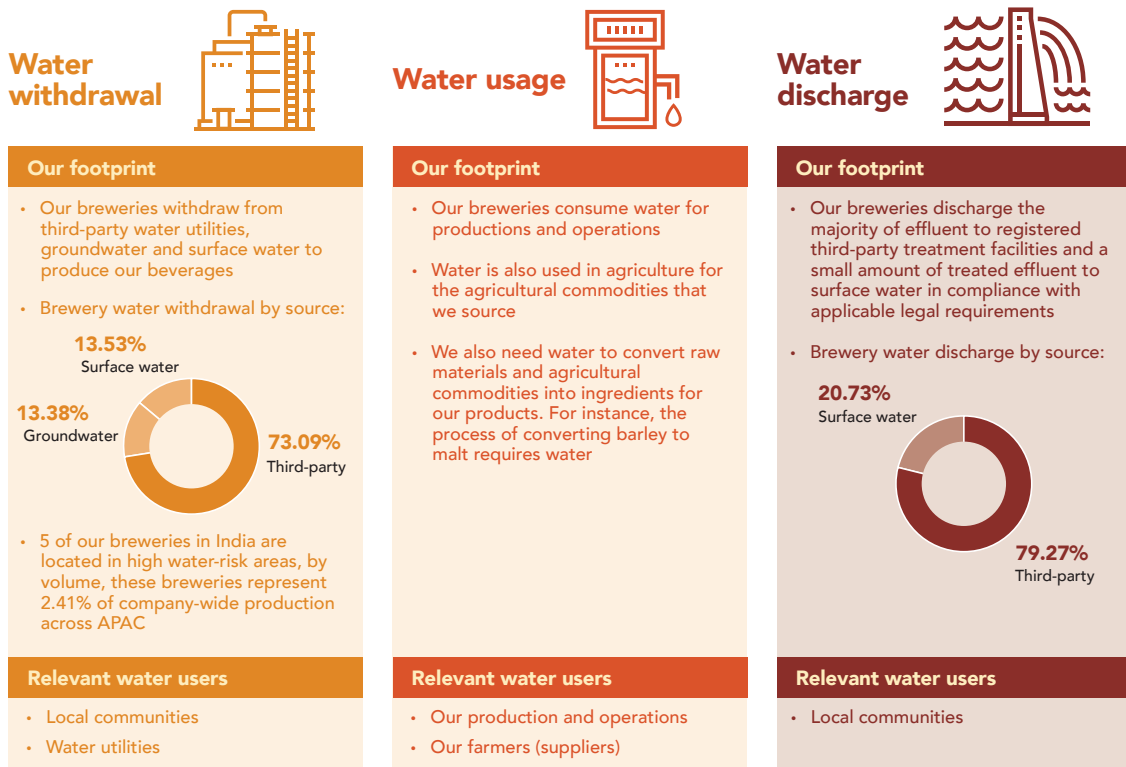
Without water there is no beer. The combined effects of population growth, economic development, and climate change have contributed to increasing water stress on a global scale. Increasing demand and pollution, together

Our Goals and Targets:	Current Progress:
Improving water availability and quality in our communities in high-stress areas	<ul style="list-style-type: none"> On track 100% of our sites in APAC have conducted local outreach activities, determined water solutions specific to their community and identified appropriate solutions
Reducing water usage (hl/hl) in our breweries	<ul style="list-style-type: none"> On track We have achieved 22% reduction (hl/hl) of water usage since 2017



Our Water Footprint

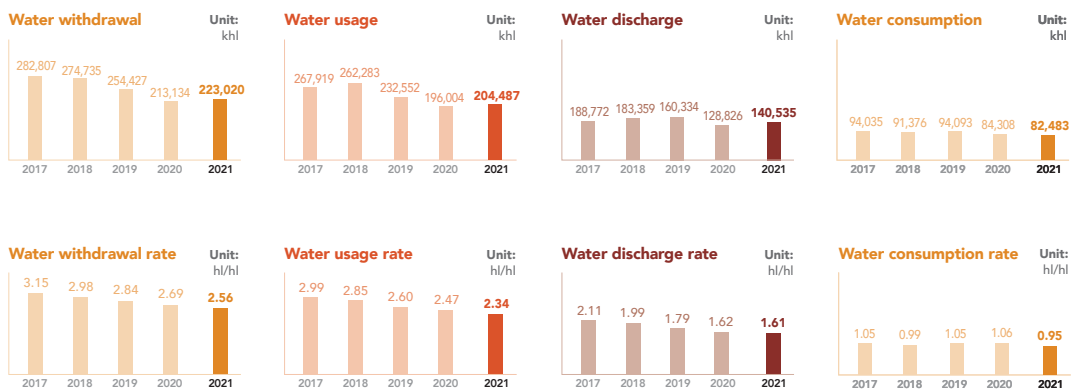
We share water resources and discharge destinations with our surrounding stakeholders.



All products are included in our water footprint assessment.

For details regarding how we manage water and interact with water users, please visit [our website](#) to see our responses to the CDP Water Security Questionnaire 2021.

Water breakdown:*



* The slight increases to water withdrawal, usage, and discharge from 2020 levels is due to the recovery of production levels from the declines experienced from COVID-19. Calculated against production levels, our water withdrawal, usage, and discharge intensity rates have improved compared to 2020 levels.



Environment: Realizing our 2025 Sustainability Goals

Our Approach

Water withdrawal and risk assessment

With reference to the World Resources Institute’s (“WRI”) Aqueduct tool and our internal custom-made water risk tool, we conduct a comprehensive, seven-step watershed management process at breweries located in water-stress areas annually and quarterly to classify each brewery from “Very High-Risk” to “Low to Medium Risk” sites.



Our water replenishment project in India helped to create a farm pond to support irrigation.

Highlights

In total, we have replenished 3.49 million hl of water across the APAC region.



In the past ten years, we have constructed over 500 watershed structures across 13 villages in India.

India

To improve quality water access in stressed communities, we recharged 15.5 million hl of water to high-risk areas. This equals a return rate of approximately 130% against our total water usage in the country. We achieved this by establishing watershed replenishment structures ranging from on-farm ponds to check dams and promoting conservation and management of water and soil for smart, sustainable agriculture.



Our projects in India have benefited approximately 35,700 people.

Water usage

We implement water reduction measures at all 48 of our breweries to reduce reliance on water withdrawals, while at the same time promoting water conservation within our workforce and breweries to guide water-saving practices. We also monitor the supply chain and apply the WRI Aqueduct tool to ensure that our agricultural commodities are not sourced from water-stressed areas or anticipated to face water stress.

Highlights

We achieved an overall water use ratio of 2.34 hl/hl.

China	2.22 hl/hl
South Korea	3.08 hl/hl
India	2.84 hl/hl
Vietnam	2.90 hl/hl



China

In our Sedrin brewery, through equipment investment and process optimization, we utilize approximately 1,850 tons of recycled water per day. In FY21, Sedrin brewery consumed 2.08 tons of water per ton of beer, much lower than the industry standard, and ranks first in the global Budweiser Group. For the last two years, the local government has recognized the Sedrin brewery as a leading enterprise in water efficiency and saving in Fujian Province.

In our Suqian brewery, we carried out a trial of Artificial Intelligence (“AI”) technology in the Reverse Osmosis (“RO”) system. By implementing this cutting-edge technology, we expect to save 24,000 tons freshwater and reach 21.29% recovery rate in 2022.

South Korea

In celebration of “World Water Day”, our OBC breweries held various promotional campaigns, including the “Water and Human” illustration contest exhibition and river clean-up, exemplifying the importance of water stewardship.



Our “World Water Day” illustration exhibition helped to drive environmental awareness in South Korea.

India



We educate our farmers on irrigation practices.

We put the local community at the centre of our intervention plans. For example, to support improvements in agricultural production, farmers were educated about better farming practices and equipment through skill trainings that helped them explore opportunities and implement water efficient irrigation solutions. Throughout our conservation projects, we carry out household surveys and meetings to receive feedback and generate a shared consensus towards water usage.

Water discharges

We monitor and review relevant regulations and standards in relation to effluent management intended to ensure 100% compliance in our breweries. We treat our effluent before discharge to prevent potential impacts associated with water pollutants and ensure that all parameters are within legal limits. Our breweries in India are all zero effluent discharge.

Highlights

India

Increasing access to clean water is a key priority for Bud APAC. Across our operations we deploy effective watershed management programmes. Our breweries in India implement state-of-the-art technologies like Zero Liquid Discharge (“ZLD”) to recover and reuse all water. Through ZLD, we lower waste volumes, avoid risks associated with withdrawal and discharge, and mitigate our impact on the local environment.



Environment: Realizing our 2025 Sustainability Goals

Water replenishment

We aim to improve the availability and quality of water where we operate. We place high emphasis on China, the most populated country, and India, where many communities have limited access to clean potable water.

Highlights

China



An artificial lake in China increases water availability.

We initiated the “Community Water Replenishment” program to reuse our reclaimed water in the community for greening and artificial lakes, improving the local ecosystem. In FY21, we managed to return 19 million hl water to the community in China. In addition to relieving reliance on freshwater, this demonstrates the importance we place on enhancing the health and wellbeing of the environment and surrounding communities.

India



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



A women-led group in India train the local community on sanitation and hygiene.

We have been collaborating with partners to implement community-linked integrated watershed programs to conserve and manage water resources, promote climate smart sustainable agriculture and enhance clean drinking water and sanitation practices. We work closely with the International Crops Research Institute for the Semi-arid Tropics (“ICRISAT”), Let’s Endorse and WaterAid, who are supporting the implementation of on-the-ground actions. Together, we have created the potential for more than 15.5 million hl of recharge opportunities through the development of more than 500 water conservation and recharge structures such as check dams, farm ponds and the revival of village ponds.



We are progressing towards our 2025 Water Stewardship Goal.





Farm pond near Crown brewery in Telangana.

Case Study

Collaboration to Provide Safe Drinking Water Access in India

More than half the population of India has limited access to safe drinking water. Beginning in 2009, we collaborated with changemakers including Let's Endorse and International Crops Research Institute for the Semi-arid Tropics ("ICRISAT") to customize integrated water strategies in different communities. This livelihood enhancement initiative aims to deliver win-win solutions that tackle water issues for local communities as well as our breweries.

This initiative mainly focuses on communities around our Charminar and Crown breweries in the Sangareddy district. Watershed structures, such as check dams and farm ponds, constructed in 2020 and 2021 led to an additional water storage capacity of more than 360,000m³. In the past ten years, we constructed over 500 structures across 13 villages, creating 558,245m³ water storage capacity and benefiting 35,700 people. Through this ongoing initiative, we plan to create a drought-proofing strategy that supports self-sufficient communities.

We also operate two RO plants in villages surrounding the Charminar brewery to sell potable water at a cost that is ten times lower than the market price. These two plants sell around 40,000 containers with a 20-liter capacity, catering to 5,000 households every year as well as the water health centre which dispensed around 20,000 litres of safe drinking water.



A check dam near our brewery in Telangana helps with water recharge for the community.



Environment: Realizing our 2025 Sustainability Goals

Case Study

WaterAid Partnership in India

In FY21, we launched and signed a three-year agreement with WaterAid targeting comprehensive water stewardship through nurturing knowledge, innovation, and partnerships as a collaborative action to facilitate a process to demonstrate, learn, adapt and upscale.

Building on lessons learnt from our past interventions on water conservation, ground water recharging and the emerging new knowledge in the country and across the globe, the project will focus on two high priority areas: Sonipat near Haryana Breweries Ltd. ("HBL") brewery in Haryana, and Sangareddy near Charminar Breweries Ltd. and Crown brewery in Telangana. Each will undergo an interlinked three-phase process:

1. **Demonstrate:** On the ground demonstration of participatory water conservation showcasing different activities in selected areas to address both demand as well as supply challenges. These will align closely with the Government's flagship programs, contribute to effective implementation, incubate new ideas and reach the most marginalized.

2. **State Water Consortium:** Aimed at catalysing synergy and action at scale, this phase will build state interest in what has been demonstrated. We will engage with the state institutions, to inform them of the initiatives, trigger their interest and participation, and generate an environment for acceptance to learn and upscale. Through advocacy and technical support, we intend to facilitate adoption of the context specific models at a district level and support in the creation of guidelines and policies at a state level that help in adoption in Government policies and programme designs.

3. **National Knowledge Partnership:** Aimed at nurturing innovation and learning through a process of identification, testing, validation and dissemination. WaterAid will synthesize knowledge and facilitate wider replication by multiple actors like industries, farmers and other key stakeholders. We will promote a testbed for innovation in water recharge, monitoring, purification, and grey-water recycling and reuse to act as a catalyst for better water stewardship across the country.

We kicked off the first year by initiating our demonstration phase near HBL in Haryana, and will communicate our progress in our future ESG reports.



Through our partnership with WaterAid, we support the implementation of WASH facilities in schools.





ZLD plants are the most advanced water treatment technologies to recycle waste water.

Case Study

Zero Liquid Discharge Breweries in India

Our Zero Liquid Discharge (“ZLD”) strategy in India aims to minimize our effluent through the application of state-of-the-art technologies. We base our ZLD strategy on the principles of Reuse, Reduce and Recycle, and promote the concept of circularity. We have complete ZLD breweries at three strategic locations in Sonipat, Maharashtra and Hyderabad.

Our water treatment plants apply technologies, such as the RO system, to recycle water and reuse it onsite. We have RO treatment plants to reduce freshwater consumptions at five locations in India. The recycled water is used for equipment and cleaning activities. In FY21, we recycled 3.95 million hl of water.

Looking Forward

Watershed management, water conservation and effluent management have been and will continue to be key focuses. We will continue our work to review the level of water stress across where we operate in APAC to develop partnerships that improve water availability and quality



ZLD units in three of our breweries in India.

(especially in areas facing water stress), and to explore solutions for continuous improvement through our innovative R&D and collaboration with key stakeholders including industry players.



Environment: Realizing our 2025 Sustainability Goals



Our circular packaging strategy to “Reduce, Reuse, Recycle and Rethink” ensures that we source packaging materials with high recycled content. In 2021, our Taizhou brewery became the first “Zero Waste” brewery in APAC, demonstrating an equilibrium between environmental and economic benefits. We will continue to work towards 100% of our products made in packaging that is returnable or made from the majority recycled content by 2025.



Pang Weizhen
Vice President, Zone Brewery Support
APAC



Circular Packaging

<p>UN SDGs</p>      	<p>Disclosure Items</p> <p>GRI 301, 306 HKEX A1, A2, A3, B5</p>
<p>ESG Topics</p> <p>Packaging strategy • Waste management</p>	

circular packaging helps us to reduce our impact on the world’s limited resources as well as deliver long-term financial cost-benefits. Circularity further helps us to address climate change, as packaging is accountable for a significant proportion (49%) of our overall GHG emissions. Tackling issues on packaging and waste, such as the landfill problem in China and environmental pollution in India, requires cross-boundary and cross-sector innovation, collaboration and education.

Our Ambition and Progress

To improve long-term sustainability across markets and increase public awareness, our business has a fundamental role to play in encouraging our suppliers, customers and consumers to support the circularity of packaging materials. Using the 4R principles – Reduce, Reuse, Recycle, Rethink – we drive our 2025 Sustainability Goals.

Why it Matters

As the world faces increasing resource scarcity, we are committed to improving the packaging materials that we use and eliminating waste. Our approach to

Our Goals and Targets:	Current Progress:
100% of products will be in returnable packaging by 2025	<ul style="list-style-type: none"> On track 65.1% of our total packaging volume is in returnable packaging, or made from majority recycled content
100% of products will be in packaging made from majority (over 50%) recycled content by 2025	<ul style="list-style-type: none"> On track 50.1% of packaging is made from recycled content (52.4% in glass and 18.3% in cans)

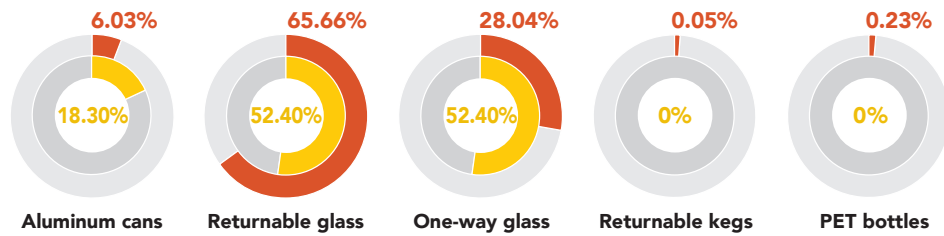


Our Footprint

Primary packaging portfolio

Mix (by weight) Recycled content

Packaging type

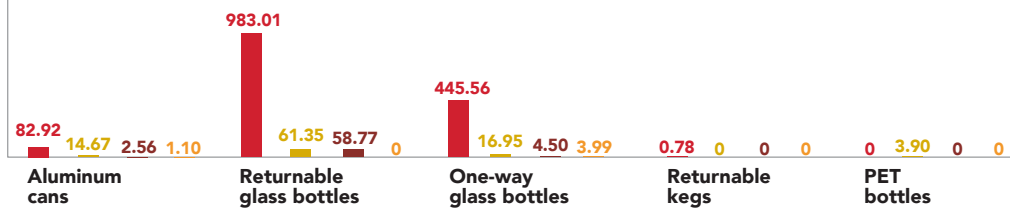


Primary packaging by market

China South Korea India Vietnam

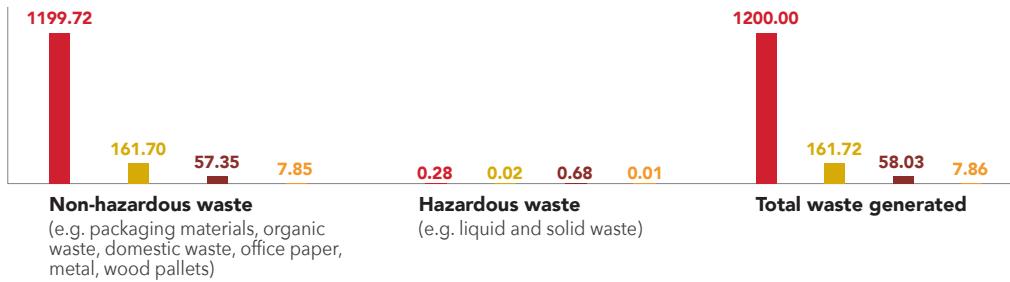
Packaging type

Unit: '000 tonnes



Waste type

Unit: '000 tonnes



Waste route

Unit: % within the market



Environment: Realizing our 2025 Sustainability Goals

Our Approach

We work to minimize waste generated at each stage of our packaging life cycle. Our **Packaging and Waste Policy** guides our operations to avoid redundant consumption, select sustainable alternatives and properly reuse and dispose materials. We believe collaboration with our stakeholders is fundamental to achieving full circularity and we work closely with our suppliers to promote innovative circular concepts.

Our annual Champion Program has a long history in our business and embeds with our commitment to constantly rethink our packaging. The Champion Program that took place in October allowed us to share, discuss and implement new cost-effective and sustainable solutions.



Packaging design

We design our packaging to optimize the use of materials and we source materials that are recyclable, returnable and/or contain recycled contents. To achieve our goals, it is important we engage with suppliers and local authorities to increase the use of recycled contents in food-grade packaging.

Highlights

Returnable packaging

Adopting circular options, such as returnable bottles, reduces GHG emissions and drives more sustainable consumer behavior.

49.1% of our beverages are sold in returnable glass bottles that can be reused up to 100 times.

Lightweighting

We work closely with our suppliers to lightweight our bottles and cans in each of our markets.

Recycling contents

With a focus on reducing the need for virgin materials where possible, we have developed new technology to achieve 90% recycled content in our glass bottles in China.

Manufacturing

We have procedures and guidelines in place to optimize the manufacturing process by minimizing the generation of waste from packaging wherever possible.



Optimum waste reduction in our production plants.

Highlights

Minimizing waste generate onsite

We adopt green procurement practices to reduce waste at the source by eliminating single-use materials and supplies. We also optimize our operations to minimize waste generation while maximizing opportunities to repurpose waste.



Logistics and retailing

We utilize innovative secondary and tertiary packaging, such as recyclable shrink film and paperboard, and reusable wooden pallets, which facilitates the handling, logistics and distribution of beverages.

Highlights

Recycled secondary and tertiary packaging

We work with Craste, a company transforming abundant agricultural waste into high quality food-grade packaging. Similarly, our partnership with Erthos helps us to replace single-use plastic keg caps with a plant-based alternative.

Consumption

We use social marketing campaigns and product labelling to educate our consumers about the importance of recycling and are exploring more ways to support the recovery of packaging.

Highlights

Corona Plastic-free Challenge

Corona teamed up with Blue Ribbon, the top ocean conservation group in China, to launch a campaign on Ocean Day to advocate for plastic reduction. Corona has become the first global beverage brand with a net zero plastic footprint, recovering more plastic from the environment than it generates.



Our brands are committed to plastic reduction.

Post-consumer recovery

We work closely with key stakeholders in each market, including the government and collectors, to promote the recovery and reuse of packaging. We aim to create closed-loop business models to align related industries and collectively reduce our impact.

Glass bottle recycling

We have shortened the glass bottle return process in China by working with wholesalers to directly return bottles back to our glass supplier, where we collected more than 14,000 tons of cullets for them in FY21. This not only provides a stable source of recycled glass for our suppliers, but it also creates a more sustainable closed-loop recycling system.

Can-to-can recycling

Next year we will introduce a new system to provide our aluminum can suppliers with a reliable source of recycled cans collected directly from the community. We will work closely with local governments and stakeholders.

Waste-Handler initiative

In India, we have committed to support our suppliers' pilot initiative which aims to increase the collection and recycling rate of used cans thereby improving the livelihood of waste collectors and keeping valuable aluminum in the supply chain.



Environment: Realizing our 2025 Sustainability Goals



We operate a Zero Waste approach in our Taizhou brewery.

Case Study

Zero Waste Brewery in Taizhou, Zhejiang

In May, the Department of Ecology and Environment of Zhejiang Province introduced a pioneering “Zero Waste” guideline. This guideline hinges on eliminating waste at the source and increasing onsite circularity through material innovation, technological upgrades and process transformation.

Our Taizhou brewery has become the first “Zero Waste” brewery in APAC, demonstrating an advantageous balance between both environmental and economic benefits. Our threefold zero waste approach emphasizes:



Our onsite biological treatment plant treats sewage.



1. **Reuse of water:** Our onsite biological treatment plant treats sewage. Part of this reclaimed water is reused in the non-brewing process and the excess is used for firefighting water storage and irrigation. More than 84,000 tons (over 11%) of treated water is reused onsite, which also saves operation costs.
2. **Reuse of intermediate products:** We see the intrinsic value of products and are exploring the repurposing of waste into useful materials. For example, we have recycled over 22,000 tons of spent grains, 6,000 tons of waste glass and 6,600 tons of wastepaper in our production and operations.
3. **Reuse of effluent:** Our treatment plant generates effluent sludge as a by-product, which is then converted into agricultural feedstock. We have repurposed more than 4,000 tons of effluent sludge, saving nearly RMB420,000 (approximately USD66,000).



Agricultural feedstock converted from our effluent sludge as a by-product.

With our success in Taizhou, we plan to progressively rollout Zero Waste in our breweries across the APAC region.

Looking Forward

We will continue to pilot initiatives and work closely with our packaging suppliers to drive lightweighting, returnability, recycled contents and recyclability of our packaging. We will leverage our expertise to influence local governments to support the use of recycled materials in food-grade packaging and recyclers to improve recycling rates. To extend our efforts on secondary packaging and post-consumer waste we seek to transform public attitudes towards waste and circularity.



Environment: Realizing our 2025 Sustainability Goals



Brewing quality beer starts with the best ingredients, and we can only enjoy the best ingredients if we work hand in hand with the farming communities to advance agricultural development. We are working diligently to apply our framework of “skilled, connected and financially empowered” to support farmers in improving their resilience against extreme weather events and achieving long-term sustainable livelihood.



Terry Yao
Procurement Director
Sustainability & Smart Barley
APAC

Smart Agriculture

UN SDGs	Disclosure Items
	GRI 308 HKEX A3
ESG Topics	
Biodiversity conservation • Community engagement	

with economic activity, biodiversity is declining at an unprecedented rate. Biodiversity loss is now considered an existential global threat and can pose far-reaching economic risks⁶. Therefore, it is critical that we promote sustainable agricultural practices with our farmer suppliers to promote healthy ecosystems and build a self-sufficient agricultural supply chain. With a farmer-centric approach, we aim to upskill and financially empower our farmers to improve agriculture at scale.

Our Ambition and Progress

A vital part of growing Bud APAC’s business sustainably for the next 100+ years is to preserve critical ecosystem services and the availability of raw materials and natural resources such as barley, hops, and water as our production and operation rely heavily on them. As we continuously aim to minimize our environmental footprint and maximize opportunities to protect ecosystems, we published our **Biodiversity Policy** in FY21.

Why it Matters

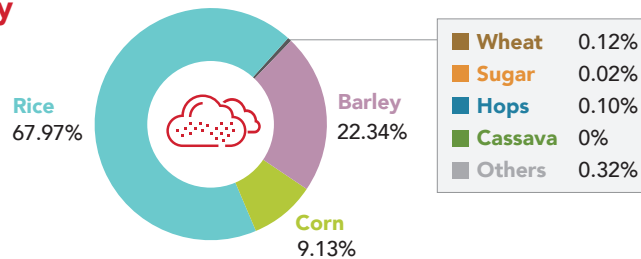
Biodiversity supports unique ecosystem services that benefit the health of the environment, water quality and agricultural practices to sustain our operations and also human wellbeing. Due to climate change, habitat degradation, excessive agricultural land use and the exploitation of natural resources associated

Our Goals and Targets:	Current Progress:
100% of our direct farmers are skilled, connected and financially empowered by 2025	<ul style="list-style-type: none"> On track 100% of our direct farmers are skilled, 100% are connected and 99% are financially empowered

⁶ World Economic Forum Global Risk Report 2021: https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf

Our Footprint

GHG emissions by commodity



Our Approach

Soil program

We are building a soil health framework to support our farmers as well as promote biodiversity, water quality, and sequester GHG emissions. As we provide our farmers with the practices and tools they need to understand and improve the quality of their soil, it is important that we stay connected with them to effectively gather insights and tailor recommendations.

Highlights

India

Our internal experts piloted a soil testing initiative with a select group of farmers, and observed significant improvement in quality across key performance indicators. In the coming year, we anticipate a five-fold increase in the number of farmers we work with, providing a greater opportunity to share learnings from our pilot initiative and best agricultural practices across the sector.



Our Smart Agriculture program is based in the states of Haryana and Rajasthan in India.



Environment:

Realizing our 2025 Sustainability Goals

Biodiversity program

Biodiversity loss impacts soil composition and water quality. Both factors affect the yield and quality of crops that we source. We want to better integrate biodiversity strategies across our supply chain. That is why we work with external partners to develop a standardized approach that can be tailored for each market.

Highlights

In October, we attended the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (“COP15”) held in Kunming, China. We are dedicated to integrating biodiversity into the modernization of the beer industry.

Smart agriculture program

We strive to continuously improve our products and we are one of the few brewers in the market that has committed to breeding better-quality malting barley. Through our barley programs we focus on enhancing the quality of local products.

Highlights

China

We aim to keep our supply chains short and, since 2016, we have worked closely with the Jiangsu Nongken (“JSNK”) Group to evolve the local barley industry.



We work with local farmers in Jiangsu Province that know their produce and provide us with quality barley.

In FY21, we successfully harvested 25,000 tons of locally grown barley to brew our Chinese brand BBOSS Beer. Our localized farming procurement and brewing process has benefited 4,000 local growers, driving economic development and reducing GHG emissions in the supply chain.



Our BBOSS Beer is brewed with 100% locally sourced barley.

India

Our Smart Agriculture program, based in the Indian states of Haryana and Rajasthan, focuses on driving empowerment and increasing connectivity among our farmers. We do this in two main ways that embrace collaboration and technology:

1. Training

We regularly collaborate with the Indian Institute of Wheat and Barley Research (“IIWBR”) and the National Skill Foundation of India (“NSFI”) to upskill our farmers. Partnering with India’s premier wheat and barley research institute for farmer skilling, we successfully conducted 30 training workshops focused on agronomic principles, farm mechanization, disease and pest management, harvesting and storage among others. In total we reached more than 1,100 farmers. The IIWBR directly trained our farmers for the last two seasons, and going forward our Smart Barley team will train the farmers directly.

To drive continual improvement in barley production, we worked in partnership with NSFI on barley cultivation and on-farm Responsible Sourcing Practices (“RSP”) initiatives with a focus on Farmer Health & Safety and Women Empowerment. 100% of our farmers received relevant trainings, and we established the first self-help group for women in Farukh Nagar near New Dehli. Our Field Officers also met with each farmer at least five times amounting to more than 4,500 visits during the year.



2. Technology

100% of our direct farmers are registered on the digital platform KisanHub. The platform allows our field team to record data digitally, and send real-time crop management communications to farmers to help them make informed decisions. The farmers can raise any concerns directly via the app and we are able to send them timely updates regarding procurement and other topics.

We also use assurance technology to guarantee that the barley purchased from our farmers meets our quality requirements. In FY21, 100% of the barley procured from our farmers met quality specifications.

Indoor hops farming project

Each year, we import large quantities of high-end aromatic hops for our local brands in China. To save costs, ensure a consistent supply, and shorten our supply chain, our objective is to grow flavorful Cascade hops using local indoor farms, and look to develop similar scalable and sustainable long-term initiatives in future.



Cascade hops, a key ingredient in our iconic Goose IPA, growing in China's first indoor smart hop farm.

Highlights

China

We grew hops in a greenhouse and the results were significant. We used 80% less water, 90% less land and 95% less shipping fuel. We will continue to develop this program and explore innovative ideas such as spent grain-based soil and experiment with flavors.



Celebrating global IPA month, we unveiled our new hop farm for our very first hop harvest.

Looking Forward

We will continue digitalizing the supply chain to connect with our direct farmers and developing trainings to instil sustainable farming practices. This will help to support their financial empowerment – a long-term goal of ours. We will amplify our efforts placed on local sourcing and

developmental programs assisting farmers in growing their businesses and accessing the financial tools they need. We will increase the coverage of our soil testing program to maximize the potential of our farmers, support a healthy ecosystem and, ultimately, promote biodiversity.



Value Chain: Thriving with our Partners and Communities



Overview

Our business strategies are developed with our partners, consumers and communities in mind to ensure that we create shared value for all our stakeholders along the value chain. We believe that operational excellence is dependent on sustainable and socio-economic development, therefore we are committed to identifying, understanding and making decisions based on the social and environmental context in which we operate across APAC.

Our new craft brewery and the expansion of the existing brewery in Putian will become the largest brewery in volume in Asia. We will cater to the discerning needs of our consumers in premium and super-premium products while sustainably building a state-of-the-art brewery.



Wang Huanan
Putian Brewery Manager

Supply Chain Management

UN SDGs	Disclosure Items
	GRI 308, 412, 414 HKEX A3
ESG Topics Human rights • Value chain management	

are working hard and closely with our suppliers to tackle the emerging challenges and think sustainably and responsibly. This has become more critical as the prolonged global pandemic affects every continent. In APAC, we source from up to 209 tier 1 (direct) suppliers to deliver the drinks that our consumers know and love.

Why it Matters

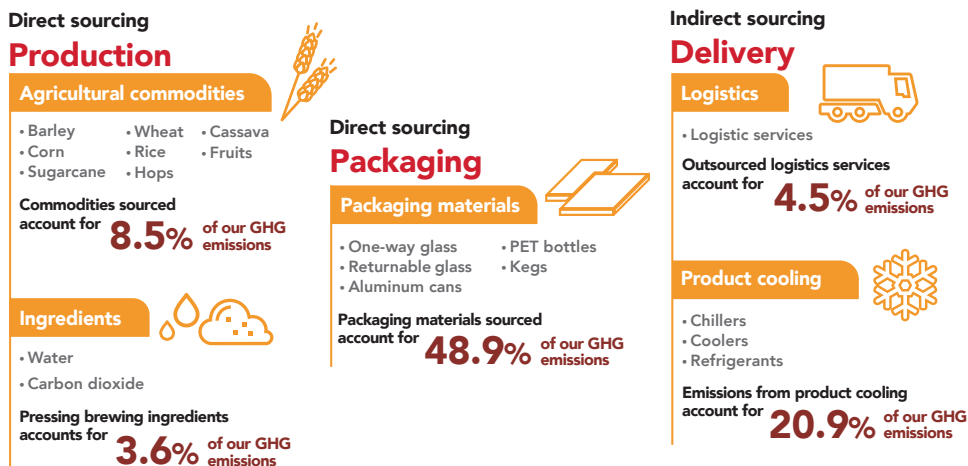
The production and delivery of our beer depend on a global supply chain of high-quality agricultural commodities, ingredients and packaging materials. Variables associated with climate change, combined with the spotlight on labor issues, are putting increasing pressure on our complex supply chain. Therefore, we

Our Ambition and Progress

Managing a complex supply chain is never easy and we aim to encourage our suppliers to help minimize environmental impacts, protect human rights and improve economic stability. We promote these values with our suppliers, business partners and the surrounding communities in order to make the world more sustainable.

Our Footprint

Key goods and services that we source directly and indirectly:



Value Chain: Thriving with our Partners and Communities

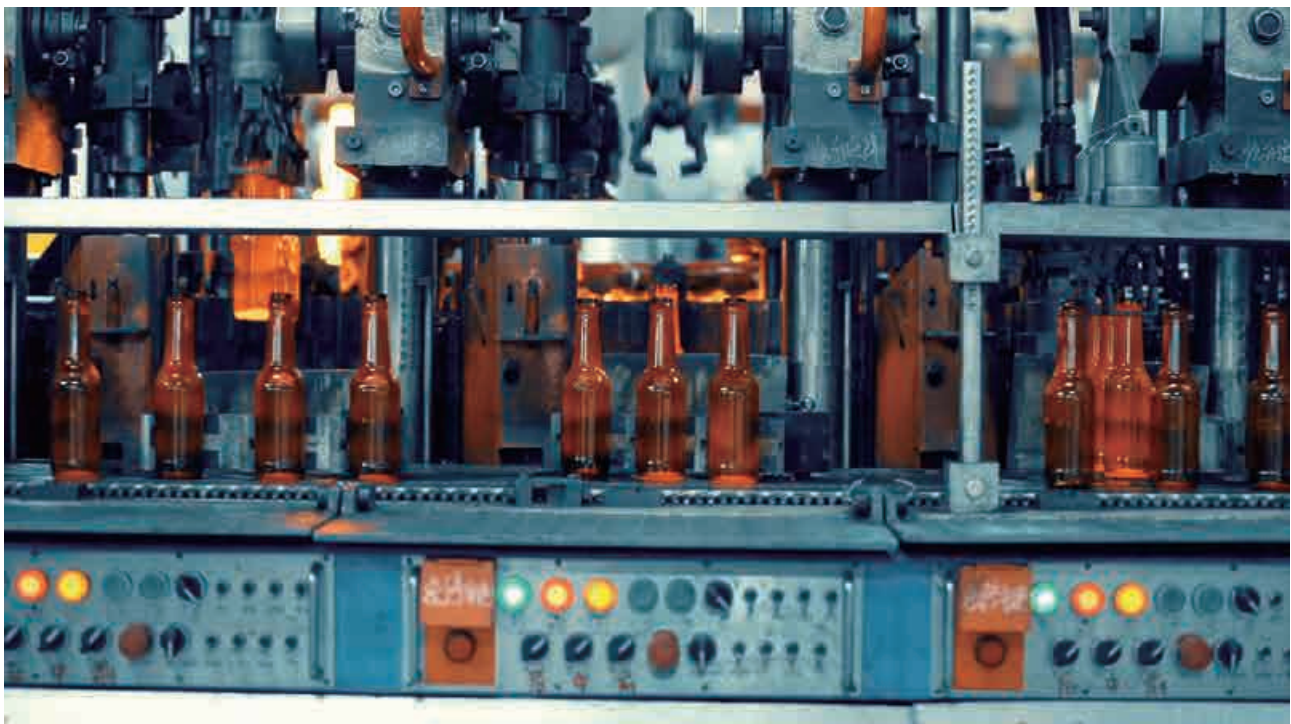
Our Approach

Responsible Sourcing

Responsible sourcing is integrated into our supply chain practices. Through communicating our expectations and cascading our stringent requirements to suppliers, vendors, agents and contractors (“Business Partners”), we ensure a supply chain that is free from non-compliance and promotes responsible social and environmental practices.

We require all suppliers and business partners to follow our **Responsible Sourcing Policy**. We also have an **Anti-Corruption Policy** specifically for our suppliers and a **Human Rights Policy** that directs our operations along our value chain, covering our suppliers and contractors.

Policy and procedure	Expectations
Responsible Sourcing Policy	Business partners should ensure their operations and practices support our approach and commitment to upholding human rights, labor standards, health and safety, environmental management, and business integrity. We require suppliers and business partners to commit to setting relevant targets, including GHG emissions, recycled content and water usage.
Supplier Anti-Corruption Policy	Business partners should ensure their directors, officers, employees and agents comply with our anti-corruption practices.
Human Rights Policy	Business partners should ensure their operations and practices support a commitment to respecting human rights. Our business partners are required to respect the need for workers to have a balance between work and leisure. Working hours and overtime must comply with applicable wage, working hours, overtime and benefits laws and regulations and local labor agreements.



We work closely with our Business Partners to build a sustainable supply chain.



Supplier assessments

On an annual basis, we assess existing direct and critical suppliers⁷ based on compliance with laws and regulations, financial performance and ESG-related issues (such as child or forced labor, freedom of association, collective bargaining, occupational health and safety and environmental initiatives) that are addressed in our **Responsible Sourcing Policy**. In addition, we assess the legitimation and other basic registration requirements of potential new suppliers before tender invitation.

In FY21, we have assessed:



We offer training and guidance for suppliers and business partners to support effective compliance with our policies. For instance, in FY21, we conducted two training sessions to reinforce practices to uphold cyber security standards. Following the training, we conducted surveys to evaluate suppliers' current practices and observe any risks related to cyber security. Findings from the survey were recorded for us to identify suppliers with higher levels of risk and form corrective plans with suppliers to improve their practices.

Supplier collaborations

Our supplier engagement programs vary from one location to another as we acknowledge the different local contexts and needs of suppliers. We have launched Supplier Strategic Allianz ("SSA") and Vendor Strategic Allianz ("VSA") programs with direct suppliers to address critical challenges that they face and share benefits from our joint initiatives. In FY21, we conducted six training sessions to share the knowledge of sustainability and GHG emissions, to improve the awareness of our key stakeholders. In our effort to drive change and provide incentives, our ongoing engagement with our packaging suppliers to minimize their environmental footprints has paid off.



Our glass suppliers play a fundamental role in our sustainability journey.

⁷ Our supplier assessment focuses mostly on tier 1 suppliers that we source directly from and critical suppliers that contribute to our top procurement spending.



Value Chain: Thriving with our Partners and Communities



Solar Panel in Huaxing Zhejiang plant.

Case Study

Climate Action Together – Implementing Solar Power Project within our Largest Glass Supplier

Huaxing Group, our largest glass supplier and strategic partner, is currently transitioning towards generating electricity from renewable sources in support of our renewable energy (“RE”) strategy.

Huaxing Group kick-started its action plan to incorporate solar power as a key energy source in March with its Zhejiang plant implementing its first onsite solar project, resulting in both environmental and economic benefits. Huaxing Group then expanded the solar project to seven other plants, which will cover approximately 311km² of rooftop area in total. This entire solar project will

contribute 28 million kWh of self-generated electricity, saving more than 21,000 tons of GHG emissions each year.

Looking Forward

As the world adjusts to the social and economic impact of the pandemic, we are committed to managing sustainable supply chains with the capacity to adapt swiftly to emerging challenges and unanticipated changes. To do so, we will deepen our dialogue with suppliers to plan ahead, supporting each other into the future.





Encouraged by the achievements and benefits of Bud APAC's RE100 strategy, we embark on our renewable energy journey.

Chen Wei
General Manager of Central Marketing Center
Guangdong Huaxing Glass Co., Ltd



Sustainable Expansions

UN SDGs



Disclosure Items

GRI 201, 417

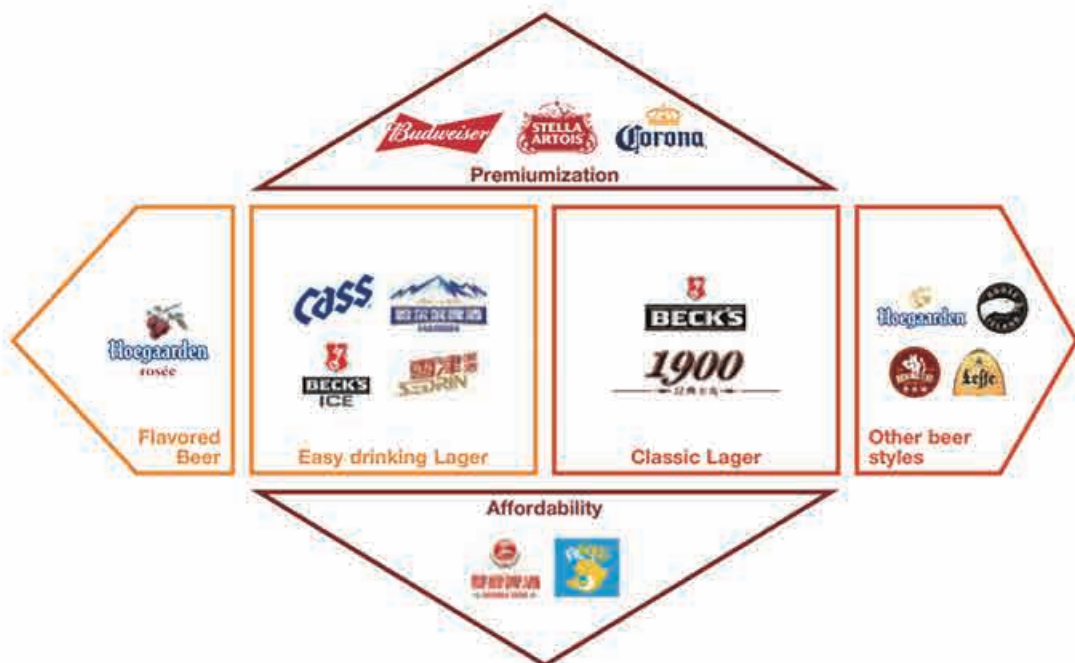
Why it Matters

People are exploring more diverse ways of enjoying beer and other beverages, which results in greater demand for more premium products. As we are passionate brewers grounded in a consumer-first mindset, we evolve and expand beer choices to meet changing needs and desires across markets. APAC markets represent some of the

largest beer-consuming geographies worldwide, and we are in a favorable position to capture new opportunities, lead category growth and, more importantly, create long-lasting shared value.

Product Portfolio

With over 50 brands and countless beer varieties, we are confident in our ability to cater to the preferences of our diverse customer and consumer base across markets. Through premiumization, innovation and digitalization we are constantly expanding and shaping our brands. To drive efficient growth, we use a market maturity model to analyze the market and respond to our consumers and stakeholders.



Value Chain: Thriving with our Partners and Communities

Our Approach

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

The non-alcoholic beverage market is rapidly emerging, and our portfolio offers more than 80 NABLAB products to support consumer choice. Budweiser 0.0, Cass 0.0 and Hoegaarden 0.0 are some of the alcohol-free brews that provide beer lovers an option to enjoy the same taste of regular beer minus the alcohol. No-alcohol beer contains 0.5% alcohol by volume (“ABV”) or less and low-alcohol beer contain 3.5% or less. We also offer a selection of light beer that are low in calories.



Cass 0.0 is a crowd-pleaser in South Korea.

Highlights

We continued to expand the launch of our NABLAB products in APAC as they are becoming increasingly popular.

South Korea

OBC successfully introduced its first non-alcoholic beer, Cass 0.0, and online sales from the e-commerce channel “Coupang” surpassed 2 million cans within 8 months. We also launched two flavored low-alcohol beers, Hoegaarden Botanic and Hoegaarden Pomelo.

India

We launched Budweiser Beats, our first energy drink in India, underscoring our commitment to offer more choice. Budweiser Beats seeks to disrupt the existing energy drinks category and to further complement the evolving lifestyles of consumers in the country.



Contemporary packaging pays homage to Budweiser’s heritage.

Premium product offering

An increasing number of consumers in certain markets are looking to high-end products and, compared to wine and spirits, beer is at a relatively early stage of premiumization. We are leading the Premium and Super Premium beer segments in APAC and with a commitment to capture and accelerate the fast-paced growth of high-end beer.

Highlights

With a diverse Premium and Super Premium beer portfolio, we were well positioned during the on-going pandemic to leverage this upward shift in consumer preferences across APAC.

China

Driven by a growing consumer market and to support Premium volumes, we invested in Putian, Fujian Province, to build a new craft brewery in the city. The new craft brewery will make Putian site reach 20 million hl in total capacity and is expected to be the largest brewery site in Asia.

The brewery already stands as one of the most technologically-sophisticated in the world with a range of cutting-edge technologies. For example, Putian brewery is the largest grid connected distributed photovoltaic plant in the city and also in the beer industry across China. The brewery can remove 13,000 tCO₂e, the equivalent of planting 1.2 million trees, and leverages a heat recovery and secondary utilization system that reduces 60,000 tons of steam annually.

While the investment in the new craft brewery will provide discerning consumers with more diversified high-end beer options, it is also consistent with the Bud APAC 2025 Sustainable Development Goals and our commitment to sustainable development.



Our new craft brewery in China will drive Premium growth opportunities.



South Korea

We launched Korea Brewers Collective (“KBC”) with an aim to meet the rapidly changing market trend and we successfully developed a series of craft beer contributing to the domestic craft beer market.

Demonstrating our development of higher end products, our products Cass Fresh, Cass Light, Cass 0.0, and Hanmac were awarded the “Superior Taste Award” from the International Taste Institute (“ITI”). As the only Korean brewer and brands to receive the award, our products were recognized for their quality in the global market.



Culinary experts from prestigious associations around the world recognize the quality of our Cass products.

India

As Budweiser continued to fuel the Premium segment growth, we continued to expand our Super Premium portfolio including Corona and Hoegaarden.

Southeast Asia

Hoegaarden led the Super Premium beer brand in Thailand showing strong momentum in premiumization in APAC.

Innovative product offering

A significant driver of our growth strategy is the launch of new beer varieties. Product innovation enables us to shape and cater to the needs of our existing consumers whilst also capitalizing on new opportunities in flavored craft beer.

Highlights

The development of our fruit flavored products expanded our portfolio and successfully attracted beer lovers with a fruity twist.

China

We brewed Corona Sea Salt Guava, an innovative beer that uses guava flavors and sea salt to further expand the high-end beer market. However, among the fruit beer that we launched, Budweiser ME-X, a mixed-fruit-flavored beer, achieved three times higher net revenue (per hl) compared to Budweiser Classic.



Corona has a refreshing new flavor.

Southeast Asia

Building on the success of Hoegaarden Rosé in Thailand, we launched limited edition Hoegaarden Peach from concept to market as a teaser for 100 days. Due to its popularity, it is now a permanent part of the Hoegaarden brand.



Value Chain: Thriving with our Partners and Communities

Beyond Beer

We are a consumer-centric company and consumers are exploring diverse beverage offerings and looking to drink more premium products. Providing premium Beyond Beer offerings to consumers increases the number of occasions, relevancy and strength of our overall beverage portfolio that offers a wide range of choice for consumers.

Highlights

Through consumer insights, we captured growth from Beyond Beer products and appealed to a diverse market.



Red Bull complements our growing product-line up consolidating our premiumization strategy.

China

We began our exclusive distribution of Fireball Whisky, further consolidating our premiumization strategy and enhancing our growth with wholesale business partners. Our new strategic partnership with Red Bull China offers consumers more product choice and complements our existing portfolio. Mike's Hard Seltzer continued to shape the Ready to Drink ("RTD") category.



Fireball Whisky alongside Buffalo Trace, Southern Comfort and other premium spirits elevate our Beyond Beer portfolio.



The original hard lemonade and the iconic flavor of Mike's.

South Korea

The launch of our canned wine, BABE, and canned cocktail, Cutwater, gained the attention of influencers and trend leaders.



This BABE's for you.





Every year, our China Growth Meeting inspires employees to embrace change and take smart risks.

Case Study

Be Bullish, Power Up the Growth

The theme “BE BULLISH, POWER UP THE GROWTH” was at the forefront of our three main growth engines – Premiumization, Digitization and Expansion. We introduced this theme in FY21 and organized two main events around it.

During the two-day China Growth Meeting with employees in March 2021, we presented our key strategic pillars to employees. Internal and external speakers delivered talks on topics such as digital consumer trends providing useful insight, while interactive training sessions engaged employees and inspired them for the year ahead. We also launched our Beer Lover program, an extensive e-learning training, enabling all employees to become beer experts.

The Budweiser China National Sales Convention in April allowed us to share our business strategy with our wholesalers from across China. As our partnership with wholesalers is one of our key strategic pillars, we awarded our wholesalers, shared initiatives on how to improve operational efficiencies, and shed light on new consumer trends.



We are a company of owners who lead by example.



Value Chain: Thriving with our Partners and Communities

Innovation and Digital Transformation

Not only do we seek product innovation, we also embrace digital innovation and transformation. Digitalization allows us to better connect with and understand our consumers, customers, and our employees. As the

prolonged COVID-19 pandemic has firmly shifted consumer patterns and rooted e-commerce habits, we aim to harness and commercialize the power of data and technology to leverage new opportunities.

Consumers

Social media

allows us to engage with our consumers despite the ongoing COVID-19 social distancing restrictions

- Our “Let’s Grab a Beer” campaign brought people together digitally with the aim to spread positivity during the lockdown in Vietnam

E-commerce

facilitates increasing online consumer shopping habits

- Budweiser ME-X ranked number one in sales of the Tmall F&B category during the online 618 Shopping Festival in China

Merchandise

incorporating product innovation features gleaned from consumer insights delivered differentiated experiences and led consumer trends

- Cheers & Goods, an online merchandise sales platform, was launched in South Korea

Metaverse

initiates a new era of commercialization

- Ha Jiang, a virtual hip-hop celebrity, became the first metaverse spokesperson for Harbin Beer in China

Customers

E-commerce

forges new routes to market and facilitates ordering from our stores

- Through platforms such as BEES⁸, our global e-commerce solution, we have opportunities to efficiently accelerate our growth and build on our unique ecosystem
- BEES enabled our customers, distributors and retailers, to access business insights and seamlessly broaden their customer base during the COVID-19 pandemic
- OB Smart launched in South Korea provided our customers with a new easy-to-use online ordering experience that offers transparency, as well as attractive promotional benefits

Employees

New technology

streamlines our operations and allows our employees to better serve consumers and customers, while making work for them more comfortable and convenient

- One Master Data Management (“One MDM”) launched in China, providing a high-quality, and highly trusted master data service for all front-end applications such as sales, planning and procurement. One MDM facilitates both commercial and non-commercial business, and we plan to adopt the service across our operations in APAC
- Business Process Management 2.0 (“BPM 2.0”) has been developed as part of the digital transformation strategy. BPM 2.0 uses new technologies to build and transform strong digital business processes
- Bud Library is a new online platform in China where all employees can easily access policies, business operational processes and other relevant materials in one place, facilitating operational excellence
- I-People launched in China, a platform that integrates all people e-service and applications, improving employee experiences

Looking Forward

We are focused on long-term sustainable growth so that we can continue to serve our consumers, customers and employees. As such, we will harness existing infrastructure and steer our direction towards leading category growth. Our leadership is committed to new

ways to develop our business and create more value for our communities, and we are looking forward to making our process effective and efficient through new technology and innovation.

8 Launched at the end of 2019, BEES has transformed the traditional business to business (“B2B”) sales model. The platform is a means for retailers to fully embrace the advantages of digital tech in one place, turning customer issues into growth opportunities.





We believe that every experience with beer should be positive. As a leading brewer and a corporate citizen of our society, we take active responsibility to help reduce and prevent the harmful use of alcohol across our markets. Through our dedicated social and marketing campaigns, we are committed to educating the community about responsible consumption of alcohol, improving alcohol literacy and raising public awareness of smart drinking.



Craig Katerberg
Chief Legal & Corporate Affairs Officer
Bud APAC



Smart Drinking and Moderation

UN SDGs



Disclosure Items

GRI 416, 417
HKEX B6

ESG Topics

Product safety • Product labelling • Responsible marketing and consumer education • Road safety

Our Ambition and Progress

We want everyone to enjoy our products responsibly, therefore we apply our Global Smart Drinking Goals to provide consumers with transparent information and choice. We support the World Health Organization (“WHO”) target of reducing harmful use of alcohol by at least 10% in every country by 2025, and the ambition of the UN SDGs to strengthen the prevention of harmful use of alcohol globally.

As a pioneer in promoting Smart Drinking, we have been collaborating with public health experts since 2016 and introducing effective initiatives and measures to fulfil our commitment. We continuously aim to improve social norms, drinking cultures and road safety in markets around the world by working closely with different stakeholders, implementing responsible marketing campaigns and educating consumers.

Why it Matters

We take our commitment to smart and responsible drinking seriously, as we believe that drinking beer should be a positive experience. The misuse of alcohol is a serious health concern globally and it is our duty to help reduce harmful use and support better patterns of consumption.



We launched a limited-edition Harbin NAB product, providing a smart choice to consumers in China.



Our employees in China, voluntarily walked to the streets, restaurants and liquor stores, promoting the no-drink-driving message to consumers.



Value Chain: Thriving with our Partners and Communities

Our Approach

Food safety

We undertake a system-based approach to promoting a rigorous food safety culture to ensure that our customers consistently receive high-quality and safe products. Over the years, we have adopted world-leading technology to help drive our dream to become the Most Loved High-Quality Growth Leader in Beverage. In April, the China Alcoholic Drinks Association awarded us “the First Prize of Science and Technology Advancement Award 2020” and “Special Award for Science and Technology Advancement of China Alcoholic Drinks Association in 13th Five-year Plan” for our achievement in driving technology and innovation in the brewing industry.

Management

- Implement policies and guidelines, including an internal **Food Safety Policy**, signed by our Chief Executive Officer and Chief Supply Officer
- Conduct training on product safety annually and when policies are updated
- Identify and manage critical control points

Systems

- Apply our Voyager Plant Optimization (“VPO”) system, covering all elements of ISO 9001 and FSSC 22000, at all manufacturing facilities
- Meet special requests from clients by obtaining the Global Food Safety Initiative/Hazard Analysis and Critical Control Points external certificates at selected sites

End-to-end monitoring

- Conduct an internal audit twice a year to ensure systems are operating as intended
- Organize regular traceability, recall, and compliance tests
- Employ food safety third-party audit and analysis

Social norm marketing

We use social marketing campaigns to promote positive behavioral change and influence social norms across our markets. Our brands share the same purpose and develop powerful campaigns to share our Smart Drinking ethos.

Collaborating with different partners, data and insights drive our social norm marketing to tackle alcohol-related issues, such as drinking underage, and the emerging risks associated with digitalization and e-commerce.

Highlights

Bud APAC supports the International Alliance for Responsible Drinking (“IARD”) global standards for online alcohol sales and delivery. A new global partnership between IARD and prominent online retailers aim to raise standards in alcohol e-commerce prevent sales to minors and reduce harmful drinking.

South Korea

Held the “Show ID” campaign ahead of the 2022 college scholastic ability test to prevent drinking among teenagers. “Show ID” campaign was conducted by distributing promotional materials encouraging restaurants to check customers’ IDs if they order alcoholic beverages. OBC distributed promotional materials such as “Show ID” posters, masks, aprons, and acrylic key rings to 100 restaurants in Samseong-dong area to actively promote underage drinking prevention.



Our brands work hard to eliminate the harmful use of alcohol.



Vietnam

To reach a large audience, we collaborated with the Voice of Ho Chi Minh People (“VOH”) radio to raise awareness of Smart Drinking under the theme “Because someone needs you”.



We explore different media channels to spread awareness.

Road safety

It is vital for us to raise awareness of the dangers of drinking and driving and our business advocates road safety through numerous initiatives to protect our consumers and communities. As we also have a significant operation of road transportation fleets, we promote road safety in the communities where we operate. Working with local partners helps to identify and implement programs where they will be most effective.

Highlights

China

We participate in the Traffic Safety Experiential Course, and the latest program in FY21 featured new

toolkits to improve traffic safety for children. We donated over RMB500,000 (equivalent to USD78,000) to China Children’s Press & Publication Group to raise traffic safety awareness through education providing 100 sets of Traffic Safety Education Toolkits, 730 “Traffic Safety Education Magic Boxes” and 5,000 reflective vests which covers all Hope schools.



Children from Hope Schools across China learn about road safety.

In December, celebrating the 10th “National Traffic Safety Day”, we were awarded the title of “Road Safety Public Service Partner in Shanghai” by the Shanghai Public Security Bureau Traffic Police General Brigade for the seventh consecutive year. We also attended the “2021 National Responsible Drinking Awareness Week” held by China Alcoholic Drinks Association (“CADA”) and launched local campaigns in 30 cities.

India

We launched the “Management Practices for Safer Roads Toolkit – The Virtual Immersive Experience”, an interactive tool based on improving existing road infrastructure for the benefit of all road users, especially the most vulnerable. We received global recognition for road safety best practices and received USD50,000 from AB InBev Foundation to scale up road safety interventions and replicate best practices from the city pilot, Safer Roads for Gurugram, in other regions.



Value Chain: Thriving with our Partners and Communities

South Korea

We have partnered closely with the Korea Road Traffic Authority (“KoROAD”) since 2016, promoting stricter road safety enforcement. During the “5th Award Ceremony for Dedicated Polices of Drunk-Driving Prevention” to reward officers for their contribution to help eliminate drink-driving, we received a recognition award from KoROAD for our Road Safety programs’ positive impact on the local community.



We truly appreciate officers for their powerful work to protect our communities.

OBC joined the “Road Safety for Children Relay Challenge”, raising awareness of road accidents in “Children’s Safety Zones” and increasing public support to put children’s safety first. We launched a “Smart Pledge Campaign for New Drivers” to inform new drivers of the dangers of drunk-driving and instill safe driving habits.

Vietnam

We collaborated with the local government to launch a Road Safety program. The campaign instilled awareness of Smart Drinking, the Road Traffic Safety Law and the dangers of drink-driving, as well as paving the way for future activities with central government agencies.

Consumer education

By providing our consumers with information and options we can support them to make a smart choice to drink responsibly. NABLAB is fundamental to advancing our Smart Drinking Goals and reducing harmful consumption. Our NABLAB portfolio consists of over 80 high-quality products that cater to better patterns of alcohol consumption, and we aim to have a portfolio with at least 20% NABLAB volume by the end of 2025. We will continue to develop our marketing strategy to educate consumers about their NABLAB options.

Highlights

India

We secured USD12,500 from AB InBev Foundation to implement a large-scale Responsible Beverage Service (“RBS”) program, for the first time. RBS is a training program designed to help alcohol-serving staff reduce excessive alcohol consumption and other alcohol-related harm.

South Korea

The “Smart Choice with Cass 0.0” campaign and the “Cheer up Mom & Papa with Cass 0.0” campaign together received over 7,500 story submissions from consumers, encouraging them to drink responsibly and promoting that they always have a choice with NABLAB.

Product labelling

Transparent information is fundamental to increasing alcohol health literacy and ultimately promoting our Smart Drinking Goals. We provide clear product information that allows consumers to make informed choices about how to enjoy alcohol safely and in moderation. We frequently collaborate with public health experts, governments and other partners on improving product information and enhancing alcohol literacy.

Highlights

Our voluntary guidance label project in APAC enables us to share health information via packaging labels and secondary labels in markets where mandated government labeling is not implemented, and where it is permissible by local regulation. Aiming to develop alcohol literacy, including advice on how to avoid harmful consumption, our use of guidance labels in APAC markets reached 100% by the end of FY21.



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





Our employees promoted smart drinking culture locally with the whole celebration lasting one full week.

Case Study

Global Smart Drinking Week

We evolved our previous one-day campaign into a “Global Smart Drinking Week”. The immersive week aimed to raise public awareness of the dangers of drink-driving and promote smart drinking.

In China, our employees joined forces with traffic police and carried out “Don’t Drink and Drive” campaigns. During the week, 2,553 volunteers participated, visiting 689 outlets to promote smart drinking and moderation. The campaigns integrated street culture with the aim to engage young people and turn the concept of zero drink-driving into an aspirational lifestyle. Our brand, Harbin Beer (“HAPI”), launched its Smart Drinking short film and revealed an exclusive Harbin no alcohol beer with brand ambassador Lay Zhang, a pop singer in China, to confront drink-driving behavior and pave the way for positive social norms among the younger generation.



As one of the first companies in China to embrace anti-drink-driving awareness campaigns, we have been working with public and private stakeholders for 14 years.

Looking Forward

We will champion Smart Drinking and Moderation through a sustained and unified commitment from our brands. To effectively advocate responsible drinking in APAC, we will evolve our social marketing campaigns to meet changing

social norms and behaviors across markets. Increasing alcohol literacy through voluntary guidance labeling will help empower our consumers and reduce the harmful use of alcohol.



Value Chain: Thriving with our Partners and Communities



Innovation is an essential driver in building a sustainable future. At Bud APAC, we are committed to exploring new opportunities and partnerships in our supply chain, empowering young entrepreneurs to find new solutions for their communities and creating a workplace full of dreams and innovative ideas.



Huang Huihuang
Zone Brewery Support Utility & Sustainability Director
APAC



Entrepreneurship and Innovation

UN SDGs	Disclosure Items
 	GRI 413 HKEX B5, B8
ESG Topics Innovation • Community engagement	

Our Ambition and Progress

We aim to make a positive long-lasting impression in our communities. Our business continues to work closely and collaborate with innovators to create business opportunities and to solve local sustainability challenges at the same time. As the rate and scale of disasters are increasing in APAC, we have progressed our commitment to effectively provide resources and support for emergency relief. For our response to the COVID-19 pandemic please refer to page 15.

Why it Matters

The success of our business is rooted in the communities in which we live and work. As we collectively face more challenging environmental and social issues globally, our business must support innovators and entrepreneurs to swiftly develop solutions and build a sustainable future. It is our responsibility to better understand how we can engage with our communities and grow together.



Our employees stand together with the local community.



We supported Vietnam's local development to make vaccines widely available.

We have maintained a strong focus on youth education for over a decade, helping to foster future generations and inspire innovation. Similarly, our business advocates environmental awareness through a variety of internal and external initiatives to build green communities.



Our Approach

Innovation

100+ Accelerator

Since its launch in 2018, we have been developing partnerships with entrepreneurs with the aim to accelerate sustainable innovation. We work with our corporate partners and third-party experts to identify pressing environmental and social challenges within supply chains. Through remote programming and mentoring from key experts, funding and access to new networks globally, we help successful applicants to bring their solutions to the market faster.



Powerful corporations working together can make meaningful and significant change.

Highlights

The Coca-Cola Company, Unilever and Colgate-Palmolive joined us to form the 100+ Partnership. We believe such collaboration is fundamental to a sustainable future.

Within APAC, we carried out pilots with five entrepreneurs.

- **Mi Terro** uses spent grain to produce packaging materials such as “Beer Waste Water-Soluble Film”. This circular model eliminates food waste as well as reduces plastic consumption.
- **Sunman** creates durable solar panels with the flexibility to be attached to curved roofs. The new design has the potential to make solar energy more accessible and economical in the future, with their lightweight solar panels which are 70% lighter than regular panels.

- **FreightFox** uses technology and data to create a near-real time Green Logistics Dashboard that delivers sustainable operations insights. The pilot revolutionizes green logistics and supply chains in India.

APAC Procurement & Sustainability Innovation Hub

Our local hub establishes an inspiring ecosystem that empowers entrepreneurs to drive change within APAC communities. We use our knowledge and expertise to help problem solvers on their journey to develop innovative solutions that not only help us in achieving our sustainability goals, but also the communities in which we live and work.



Rafiq engages his audience at the Demo Day in South Korea with the new concept of “Beer Cosmetics”.

Highlights

China

The Hub attracted 80 applications. After months of piloting with seven groups, four successful groups stood out.

- **Zhong Jing Gu** brings a boiler with thermal energy conversion efficiency of more than 100%. This boiler helps us to reduce production costs and to achieve carbon neutrality goals.
- **Vegatex** uses spent grain to produce an innovative and highly sustainable blend of vegan-based leather, which could be used in handbags, shoes, clothing and car seats.



Value Chain: Thriving with our Partners and Communities

Budweiser China Innovation Hub not only supports the development of start-ups, but also recognizes the student community. We co-organized a Campus Hackathon with the College of Smart Energy of Shanghai Jiao Tong University (“SJTU”) providing a platform for young innovators to turn their ideas into practice. The proposals involved a carbon capture air system, zero carbon factory solutions, and low carbon solutions for warehouse dehumidification.

South Korea

The Hub attracted 35 applications and we launched four pilots. During the Demo Day, the start-ups presented their results and proved high levels of progress.

- **Rafiq** develops cosmetics using brewers’ spent grain as the main ingredient. We awarded this “Beer Cosmetics” solution with a prize of nearly 20 million South Korean Won (“KRW”) (equivalent to USD17,000).
- **RE:harvest** uses our saved grains to make granola bars. After the successful launch of the RE:nergy bars in December 2020, we continued to work closely with the food-upcycling start-up to reuse our beer byproduct.

The Bud Challenge

An inter-university competition in both China and India allows students from all specializations to showcase bold and unique ideas. While inspiring students to think innovatively, we can also enhance our on-campus reputation and identify young talents.

Highlights

China

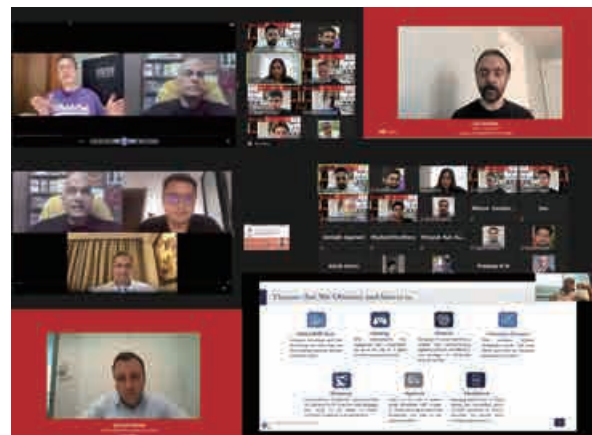
14 teams made it to the National Grand Final, and three finalist teams were fast-tracked to the final stages of our Talent programs. Throughout the process we offered internships to talented individuals.



Young innovators are the future of Bud APAC.

Beer Garage Accelerator Program 2021 – APAC Edition

Beer Garage Accelerator is an accelerator program with a focus on solving real-world complex business problems for AB InBev ecosystem across Global Fintech, APAC and Africa markets. We scouted for game-changers from all over the world who are willing to disrupt, put their talents to the test, and push the boundaries of innovation. Beer Garage successfully launched Global Accelerator Program 2021 on 23rd April virtually. We had great participation from start-ups, venture capitals, innovation enablers and thought leaders from across the globe in FY21.



Our Beer Garage Accelerator Program 2021 - APAC Edition.

Cohort 2021:

- **Cosmose** is an AI-driven location-based solution by leveraging sales tech and router network. It enables the field representatives to build geo fencing during visits and for the company clients to retarget consumers in geo fences.
- **Mai** provides a fully automated video shopping solution which allows consumers to employ AI computer vision technology & use personalization and e-commerce bidding systems to buy things online.



Case Study

Sustainability 100+

In India, we launched Sustainability 100+ to drive India towards achieving the UN SDGs. Through the online platform, we brought together entrepreneurs, policymakers, business leaders, NGOs and other industry-wide stakeholders to build sustainability thought leadership and incite collective action.

We ran a series of panel discussions, roundtables, and master classes over six months focusing on Bud APAC's environmental pillars. Participation from various stakeholders coupled with successful stories of change and innovation, brought a well-rounded perspective on each dialogue. Sustainability 100+ leveraged existing relationships, chartered new ones and created partnerships with key innovative and sustainable organizations.

- 34,618 people watched the Finale Summit live in October
- 18 TV episodes and 14 master classes were broadcast across social media channels and TV networks reaching millions of people
- 48 articles published on our online content hub received 1.26 million page views and 12 videos received 3.97 million views
- Total campaign impressions surpassed 100 million

After a successful first year, we look forward to expanding and growing Sustainability 100+ in the coming years.



Sustainability 100+ provided a platform to share best practices and inspire others to take action.

Case Study

Waste to Value - From Barley to Leather

Through our innovation hub, we partnered with Vegatex intending to transform our spent grain into leather. Vegatex is an innovative start-up that creates plant-based leather and provides us with an opportunity to realize the “waste to value” solution within our supply chain. By working together with local start-ups and entrepreneurs we can explore new approaches to upcycle and reuse our byproducts improving the sustainability of our operations.

In FY21, our partnership with Vegatex came to life with the limited-edition leather bags and cardholders made from our brewer spent grain. To launch this exciting showcase, the Company held a “From Barley to Leather” Charity Sale for our employees in China and all the proceeds were donated to the “Shanghai Dreams Come True Commonweal Budweiser Sustainability Foundation”.



Our partnership comes to life with this limited-edition bags for our Most Loved Budweiser People.



Value Chain: Thriving with our Partners and Communities

Community Support

Emergency relief

We work together with our communities to respond to disasters and be one of the first to provide essential aid such as clean drinking water. We bring people together and collaborate with governments, NGOs and communities to provide efficient and timely relief.



When disaster strikes in our communities, we know how to rapidly deliver emergency relief.

Highlights

China

Through our Budweiser China Emergency Drinking Water Program⁹, we delivered nearly half a million cans during the floods in Henan province. During the typhoon disaster in Zhejiang Province, we immediately delivered nearly 5,000 cans. When the epidemic broke out in Yunnan and Fujian provinces, we delivered total 20,000 cans. Nearly 10,000 cans were delivered within 13 hours after the earthquake in Sichuan Province. And over 70,000 cans of drinking water were delivered to the fire officers and soldiers during daily emergency rescue across the country.



We put our purpose into practice: "We Dream Big to Create a Future with More Cheers!"

South Korea

Through our OBC Water Donation, we delivered 28,440 bottles of water to vulnerable groups in Daegu and Gyeongsangbuk who suffered the most extreme heat in summer. We also donated care packages with "Smart Health Watches" and "Cool Arm Sleeves" to the 9th Infantry Division to facilitate soldiers in their daily missions despite difficulties during the pandemic and the summer heat.



During the hot summer OBC delivered over 28,000 bottles of water to help those suffering most.

India

In support of the local healthcare system, we equipped state governments with health and medical infrastructure to facilitate rehabilitation.



During the COVID-19 pandemic, we amped up healthcare support with essential aid kits to communities near our breweries across five states in India.

9 First launched in 2015, a program delivering canned drinking water to affected communities during disasters to relieve the critical problem of water shortages.





In India, we work together with local authorities to enable real change.

Youth support

We contribute to societal development by supporting young people in our communities. Our focus on poverty alleviation in education includes donating to and building schools, as we encourage students to be ambitious and to build a sustainable future with us.

Highlights

China

We staged 33 events in 29 Hope Schools¹⁰ nationwide. Over 6,000 volunteers participated and helped to deliver the “Safety Classroom Project” and “Mini Olympic Games”.

- The Safety Classroom Project, in partnership with China Children’s and Adolescent’s Foundation, provided schools with immersive safety experiences, safety treasure boxes and safety experience classrooms.
- Mini Olympic Games revitalized physical education as nearly 9,000 students at 27 Hope Schools explored different sports. We donated approximately 1,000 pieces of sports equipment including soccer balls and basket balls.

For the positive impact we have had in education, we achieved the important title of “CSR China TOP100” and “Best CSR Innovation Award” at the 5th Corporate Social Responsibility (“CSR”) China Education Awards. Our Sedrin brewery also received the “National Poverty Alleviation Advanced Collectives” award from China’s Central Government, recognizing its achievements in poverty alleviation.

South Korea

Through our OBC School Scholarships¹¹, we donated over 15 million KRW (equivalent to USD12,600) to support underprivileged students in their education. We opened the 9th Happy Library¹² in Bucheon, while OBC donated 376 books, employees also gathered an extra 300 books, cleaned and organized the facility, and conducted an English class.



Employee volunteers organizing over 600 books for the 9th Happy Library in South Korea.

10 An initiative to build schools across China since 2010. Employees regularly volunteer, replenish school supplies and organize a variety of cultural, sports and extracurricular activities. We have established 29 Hope Schools and aim to build one in each city where we have a brewery.

11 A fund for underprivileged students in Gwangju, the location of our Cass brewery, to support local talent through payment of tuition fees since 2003.

12 Starting in 2016, a local community project to renovate learning facilities and provide free educational materials and books for underprivileged children.



Value Chain: Thriving with our Partners and Communities

During the continued COVID-19 period, OBC and RE:harvest donated school supplies and RE:nergy bars to Gangnam Welfare Foundation to boost students' spirits. We launched #SaveRiceChallenge and through "Happy Alliance", a safety network for children, we donated healthy rice pound cakes to 1,700 children at risk of hunger in Seoul, Icheon and Cheongju, where OBC headquarters and breweries are located. The online campaign not only helped underfed children, but also supported local rice farmers.



A proud moment at the #SaveRiceChallenge donation ceremony.

Environmental support

As we implement environmental initiatives, we are committed to holding various internal and external campaigns that bring positive impacts to our local environment and communities.

Highlights

China

Working with local governments and agencies, we promoted environmental protection and water conservation to consumers through various events. On World Environment Day, over 6,000 volunteers participated in events promoting different concepts including turning waste into resources and, on "Tree Planting Day", 894 employee volunteers planted tree saplings helping to make the world a greener place.

South Korea

In celebration of World Environment Day, OBC employees took part in the Cass Barley Saved Grain ("BSG") Upcycling Food Festival. They had the opportunity to try RE:harvest BSG food items, such as ice cream and beer latte, and experienced food upcycling. It is part of our plan to expand the festival as an event for consumers in the future and add environmental and social value to our brewery co-products.



Our employees enjoyed delicious BSG products.

In April, the "XV World Forestry Congress" selected OBC as an exemplary company in the CSR category recognizing the Cass Forest of Hope¹³. During the "OB-Rang, College Student Supporters", OBC selected 20 students out of 253 applicants to work as "Eco Speakers" for three months. Our Eco Speakers actively worked on addressing and raising awareness of environmental issues in collaboration with Korea Green Foundation ("KGF"), producing over 1,000 pieces of creative social media content.



Our Eco Speakers shared their passion for environmental protection with the local community.

13 Since 2010, an environmental project to prevent desertification in Mongolia by planting trees, while also creating economic independence for environmental refugees through job creation.





Budweiser China Lime Project launched in 2019.

Case Study

Supporting Rural China

It is our mission to financially empower, upskill and connect the direct farmers who grow the ingredients used to brew our beer. It is a natural next step to expand our efforts to improve the livelihoods of local fruit farmers who are generally small, family-run businesses lacking financial stability.

In 2019, the **Budweiser China Lime Project** was officially launched in Anyue, Sichuan Province to help stimulate the local economy. Working closely with a team of experts and the local government, we have taken targeted measures to help underprivileged farmers lift themselves out of poverty. Seizing the opportunity of Corona's brand influence, we helped local farmers to launch the top-grade Anyue lime onto e-commerce platform, and enables our vendors to make lime purchase through it. By the end of 2021, we have helped Anyue Lime to achieve national supply, as sales exceeded 25,000kg. Looking forward, we will continue exploring lime cultivation, processing and other technologies to improve the lime quality, Anyue's rural vitalization and the sustainable development of the Corona brand.

In FY21, the project:

- Benefitted over 60 local farmers
- Increased per capita income by over USD1,000
- Transformed 30 acres of lime agricultural land

- Awarded as one of the “Outstanding Cases of Foreign Investment Enterprises Poverty Alleviation” by Shanghai Foreign Investment Association



Our lime harvest from our local farmers in Sichuan Province.



Value Chain: Thriving with our Partners and Communities



Lychee project through Budweiser Sedrin Lychee Beer, helping to solve sales stagnation problem and benefit farmers.

The **Sedrin Lychee Support Project** was launched in 2020 to support the lives of local lychee farmers in Fujian Province. A short harvest and poor-quality fruit preservation technology means the farmers only sell domestically, thereby facing problems such as sales stagnation. Sedrin, our local brewery, purchased 10 tons of lychees from the poor farming households to produce 30 tons of Sedrin Lychee Beer, an entirely new flavored beer.

In FY21, the project:

- Contributed to Sedrin brewery achievement of the prestigious National Award from China's Central Government on Poverty Alleviation.



Our lychee harvest through our project.

Looking Forward

“We Dream Big to Create a Future with More Cheers!” is our purpose and a commitment that we aim to fulfil every day. We will enhance the impact of our work through partnering with a range of stakeholders including experts, governments, NGOs, innovators and start-ups to find solutions to global sustainability issues and drive meaningful impact in our communities.



Dream-People-Culture: Cultivating our People

...big to Create a Future
...More Cheers



起牛势 制齐胜

2021
GROWTH
MEETING



Overview

We are proud to say that our greatest strength is our people. Our Company places its employees at the center of business and strives to provide a working environment that is safe, equitable and full of opportunity. It is our mission to be the employer of choice and we listen to our people to continuously learn and grow together. In FY21, Bud APAC became the first publicly listed company in the beer sector in APAC to sign the Women's Empowerment Principles, emphasizing our commitment to more inclusivity and a future with more cheers.



Dream-People-Culture: Cultivating our People




Bud APAC builds a workplace where employees are encouraged to take ownership and lead real changes. We empower our employees to live and work with passion and purpose and to create a #FutureWithMoreCheers.



Linda Qian
Chief People Officer
APAC



Employer of Choice

UN SDGs	Disclosure Items
	GRI 401, 408, 409 HKEX B1
ESG Topics	
Labor management • Talent attraction and retention	

Why it Matters

Beer has been bringing people together for centuries and we want to make sure this continues. At Bud APAC, dreaming big is an important part of our culture. We are building a profitable business where people are at the core of our success and recognized as our greatest asset.

We support our staff to do the best job they can and in a setting that celebrates diversity, values health and promotes wellbeing. We employ more than 26,000 colleagues across our markets, all united by the mission to brew great beer alongside an unwavering commitment to supporting the communities we call home.

We are pleased to announce that Bud APAC has been recognized as a Top Employer in China, India, and South Korea by the Top Employer Institute, recognizing the Company's excellence in delivering an outstanding employee experience.



**中国杰出雇主
CHINA
2022**

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS



**भारत
INDIA
2022**

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS



**대한민국
SOUTH KOREA
2022**

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Being recognized as Top Employer is a testament to our people, who are our biggest asset.



Our Approach

As a people-oriented business, our success depends on recruiting and retaining the best talent. Through our training and development programs we ensure a strong pipeline of talent that will deliver on our strategic objectives, whilst being flexible enough to adapt to change. There are three main avenues for our talent recruitment:

Focus	Programs and Approach
Graduate recruitment	<ul style="list-style-type: none"> • Our talent programs enable us to attract and develop a pool of diverse high-potential individuals to deliver outstanding results. We have multiple talent programs including 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 (“GMT”) is the Company’s flagship initiative, attracting thousands of applications across our business each year. The GMT program hires up to 40 of the most talented graduates from top universities annually and through an accelerated development program shapes them to become our future senior leaders. Typically, 70% of our GMT participants are female.
Recruitment of experienced managers	<ul style="list-style-type: none"> • Our global MBA (“GMBA”) program attracts the very best graduates from top MBA schools around the world into mid-management level positions. Colleagues in the GMBA program are assigned to strategic projects, where they apply their MBA knowledge and previous working experience to solve problems and create meaningful solutions.
Strategic external hires	<ul style="list-style-type: none"> • To ensure that we have new visions and leverage strength in diversity across the organization, we sometimes hire externally to add to our capabilities, skills and knowledge base. New talent from outside Bud APAC allows us to leverage new ideas and approaches, developing the best talent base within our culture of excellence.

During the recruitment process, we screen the identification documents of every new joiner to verify their age and work eligibility status before onboarding. This step helps us to eliminate any form of illegal and unethical labor, including child or forced labor, that may violate the basic rights of potential employees. In the case of any confirmed incident of unlawful employment or child or forced labor, we take immediate action to remediate the situation towards a responsible outcome, provide reasonable compensation and implement corrective and preventative actions going forward.

Additionally, we require our suppliers to strictly prohibit any child or forced labor in their operations. As stipulated in our **Responsible Sourcing Policy**, we enforce strict requirements to prevent non-compliance and safeguard the rights and working conditions of our supplier’s employees. Refer to our **Responsible Sourcing** section on page 56 for detail on our supplier compliance procedures.

Looking forward

As we aim to cultivate a business that lasts, we also grow a workforce that perpetuates our values and commitments. We will continue building a strong pipeline of talent through different means to attract, recruit and retain our people.



Dream-People-Culture: Cultivating our People



Female leaders have played a vital role in helping Bud APAC become the most loved high-quality leader in beverages. We will continue building a diverse workforce and ensure the empowerment of women and underrepresented groups across our different markets.



Tanushree Mishra
Senior Director, People Continuity
APAC



Diversity and Inclusion

UN SDGs	Disclosure Items
	GRI 405, 406 HKEX B1
ESG Topics Diversity and inclusion	

throughout the beer industry. Empowering women to unleash their potential to brew in a better world remains the top priority of our D&I agenda.

D&I Strategy

We have strengthened our D&I statement and strategy:

Our purpose is to dream big to create a future with more cheers. To achieve this, the Company must be an inclusive and diverse workplace. In particular:

1. We strive to be an inclusive workplace with equal opportunity for all. Everyone at Bud APAC should feel comfortable, confident and respected to bring their authentic selves to work every day and to grow at the pace of their talent.
2. We aim to make our Company as diverse as the communities we serve. We thrive when our colleagues, including our leadership, reflect the diversity of our consumers and customers, enabling us to create solutions with our brands and services to best meet their needs.
3. We dream bigger and better when we are together. We promote the diversity of teams and different perspectives that bring innovative ideas to deliver and transform our business.
4. As owners, we are all responsible for D&I. D&I must be embedded into how we think, behave, and operate. Everyone at our Company has the responsibility to champion an equitable workplace and root out discrimination of any kind.

Why it Matters

In recent years, the direct correlation between diversity and financial performance is becoming more obvious, and we understand that in many regions and settings women remain underrepresented. For us, promoting diversity and inclusion (“D&I”) is not just a social impetus or a financial driver, it is a way to celebrate, include and value our people. That is why we treat them fairly and equitably – regardless of gender, ethnicity, sexual orientation, or any other characteristics that make our colleagues unique.

Diversity Ratio and Highlights



Our Approach

We seek to create a culture in which all our people feel valued and supported to achieve their best. In pursuit of gender equality, we provide opportunities for women

Please visit our website to see our **Diversity & Inclusion Policy**.



D&I Dashboard

In addition to tracking the diversity ratio within our workforce, we have developed a D&I Dashboard for senior leaders to:

- Increase visibility of the diversity of their teams,
- Take actionable steps to build a pipeline of diverse talent,
- Build a culture to attract, hire, engage, develop and retain talent.

The purpose of this employee dashboard is to allow our leaders to understand the makeup of their team, better create an inclusive culture and use a tool to reflect, learn, grow and change. The dashboard provides visibility of their direct and second-line reports. Recommendations include observations around areas of improvement so they can engage more with a diverse talent pool and ensure that recruitment practices reflect our culture of diversity, inclusion and equity.

Women's Empowerment Principles ("WEPs")

In April 2021, Bud APAC became the first publicly listed company in the beer sector in APAC to sign the WEPs, a joint initiative between the UN Global Compact and UN Women. Becoming a signatory solidifies our commitment to empower and inspire women in the workplace and society, and to create a business environment where women can work, lead and excel in their careers. We are reviewing our practices and performance and implementing actions to enhance progress against the WEPs.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the
UN Global Compact Office



Women represent half of the world's population; however, women remain underrepresented in the global workforce. At Bud APAC, we recognize that we have a vital role to play in leading the way that we shape the culture of an inclusive workplace where everyone is valued. I am honored to have signed the UN Women's Empowerment Principles because at Bud APAC, we are committed to women's empowerment that fosters an inclusive workplace.

Jan Craps
CEO, Executive Director and Co-chair of the Board



Unconscious bias training

We provide mandatory training for all senior managers to help our colleagues learn about unconscious bias and how it can be potentially amplified during the new circumstances of a virtual world. The program also aims to enhance the awareness of hiring managers and create an inclusive culture that helps identify and eliminate any hidden biases in recruitment, development, promotion and other processes. It is a mandatory training for all senior leaders. In FY21, we delivered training to 352 employees.

Gender pay gap

In 2020, we reported that Bud APAC had an adjusted gender pay gap of -3% for women, which was calculated by Mercer, an independent, world-class compensation specialist. Mercer's methodology calculated the average gender pay equity by controlling the "legitimate" drivers of pay and creating segments of employees with the same factors, such as experience, performance, job factors, location and mobility, to determine if gender drives a pay difference.

We have since been executing our three-year remediation plan to close the gap, by targeting and improving our salary review process to prevent potential bias in our compensation decisions.

At the end of 2021, Mercer repeated the independent study on pay equity for Bud APAC. The results show that we have reduced the gender pay gap from -3% to -1%. This difference in adjusted compensation for women compared to men was not statistically significant. However, as it is important to demonstrate our commitment to pay equity, we will continue to execute our remediation plan to close the gap to less than -1% by the end of 2022.



Dream-People-Culture: Cultivating our People

Highlights

China

Gender has been the main focus of our D&I work, and a number of programs and initiatives have been held to support and develop women in the workplace. As a part of our employee welfare program, we are providing independent and comfortable facilities for breastfeeding women. A total of 49 **Mother and Baby rooms** can be found in our offices and other sites.

We developed a nine-month **ISTREAM Female Leadership** program to upskill female workers via regular training sessions and monthly cohort sharing. We aim to provide them with skills needed now and into the future. Recent topics covered by the program have included digitization and AI. We have also included training on environmental management and sustainability in the brewing industry, including the achievement of our net zero strategy.

We also partnered with the China Europe International Business School (“CEIBS”) Women’s Leadership Network’s **Female Leadership Forum 2021** themed “**Leading Without Limits**”. The event brought together academics, and industry executives in celebration of women in leadership.

In FY21, we conducted an employee engagement survey in which the D&I index reached a 93% score with significant (+3) gains compared to 2018. This further reiterates our strong commitment and continuous execution of a rounded D&I strategy.

South Korea

A list of intensive activities around D&I was held as part of the **Respect You Campaign** during the D&I Week in November. Events and training sessions were held as virtual roundtables and included talks and briefings from senior management. This was supplemented with cross-functional training and development activities emphasizing the role of communications and leadership capability in developing a D&I culture and celebrating diversity together. The campaign has been further supported with a D&I online library including e-learning courses and reading materials.

India

Our nine-month **Women Leadership Development program** engaged 22 participants to develop personal and professional skills. This program comprised a range of topics including understanding basic accounting principles, agile manufacturing and developing your own personal brand. Participants were also supported with mentors.

When opening our new brewery in Maharashtra in early 2020, we set out to achieve a **50:50 gender ratio on the shop floor**. As female representation in operations has been a big challenge in India, we worked towards providing best-in-class infrastructure and policies to foster inclusion. By working with educational institutes, parents and the local community, we educated them on our company, culture and workplace. In FY21, our overall female representation in this brewery grew from less than 1% to 24%. We implemented a similar approach in our Mysore brewery. We succeeded in increasing the female representation from 1% to 13% in a record span of 45 days. These talented, ambitious young women have set the path for many to come.

To increase awareness and understanding about the LGBTQ+ community, we have sponsored Pride Circle to launch the **Ally Challenge** internally which leverages gamification through a series of 14 micro-challenges.

Our benefits are aimed at making employees feel valued and supported in their professional as well as their personal life. To help enable people to be who they want to be, we are extending our **Gender Affirmation Support**, allowing transitioning employees to be reimbursed for the costs incurred for their surgery, as well as hormone therapy and post-surgery leave.

Vietnam

Colleagues celebrated their annual **Vietnamese Women’s Day** by organizing a virtual meeting with the theme “She and her inspiring stories”. The event underlined our respect for female employees and the challenges they faced, especially during the pandemic. Led by women, the event also included men as supporters from different functions and departments across the organization.





Female leaders play an active role in transforming the business.

Case Study

Mulan Day in China

Since 2018, we have been running our Mulan Club to provide our female colleagues with the opportunity to explore professional growth and unlock their full potential through the lens of inclusion, inspiration, innovation and self-expression. Using the Chinese legendary folk heroine’s name, the Mulan Club is a network of women who come together to develop and support our female leaders.

We kick-started our Mulan Club 2021 agenda with the “Female Leadership Forum: Women Who Brew”, in Wuhan, our supply headquarters. The Forum highlighted the importance of women’s empowerment and included sharing sessions from a range of motivational female leaders, inspiring our female employees and equipping them with new skills and mindsets.

Held in Shanghai, 1,200 female staff joined an event outlining the new D&I strategy and highlighting initiatives and practices for ensuring equal employment and career development opportunities. We celebrated the six winners of the “2021 Bud APAC outstanding Women Leaders” and shared their success stories in developing and supporting women.

Jan Craps, our CEO and Co-chair of the Board, emphasized his vision of seeing female leaders as a vital component in achieving the dream of becoming the most loved high-quality leader in beverages and led a workshop covering how women can manage workplace challenges, play to their strengths and create a successful career path.



We created a new powerful design to promote the achievement of our Mulan Club 2021 agenda with the “Female Leadership Forum: Women Who Brew”.



Dream-People-Culture: Cultivating our People



To a future with more cheers!

Case Study

Expanding Wellbeing to Improve D&I in India

Since March, our focus in India has been on improving safety infrastructure and associated measures to become a best-in-class workplace for female employees. We have launched unlimited wellness leave to promote physical, emotional and psychological wellbeing.

In three of our breweries in India, we have enhanced security and services for women through the employment of female security guards and nurses. We introduced creche services and rolled out guidelines for the prevention of sexual harassment. To ensure safe travel for female colleagues working after 8pm, we provide safe and hygienic taxi services paid for by the Company. Self-defense training is also offered to female workers.

14 The first official LGBTQ+ workplace inclusion benchmarking tool in India. This index is introduced by Keshav Suri Foundation, Pride Circle and Stonewall.

Following the birth of a new child, we have introduced post-maternity flexible working for two months after returning from maternity leave. To support new mothers, we have extended our paternity leave to four weeks of paid leave. We allow adoption leave for LGBTQ+ individuals of up to three months.

In recognition of our approach, we are now included as a “Bronze” employer within the 2021 India Workplace Equality Index¹⁴. We are also proud to be recognized as “The Best Workplaces for Women 2021” by The Economic Times and Femina, a testament to our tireless efforts in raising the standard to achieve a supportive workplace.



Looking forward

The direction of our future D&I roadmap is clear as we strive to further support women, as well as other diverse and minority groups that are underrepresented. We look forward to promoting an inclusive environment that treats our colleagues with fairness and equity, such that we further enhance our position as an employer of choice.





COVID-19 has made workplace wellbeing a real challenge. We strive to create an environment where our people could thrive and enjoy continued professional development. We provide wellbeing programs and perks to our employees, advocating the health work and life concepts across our markets.



Vivien Sun
People Director, Rewards & Benefits



Engagement and Wellbeing

UN SDGs



ESG Topics

Employee wellbeing • Employee engagement

Disclosure Items

GRI 401, 403
HKEX B1, B2

Why it Matters

As a diverse and inclusive organization, we recognize the importance of employee feedback and engaging and listening to different views and aspirations. We place emphasis on supporting the wellbeing of all colleagues, both physically and psychologically, and of improving workplace satisfaction to retain our talent.

Our Approach

Engagement

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.



Townhall meetings always create a positive atmosphere full of cheer.

Highlights

In FY21, 97% of our colleagues participated in the Annual Engagement survey, administered by a third-party, Perceptyx. Each of our markets maintained or increased its engagement score, while scores also improved in all 11 categories such as Purpose, D&I, Leadership, Collaboration and Wellbeing. Our employee engagement result stands at 92% (+2% over 2020) and is among the top quartile of other benchmark companies.

Continuously Listening Strategy

Bud APAC's Continuously Listening Strategy was launched to:

- Continuously listen to employees' voices, receive fast feedback and take immediate action as needed
- Create a centralized, single platform for staff feedback providing accurate and accessible for management
- Generate standard dashboards to monitor and manage feedback

In order to achieve this, we redesigned the employee experience survey, identifying 21 touch points covering 13 different processes. 5,743 surveys were sent out with 4,271 responses. For nine of 13 processes, the net promoter scores improved over the previous year.



Dream-People-Culture: Cultivating our People

Wellbeing

We design wellbeing programs and provide attentive support to take care of our colleagues' physical and psychological health.



We constantly celebrate our greatest strength, our people.

Highlights

We've got you covered! Program in China

This program gives our colleagues the tools and resources to be healthy and resilient at work and at home. The program is centered around four pillars of wellbeing – physical, behavioral, financial and social. For each pillar, we offer resources and initiatives that are designed to help our colleagues and their families to unleash the best versions of themselves.

One example is the new Employee Assistant Program that provides employees with professional counselling services, covering family and elder care, stress and time management, and advice on financial and legal matters. We also upgraded the life insurance scheme and annual medical checkup to provide our colleagues with more well-rounded protection coverage. Under

this program, we offered 11 online training series covering topics related to physical, mental, financial and social health.

Workplace Wellbeing in India

COVID-19 has thrown up many challenges and one among them was workplace wellbeing. One of the key aspects we focused on was to enhance work-life integration. We initiated the process through a survey to understand what it really means to our employees and how we could create an environment where our people could thrive.

Three major initiatives to increase efficiency were trialed:

1. Reducing meeting time
2. Stressing the importance of focus time (uninterrupted time periods)
3. Encouraging time away from work

We were able to reduce 33% of meeting hours by reviewing all routine meetings and ensured focus time was implemented every alternate Thursday from noon to 5pm across our operations in India. As a result, people also had more free time, productive work hours and a better work life balance.

Mental Wellbeing in Vietnam

In a bid to support the mental wellbeing of our colleagues and construct a workplace with mutual respect, we arranged 6 emotional intelligence consultancy talks. The talks were delivered by professionals to guide their understand own and others' emotions and think more empathetically towards others.

Supporting Freedom of Association

We respect and support the right of all employees and other workers to form or join lawful trade unions and other professional organizations of their choice, and to bargain collectively in support of their mutual interests. We have signed on to the UN Global Compact and support the principles associated with labor rights.

Looking Forward

Our staff are the driver behind everything that we do and every beer in our consumers' hand. In return, we want to give them the appreciation they deserve. We will continue to tailor programs and initiatives to make sure that their voices are heard, and their wellbeing is uplifted.





Nurturing people is critical for future-proofing our business. We offer opportunities for employees to excel and invest in their professional and personal growth. We equip them with the necessary tools for continuous learning and reward accordingly to their contribution through our learning and development platform. Training and development are crucial for our talent cultivation strategy for a sustainable and inclusive future.



Michael Yang
Learning and Development Director



Training and Development

UN SDGs



ESG Topics

Employee learning and development

Disclosure Items

GRI 404
HKEX B3

Why it Matters

Our ambition to have a pipeline of top talent means that training and development is central to our human resource strategy. We aim to develop our people by providing them with the support and resources

to develop, with opportunities to grow into senior management positions. We also aim to provide ongoing training to add new multi-disciplinary skill sets, ensuring our people and our business are better prepared for current and future challenges.

Our learning and development platform offers our people a resource for 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.

Our Approach

We established the internal **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 has been set up to ensure our colleagues can easily access these opportunities, creating an improved learning atmosphere.

APAC University (“APACU”)

Established in 2009, the APACU is an internal learning platform covering six pillars which provide leadership training as well as functional learning and development opportunities. This helps us to ensure that our staff develop the right skills to succeed in their careers and achieve results. We also partner with global leading business and technical schools to deliver programs, expert guidance and learning solutions that enhance our people’s capabilities, including their knowledge and abilities.

Highlights

APACU analyzes training needs and develops annual training plans to meet prioritized needs with a focus on:

- Business needs and challenges
- Leadership and functional competency gaps
- Personal development plans
- Talent programs
- High business impact training projects (e.g. integration, technological reformation, etc)

We delivered 111 interactive training courses, catering to the needs of 4,905 employees.



Dream-People-Culture: Cultivating our People

China Commercial Life Long Talent Development system

We rolled out a Life Long Talent Development system for all of our commercial colleagues, which is aligned with China commercial business strategy, growth and expansion priority and talent management.



Integrity and hard work are key to building our company and our reputation.

Highlights

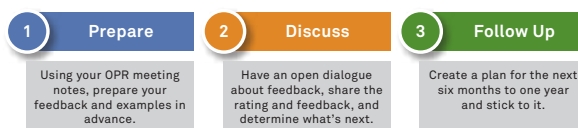
We enhanced our commercial capability programs aimed at sales staff. New initiatives included:

- Developing a new skills matrix for key sales positions
- Upgrading three key sales talent programs
- Designing the new Sales Expert Program

The new programs will be rolled out in FY22.

Performance review and career management

We carry out regular appraisals relating to our employees' job performance, skills, and daily performance. This is supplemented by an organization and personnel review ("OPR"). Appraisal results are used for renewal of contracts, promotion, pay rises or position adjustment.



Our three steps to a great OPR feedback discussion.

Highlights

100% of our eligible employees have received performance review.

Looking forward

Our long-term growth depends on the development of our people. We will customize and implement training schemes that are unique for our employees, helping them with both personal and professional growth.





Our overriding priority is our employee’s health and safety in the workplace. We apply the highest safety standards across all our operational procedures and production processes. We are dedicated to ensuring our colleagues in all areas take personal responsibility for adhering to and promoting safe behaviors at all times.



Craig Katerberg
Chief Legal & Corporate Affairs Officer
Bud APAC



Workplace Safety

UN SDGs



Disclosure Items

GRI 403
HKEX B2

ESG Topics

Workplace safety • Employee wellbeing

in the workplace. Occasionally, workers involved in our business are exposed to hazards that can result in falls, transportation accidents, equipment-related accidents, heat-related illness or other injuries. Implementing systems to ensure the safety of our colleagues, other workers and communities is critical to our business.

Our Approach

We integrate safety considerations into every aspect of our operations. To drive this, our approach to safety is led from the top and we have assigned different roles at the departmental and the brewery levels to provide a safe workplace for all.

Why it Matters

Our commitment to health and safety in the workplace is embedded in our culture. We aim to ensure risks are minimized and that we respond quickly to hazards arising

Roles:	Responsibilities:
Safety and Health Committee	<ul style="list-style-type: none"> Review any updates on legal requirements related to health and safety Review any incidents or near misses observed onsite Review best practices and strategize improvement plans
Zone-specific Safety Coordinator	<ul style="list-style-type: none"> Provide guidance for relevant staff at the breweries to promote safety culture Provide management with assistance in all areas of safety management

Procedures and standards

Our **Health and Safety Policy** and associated management system aims to protect the health and safety of our colleagues and contractors. 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 use the VPO system for routine management that covers and exceeds all elements of OHSAS 18001/ISO 45001.

An internal audit is conducted twice a year.

Occupational safety control

We conduct regular investigations and inspections to identify potential workplace hazards. In particular, we perform an annual audit on environmental, health and safety KPIs and we have specific guideline stipulated for employees to report any potential safety hazards, incidents and near misses.



Dream-People-Culture: Cultivating our People



Our employees in China during our World Safety Week.

Case Study

AB InBev World Safety Week – Stronger Together

In April, we launched this initiative with an aim to prevent all accidents, injuries and occupational illnesses within our operations through management leadership and employee involvement. We hosted a series of events and training sessions around the following five themes:

1. **Understand:** To proactively manage safety, we must understand all our workplace hazards, and the most common and critical types of incidents that occur in our workplaces.
2. **Hazard Observation:** It is our goal as safety leaders to maintain a safe workplace free from hazards. We must all understand how to evaluate and identify unsafe conditions in the workplace.
3. **Ownership:** Risk is inherent in everything that we do. We are each responsible for our own safety and the safety of the people around us. Making personal safety decisions is key to preventing injury.
4. **Coaching:** Providing coaching and feedback is vital in developing an interdependent safety culture. We must not only identify hazards but be able to coach others in preventing injuries.
5. **Leadership:** Being a safety leader is about taking action. We must not rely on others to create a safe workplace but take action to lead change. We must not accept anything less.

Looking forward

We want to be the industry benchmark when it comes to safety. We understand that different operational units may be exposed to different types and level of occupational hazards, and we aim to constantly prevent and mitigate any incidents as far as possible. To do so, we will continue to provide our colleagues and other workers with the support they need to cultivate high levels of safety awareness and continuously drive improvements to eliminate work-related injuries.



Appendices

Reporting Period

This Report covers our progress and performance on our ESG journey from 1 January to 31 December in FY21.

Reporting Scope and Boundary

Our 2025 Sustainability Goals and overall ESG agenda align with several of the UN SDGs. Activities throughout our operations and supply chain are aligned to the metrics that are considered the most material to our business and critical to our stakeholders. We are focused on areas where we can make the most significant positive impact. Unless otherwise specified, the reporting scope of this Report covers Bud APAC and all of our subsidiaries and primarily covers ESG initiatives in China, South Korea, India, Vietnam and other APAC regions.

- For our **Operational Footprint** across APAC, please see page 6.

Reporting Standards

This Report is prepared in accordance with:

- The ESG Reporting Guide located in Appendix 27 to the Listing Rules of HKEX
- The GRI Standards: Core option
- The UN Global Compact

To present a comprehensive picture of our ESG management and performance, we also make reference to and align relevant performance metrics with key ESG ratings and frameworks, including those of MSCI, Sustainalytics, Dow Jones Sustainability Indices (“DJSI”), CDP and the climate-related disclosures under the framework recommended by the TCFD.

Materiality and Reporting Structure

This Report focuses on how Bud APAC addresses ESG aspects and areas that are material to our operations and stakeholders. The reporting structure is designed to align with our ESG priority areas and underpin the reporting principles and requirements of the above-mentioned reporting guidelines and standards. To help determine the content developed, a materiality assessment was conducted, which helped identify the key issues that are of most importance to our stakeholders across different markets.

- For our **Materiality Assessment**, please see pages 21 - 22.
- For our **Reporting Content Index**, which covers the GRI Standards, the HKEX ESG Reporting Guide and the UN Global Compact, please see pages 104 - 112.

Reporting Methodology

Environmental data

- Environmental data (for example, our water footprint and carbon footprint) from newly acquired operations are excluded; these operations will be assessed and included in our 2022 ESG Report. Divestitures and closures are removed from the scope for the reporting year, but prior years are not adjusted.
- Goals on water, energy purchased and GHG emissions presented in this report, as well as KPIs such as energy usage, include both our beverage and vertical operations unless stated otherwise in text or footnotes. Energy usage and purchased excludes the energy exported to third parties and certain projects under construction. The excluded energy use and purchase does not reflect the amount of energy used in our beer brewing processes. The key performance indicators energy usage, water usage and Scope 1 and 2 emissions per hectoliter of production (in kg CO₂/hl) exclude vertical operations. This data is reported annually to CDP. Specific data tables contain footnotes for additional data.
- Special Operations (“SOPs”) are operations that fulfill one or more criteria including, but not limited to: reduced volume, low number of FTEs, complexity of brand mix, unusual products or production processes. SOPs are excluded from the reporting scope. There is 1 SOPs facility in 2021 which is estimated to be less than 3% of the total Scope 1 and 2 emissions. The following assumptions are applied for the calculation of this percentage: 1) country average of Scope 1 and 2 emissions per hl is applied, 2) average production volume per country is applied, 3) for experimental centers, the tons of CO₂ applied are the same as the ones for small facilities, and 4) for the SOPs verticalized operations, emissions averages from larger existing sites apply.
- Renewable electricity disclosed in the Environmental Performance Table is reported by the contracted electricity metric. The contracted electricity metric tracks the commitments we have already made to our 100% renewable electricity goal.



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- For recycled content calculation, a weighted average of recycled content is calculated based on purchases for each supplier and the recycled content percentage in the material. Our packaging goal applies to our primary packaging this represents more than 85% of our total packaging volume by weight globally, though our work in circularity extends to secondary packaging and post-consumer waste.
- For packaging that is not returnable – namely one-way glass bottles, aluminum cans and PET bottles – we are committed to reaching a minimum of 50% recycled content.
- Data on recycled content percentages are provided by suppliers. Packaging purchases are derived from our own procurement system. We engaged with suppliers virtually to discuss their KPIs, measurements and main projects to increase the adoption of recycled content.
- For Scope 1 and 2 emissions calculation, the facilities in scope described above are included. Scope 3 emissions, which account for information beyond our operations and that impact our supply chain, are estimated values based on a mix of own and third-party data. The majority of Scope 3 data is own data, with recycled content percentages provided by suppliers and certain renewable energy data provided by electricity providers. Other assumptions included in the calculation, such as emission conversion factors, are derived from commonly used publicly available information. Total percentage of Scope 3 emissions follow the Science Based Targets initiative, where at least 66% of emissions are to be included in target scope. Scope 3 includes the following out

of the 15 categories: purchased good and services, upstream and downstream distribution, emissions related to fuel use not included in Scope 1 and 2, use of product (product cooling, including on and off premise and excluding at-home cooling) and end of product life. Categories excluded include: capital good, waste generated in operations (more than 99% of waste generated is recycled), business travel, employee commuting, upstream and downstream leased assets, processing of sold products, franchises and investments. We expect that our ambition to achieve net zero and the supporting data may be revised as measurement standards, modeling methodology and the level of data granularity improve over time.

Social data

- Safety data is immediately tracked and monitored for all sites and included unless otherwise stated in text or footnotes. End of year incident data in this report is captured in mid-January of the following year and validated based on information from that point in time. Injuries may develop and change status based on further medical diagnosis, treatment and incident management. This is a consistent practice to enable accurate year-over-year data comparison of a single point in time. Subsequent changes to the injury classification in the years following the reporting year are not taken into account for either the current year’s reporting purposes or in the comparative data of prior years.
- Workforce and diversity data are recorded by the end of FY21 to reflect the most up-to-date status.

Reporting Principles

This Report follows the Reporting Principles set out by the GRI Standard and the HKEX ESG Reporting Guide.

Principles	How we address the principle?
<ul style="list-style-type: none"> • Materiality • Stakeholder inclusiveness • Sustainability Context 	<p>We conducted a comprehensive materiality assessment, involving a series of engagements with our key stakeholder groups, to identify and prioritize ESG topics that our stakeholders consider as material. We focus our disclosures on these prioritized topics and articulate how the context of these topics relate to our operations.</p>
<ul style="list-style-type: none"> • Balance • Clarity 	<p>We appointed an external consultant to assist in the preparation of this Report and suggest relevant contents to be disclosed to reflect the material ESG topics that we prioritize in a structured and clear manner. This gives an unbiased picture of our initiatives, progress and performance.</p>
<ul style="list-style-type: none"> • Accuracy • Comparability • Completeness • Consistency • Reliability • Quantitative 	<p>We have internal processes and procedures in place to review the quantitative and qualitative data disclosed in this Report. In order to assure the accuracy, completeness, consistency, reliability and quality of our disclosures in this Report, certain information has been subject to third-party limited external assurance. In addition, we disclose historical data, including those from the base year of 2017, to compare our performance and present our progress over time.</p>



Performance Tables

Environmental Performance¹

Metrics	Unit	2021	2020	2019	2018
GHG Emissions					
Total GHG Emissions	tCO ₂ e	6,595,909	6,518,208	7,602,891	7,024,676
Scope 1 Emissions ²	tCO ₂ e	158,733 [♦]	183,980	257,845	287,350
Scope 2 Emissions ³	tCO ₂ e	433,891 [♦]	462,137	489,318	658,381
Scope 3 Emissions ⁴	tCO ₂ e	6,003,286 [♦]	5,872,091	6,855,728	6,078,945
GHG Emissions Intensity (Scope 1 and 2)	kgCO ₂ e/hl	6.95 [♦]	8.15	8.58	10.53
GHG Emissions Intensity (Scope 1, 2 and 3)	kgCO ₂ e/hl	77.37 [♦]	82.20	87.29	78.18
Energy Consumption					
Total Energy Consumption	Million GJ	6.99	7.0	8.3	9.2
Direct Energy Consumption – Non-renewable energy sources	GJ	2,401,959	2,453,610	3,507,609	4,320,335
Direct Energy Consumption – Renewable energy sources	GJ	345,296	588,580	735,469	606,166
Indirect Energy Consumption – Electricity purchased from non-renewable energy sources	GJ	1,867,438	1,953,917	2,324,383	2,470,587
Indirect Energy Consumption – Electricity purchased from renewable energy sources	GJ	410,423	219,884	114,247	68,544
Indirect Energy Consumption – Imported Steam	GJ	1,963,702	1,782,398	1,578,423	1,716,073
Energy usage per hectoliter of production	MJ/hl	83.96	87.90	92.63	100.03
Energy purchased per hectoliter of production	MJ/hl	80.06 [♦]	84.40	89.66	97.95
Percentage of renewable electricity	%	25.6 [♦]	14.2	4.4	2.8
Water					
Total water usage	khl	204,487 [♦]	196,004	232,552	262,283
Total water consumption	khl	82,483	84,308	94,093	91,376
Percentage of water consumption from alternative water sources (i.e. greywater, rainwater, sewage)	%	15	8	9	5
Water use by hectoliter of production	hl/hl	2.34 [♦]	2.47	2.60	2.85
Waste					
Total non-hazardous waste produced	tons	1,426,617	1,292,757	1,488,634	1,605,389
Total hazardous waste produced	tons	986	2,427	1,879	397
Packaging					
Total packaging materials used for finished products	tons	1,992,035 [♦]	1,395,296	1,963,815	1,911,809
Percentage of returnable/recovery packaging	%	65.1	53.3	56.1	53.8
Percentage of recycled content used in primary packaging	%	50.1 [♦]	46.3	46	N/A
Percentage of recycled content in packaging – Glass	%	52.4 [♦]	48.6	47.2	45.3
Percentage of recycled content in packaging – Cans	%	18.3 [♦]	19.5	23.5	8.3
Air Emissions					
Particulate Matter (PM)	tons	114	107	171	168
Sulphur Dioxide (SO _x)	tons	115	56	97	186
Nitrogen Oxide (NO _x)	tons	358	281	365	490

[♦] 2021 data assured by PwC (please refer to External Assurance Report on pages 98-100).



Appendices

Social Performance

Metrics	Unit	2021	2020	2019	2018
Employment					
Total Employees	No.	26,363	26,489	28,546	30,085
Number of employees by employment type					
Full-Time		21,059	22,004	22,935	25,123
Male	No.	15,524	16,260	16,899	18,085
Female	No.	5,535	5,744	6,036	7,038
Part-Time		5,304	4,485	5,611	4,962
Male	No.	0	0	0	0
Female	No.	5,304	4,485	5,611	4,962
Number of employees by employment contract					
Permanent	No.	19,814	20,747	21,499	23,259
Temporary	No.	6,549	5,742	7,047	6,826
Number of full-time employees by age group					
Under 30	No.	4,108	4,751	4,947	5,317
Between 30 and 50	No.	15,020	15,174	15,814	17,287
Above 50	No.	1,931	2,079	2,174	2,519
Number of full-time employees by employee category					
Managers	No.	5,434	5,572	5,952	4,804
Non-managers	No.	15,625	16,432	16,983	20,319
Number of full-time employees by geographical region					
Mainland China	No.	17,381	18,047	18,942	21,163
South Korea	No.	1,915	1,939	1,952	1,973
India	No.	1,348	1,593	1,643	1,615
Vietnam	No.	343	355	335	303
Japan	No.	61	59	51	60
New Zealand	No.	11	11	12	9
Employee Turnover Rate					
Turnover rate	%	6.8	6.45	7.69	8.18
Turnover rate by gender					
Male	%	6.9	6.39	7.38	8.33
Female	%	8.4	6.63	8.64	7.74
Turnover rate by employee category					
Managers	%	10.6	7.86	8.95	8.54
Non-managers	%	5.9	5.91	7.19	8.08
Turnover rate by age group					
Under 30	%	12.2	11.35	12.84	12.13
Between 30 and 50	%	5.9	5.20	6.58	7.16
Above 50	%	1.1	2.11	1.18	0.81
Percentage of Employees Trained					
Percentage of employees trained by gender					
Male	%	89	90	79	54
Female	%	93	90	80	54



Metrics	Unit	2021	2020	2019	2018
Percentage of employees trained by employee category					
Managers	%	99	97	87	88
Non-managers	%	89	88	77	46
Average Training Hours					
Average training hours by gender					
Male	Hours	26	11	6	7
Female	Hours	27	11	6	6
Average training hours by employee category					
Managers	Hours	36	11	7	10
Non-managers	Hours	23	10	6	6
Health and Safety					
Number of work-related fatalities for employees	No.	1	0	1	0
Rate of work-related fatalities for employees	/	0.02	0.00	0.93	0.00
Number of work-related fatalities for non-employees ⁵	No.	0	0	0	1
Lost days due to work injury	days	619	383	561	450
Number of high consequences work related injuries ⁶ (excluding fatalities) for employees	No.	2	1	1	1
Rate of high-consequence work-related injuries for employees (based on 200,000 hours worked)	/	0.03	0.01	0.01	0.01
Number of high consequences work related injuries ⁶ (excluding fatalities) for non-employees	No.	0	1	2	3
Number of recordable work-related injuries (excluding fatalities) for employees	No.	15	20	26	27
Rate of recordable work-related injuries for employees (based on 200,000 hours worked)	/	0.19	0.25	0.24	0.27
Number of recordable work-related injuries (excluding fatalities) for non-employees	No.	8	17	21	25
Others					
Number of sites certified by the work safety standardization ⁷	No.	22	21	20	20
Percentage of sites certified by the work safety standardization	%	52	46	41	39
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0	0	0

1. The numbers stated in various tables of the Report may not add up to totals or 100% due to rounding.
2. 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.
3. Scope 2 represents emissions from purchased electricity and steam.
4. 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.
5. Non-employees include contractors/sub-contractors/service-providers.
6. 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.
7. The work safety standardization certification is awarded by a third-party and recognized by state safety authority.



Appendices

External Assurance



羅兵咸永道

Independent practitioner's limited assurance report To the board of directors of Budweiser Brewing Company APAC Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information of Budweiser Brewing Company APAC Limited (the "Company") listed below and identified with a ♦ in the Company's environmental, social and governance report for the year ended 31 December 2021 ("the 2021 ESG Report") (the "Identified Sustainability Information").

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31 December 2021 is summarised below:

<p>GHG Emissions</p> <p>Scope 1 Emissions (in tCO₂e)</p> <p>Scope 2 Emissions (in tCO₂e)</p> <p>Scope 3 Emissions (in tCO₂e)</p> <p>GHG Emissions Intensity (Scope 1 and 2) (in kgCO₂e/hl)</p> <p>GHG Emissions Intensity (Scope 1, 2 and 3) (in kgCO₂e/hl)</p>	<p>Energy Consumption</p> <p>Energy purchased per hectoliter of production (in MJ/hl)</p> <p>Percentage of renewable electricity (in %)</p>
<p>Water</p> <p>Total water usage (in khl)</p> <p>Water use by hectoliter of production (in hl/hl)</p>	<p>Packaging</p> <p>Total packaging materials used for finished products (in tons)</p> <p>Percentage of recycled content in packaging – Glass (in %)</p> <p>Percentage of recycled content in packaging – Cans (in %)</p> <p>Percentage of recycled content used in primary packaging (in %)</p>

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 ESG report and, therefore, do not express any conclusion thereon.

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Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in section “Environmental data”, within the “Reporting methodology” heading on page 93 and 94 of the 2021 ESG report (the “Criteria”).

The Company’s Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.



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The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

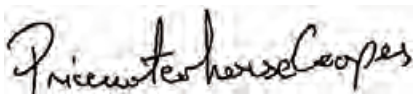
- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the year ended December 31, 2021 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2022



Awards and Affiliations

	Organization
China and Hong Kong SAR	
2021 CCBA – Bronze Award: Boxing Cat Right Hook Helles Pale Lager	CCBA
2021 CCBA – Bronze Award: Goose Island IPA	CCBA
2021 CCBA – Gold Award: Goose Island Port	CCBA
2021 CCBA – Silver Award: Goose Island Thirsty Goose Hoppy Lager	CCBA
2021 New Weekly Awards: Life Improving & Green Value Innovation Award	New Weekly
2021 Outstanding Cases of Foreign Investment Enterprises Poverty Alleviation	Shanghai Foreign Investment Association
2021 Road Safety Public Service Partner in Shanghai (for consecutive 7 years)	Shanghai Public Security Bureau Traffic Police General Brigade
2021 Tian Lu Award-3 Star: Hoegaarden Witbier	CBC
100 Excellence Employer	51 jobs
Annual Sustainable Program Award 2021	Southern Weekly
CSR China TOP100 & Best CSR Innovation Award	2021 CSR China Education Committee
First Prize of Science and Technology Advancement Award	China Alcoholic Drinks Association
Foshan Brewery: Digital and Intelligent Demonstration Factory of Foshan City 2021	Bureau of Industry and Information Technology of Foshan City
Foshan Brewery: National Green Factory 2021	Ministry of Industry and Information Technology of the People Republic of China
Harbin Brewery: HLJ Provincial Industrial Water Saving Benchmark Enterprise	HLJ Provincial Industry and Information Technology Department
Hong Kong ESG Reporting Awards with the Carbon Neutral Award – Grand Award	Alaya Consulting
Jinzhou Brewery: National Green Factory of the Sixth Batch	Ministry of Industry and Information Technology of the People's Republic of China
Kunming Brewery: 2021 Top 10 Green food Enterprises in Kunming	Bureau of Industry and Information Technology of Kunming
Mudanjiang Brewery: HLJ Provincial Digital Workshop	HLJ Provincial Industry and Information Technology Department
Nanchang Brewery: National Green Factory	Ministry of Industry and Information Technology
Nanchang Brewery: Water-saving Unit of Jiangxi Province	Jiangxi Provincial Department of Industry and Information Technology
Nantong Brewery: Water efficiency leader	Jiangsu Water Conservancy Bureau
National Poverty Alleviation Advanced Collectives	China's Central Government
New Era Role Model of "Embroidered spirit" Award 2021 – Budweiser China	Yangcheng Evening News
Outstanding Cases of Foreign Investment Enterprises Poverty Alleviation	Shanghai Foreign Investment Association
Outstanding Contribution to Chinese Alcohol Industry Technology: Budweiser China	CADA



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	Organization
Outstanding Enterprise with Strong Sense of Responsibility & Low-Carbon Pioneer of the year & CSR Role Model Company of the Year	Southern Weekly
Putian Brewery: Fujian Intelligent Factory	Fujian Provincial Department of Industry and Information Technology
Putian Brewery: National advanced collective in poverty alleviation	Central Committee of the Communist Party of China The State Council
Putian Brewery: water efficiency leaders	Ministry of Industry and Information Technology Ministry of Water Resources National Development and Reform Commission General Administration for Market Regulation
Responsible Enterprise of the Year 2021	China News Service and China Newsweek
Reward of Significant Contribution of Fight against COVID 19 – Bud China	Guangdong Association of Enterprises with Foreign Investment
Siping Brewery: 2021 Provincial Green Manufacturing Demonstration Project of the Third Batch	Jilin Provincial Industry and Information Technology Department
Special Award for Science and Technology Advancement of China Alcoholic Drinks Association in 13th Five-year Plan	China Alcoholic Drinks Association
Suqian Brewery: Jiangsu Intelligent manufacturing demonstration workshop	Jiangsu Department of Industry and Information Technology Jiangsu Provincial Finance Department
Suqian Brewery: Suqian Industrial Internet benchmark factory	Suqian Industry and Information Bureau
Suqian Brewery: Suqian Mayor Quality Award	Suqian People's Government
Sustainable Enterprise of the Year 2021	Southern Weekly
Taizhou Brewery: The first batch of "No waste factories" in Zhejiang Province	Zhejiang Provincial Department of Environmental Protection
Taizhou Brewery: Zhejiang Province cleaner production enterprises	Zhejiang Provincial Gov.
Top Graduate Employers	51 jobs
Top 30 Employer of the year	Zhaopin.com
Top Employer	TOP EMPLOYER Institute
Wenzhou Brewery: Green Factory	Wenzhou Economic and Information Bureau Wenzhou Municipal Development and Reform Commission Wenzhou Ecological Environment Bureau
Wenzhou Brewery: Intelligent Factory	Wenzhou Economic and Information Bureau Wenzhou Municipal Development and Reform Commission Wenzhou Ecological Environment Bureau
Wuhan Brewery: The 4th Hanyang Manufacturing Quality Award	People's Government of Hanyang District, Wuhan
Wuhan Brewery: Wuhan Carbon neutral pioneer demonstration unit	Wuhan Carbon Neutral Industry, Education and Research Promotion Association
Xinxiang Brewery: 2020 Xinxiang Advanced Production safety unit	Xinxiang Safety Production Committee
Xinxiang Brewery: Advanced firefighting unit of Weihui in 2020	Weihui Emergency rescue brigade
Xinyang Brewery: 2020 Advanced Production safety unit	Xinyang Pingqiao District Safety Production Committee



	Organization
Yingkou Brewery: Environmental Protection Guard	Yingkou Coastal Industrial Base Environmental Protection Bureau
Ziyang Brewery: Green manufacturing plant of 2021	Ministry of Industry and Information Technology
South Korea	
2021 Great Company to Work – Grand Prize for employee benefits	Hankyung Business Magazine
2021 Korea Brand Awards: Grand Prize	Korea Marketing Association
2021 Korea Brand Hall of Fame – Cass Fresh	The Institute for Industrial Policy Studies
Grand Prize in ESG (Environmental, Social and Governance) category	Corporate Social Responsibility Awards 2021
Grand Prize in Social Responsibility category (for three consecutive years)	2021 KCCI • Forbes CSR Awards
iF Design Award 2021	iF Design
Recognition Award for Road Safety	KoROAD (Korea Road Traffic Authority)
Superior Taste Award	International Taste Institute (“ITI”)
The MONOCLE DESIGN AWARDS 2021: Best Mascot	MONOCLE
Top Employer	TOP EMPLOYER Institute
Winner of ‘Chairman of the Congressional Committee of Trade, Industry, and Energy’	2021 K-Wave Expo organized by The Ministry of Trade, Industry, and Energy • Newsis
India	
Best Marketing Campaign Award for Sustainability 100+	Stars of the Industry Award
Best Workplace for Women in 2021	The Economic Times
Bronze Employer	India Workplace Equality Index 2021
Silver in Excellence in Health and Wellness Initiatives	The Economic Times Human Capital Awards
Top Employer	TOP EMPLOYER Institute
Vietnam	
Best workplace in Vietnam	Anphabae
Sponsored the scholarship “Let’s back to school” for the orphans by Covid-19	Ben Cat Red Cross and Tan Uyen Youth Union
The First Beer Company Accompanies with Tuoi Tre Newspaper on Closing Covid-19 Vaccination Funding Gap in Vietnam	Tuoi Tre Newspaper
Top Employer	Anphabe
Japan	
Best Place to Work	Best Place to Work

External Initiatives and Memberships

Organization	Status
United Nations Global Compact	Signatory
United Nations Women’s Empowerment Principles	Signatory
100+ Accelerator	Founding member
International Alliance for Responsible Drinking	Member
Korean Road Traffic Authority	Partner
National Skills Foundation of India (NSFI)	Partner
Shanghai Public Security Bureau Traffic Police General Brigade	Road Safety Public Service Partner
Vietnam Beer-Alcohol-Beverage Association	Member
Vietnam Business Integrity Network	Advisor
WaterAid (India)	Partner



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Content Index for Reporting Guidelines

GRI Standards, UN Global Compact and HKEX ESG Guide Index

Notes (*): GD: General Disclosure/MD: Mandatory Disclosure/KPI: Key Performance Indicator

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
GENERAL DISCLOSURES (2016)					
Organizational Profile	102-1	-	-	Name of organization	Budweiser Brewing Company APAC Limited ("Bud APAC")
	102-2	-	-	Activities, brands, products, and services	ESG report p.5-6
	102-3	-	-	Location of headquarters	Hong Kong
	102-4	-	-	Location of operations	ESG report p.5-6
	102-5	-	-	Nature of ownership and legal form	ESG report p.5, 113
	102-6	-	-	Markets served	Annual report p.11-12
	102-7	-	-	Scale of organization	Annual report p.13-18, 52-72, 78-84
	102-8	-	KPI B1.1	Number of employees and other workers	ESG report p.96
	102-9	-	-	Supply chain description	ESG report p.11, 55
	102-10	-	-	Significant changes to the organization and its supply chain	ESG report p.60, 84
	102-11	7	-	Precautionary approach	Bud APAC applies precautionary approach by managing for risk to all of our Tier 1 issues. Environmental Policy Responsible Sourcing Policy
	102-12	-	-	External initiatives	ESG report p.103
	102-13	1, 8	-	Membership of external associations	ESG report p.103
Strategy	102-14	-	-	Statement from the most senior decision-maker	ESG report p.2-4
	102-15	-	-	Key impacts, risks and opportunities	ESG report p.20-22, 25, 50, 55, 65, 70, 80, 82, 87, 89, 91
	-	-	Aspect A4 GD	Policies on identification and mitigation of significant climate-related issues	ESG report p.25 Climate Policy
	-	-	KPI A4.1	Description of the significant climate-related issues, and the actions taken to manage them	ESG report p.28-31
Ethics and Integrity	102-16	-	-	Values, principles, standards, and norms of behavior	ESG report p.18-20
	102-17	1, 2, 10	-	Mechanisms for advice and concerns about ethics	ESG report p.18, 20
Governance	102-18	-	-	Governance structure	ESG report p.16
	-	-	MD 13	ESG-related Governance structure	ESG report p.19



GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
Stakeholder Engagement	102-40	-	-	List of stakeholder groups engaged	ESG report p.21-23
	102-41	1, 3	-	Percentage of total employees covered by collective bargaining agreements	Bud APAC respects the right of all our workers to form and join lawful trade unions and other organizations of their choice, and to bargain collectively in support of their mutual interests. Bud 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.
	102-42	-	-	Identification and selection of stakeholders	ESG report p.21-23
	102-43	-	-	Stakeholder engagement approach	ESG report p.21-23
	102-44	-	-	Key topics and concerns raised, and the organization's response	ESG report p.21-23
Reporting Practice	102-45	-	-	Entities included in the consolidated financial statements	Bud APAC's financial statements can be found in our Annual Report p.78-84. This includes the entities that are included and not included in our financial statements.
	102-46	-	MD 14 MD 15	Process for defining report content and topic boundaries	ESG report p.21-22
	102-47	-	MD 14	List of material topics	ESG report p.22
	102-48	-	-	Restatements of information	No restatements were made.
	102-49	-	MD 14	Significant changes in material topics and topic boundaries	ESG report p.21-22
	102-50	-	-	Reporting period	1 January to 31 December in 2021
	102-51	-	-	Date of most recent report	The 2020 ESG Report was published March 26 2021
	102-52	-	-	Reporting cycle	Annual
	102-53	-	-	Contact point for enquiries	IR@budweiserapac.com
	102-54	-	MD 14	Claims of reporting in accordance with the GRI Standards	Core ESG report p.93-94
	102-55	-	-	GRI content index	This index serves as the GRI content index, as well as the UNGC and HKEX ESG Guide, from p.104-112.
102-56	-	-	External assurance	ESG report p.98-100	
TOPIC-SPECIFIC DISCLOSURES					
ECONOMIC					
Economic Performance (2016)	103-1 103-2 103-3	-	-	Management approach disclosure	ESG report p.10
	201-1	-	-	Direct economic value generated and distributed	ESG report p.10



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GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
Anti-corruption (2016)	103-1 103-2 103-3	10	Aspect B7 GD	Management approach disclosure	ESG report p.18, 20
	205-1		KPI B7.1	Operations assessed for risks related to corruption	All four markets and every business unit are required to carry out risk assessments annually, including consideration of human rights, bribery and corruption, and to develop mitigation plans for their most significant risks. For details regarding our Risk Management and Internal Control, please see our Annual Report p.46-51.
	205-2		KPI B7.3	Communication and training about anti-corruption policies and procedures	Bud APAC communicates our Anti-corruption Policy with all Directors and employees to ensure with anti-corruption practices as stipulated. In addition, we cascade our ethical business practices with our suppliers and business partners through the Supplier Anti-corruption Policy .
	205-3		KPI B7.1	Confirmed incidents of corruption and actions taken	In FY21, there were no legal cases regarding corrupt practices brought against Bud APAC or its employees.
			KPI B7.2	Description of whistleblowing procedures, how preventive measures and whistleblowing is implemented and monitored	ESG report p.20 In FY21, Bud APAC received 201 reports, of which 53% are related to potential/actual conflict of interest concerns, 12% related to violation of policies and procedures, 11% related to dishonest behavior, 11% related to HR-related issues, and 13% related to other issues such as health and safety, environment and data protection. As of 31 December 2021, 60 cases remained to be substantiated, 20 cases resulted in dismissals or resignations and 40 cases resulted in other types of disciplinary actions such as suspensions or warnings.
	-		Aspect B7 GD	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption Policy Supplier Anti-corruption Policy In FY21, 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 Bud APAC.
ENVIRONMENTAL					
Materials Use (2016)	103-1 103-2 103-3	7, 8	Aspect A2 GD Aspect A3 GD	Management approach disclosure	ESG report p.44
	301-1		KPI A2.5	Materials used by weight or volume Total packaging material used for finished products	ESG report p.45, 95
	301-2		-	Recycled input materials used	ESG report p.45, 95



GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References		
Energy (2016)	103-1	7, 8, 9	Aspect A2 GD	Management approach disclosure	ESG report p.25, 28-31		
	103-2		Aspect A3 GD				
	103-3						
	302-1		KPI A2.1			Energy consumption within the organization	ESG report p.27, 95
	302-2		-	Energy consumption outside of the organization	ESG report p.27, 95		
	302-3		KPI A2.1	Energy intensity	ESG report p.27, 95		
	302-4		KPI A2.3	Reduction of energy consumption	ESG report p.25, 27, 95		
Water and Effluents (2018)	103-1	7, 8	Aspect A2 GD	Management approach disclosure	ESG report p.36		
	103-2		Aspect A3 GD				
	103-3						
	303-2		-			Management of water discharge-related impacts	ESG report p.37-43
	303-3		-			Water withdrawal	ESG report p.37, 95
	303-4		-			Water discharge	ESG report p.37, 95
	303-5		KPI A2.2			Water consumption and intensity	ESG report p.37, 95
	303-1	KPI A2.4	Water sourcing and water efficiency	ESG report p.37, 95			
Emissions (2016)	103-1	7, 8, 9	Aspect A1 GD	Management approach disclosure	ESG report p.25, 28-31		
	103-2		Aspect A3 GD				
	103-3		KPI A1.5				
	305-1		KPI A1.1 KPI A1.2 KPI A3.1			Direct (Scope 1) GHG emissions	ESG report p.27, 95
	305-2		KPI A1.1 KPI A1.2 KPI A3.1			Energy indirect (Scope 2) GHG emissions	ESG report p.27, 95
	305-3		KPI A1.1 KPI A3.1			Other indirect (Scope 3) GHG emissions	ESG report p.27, 95
	305-4		KPI A1.2			GHG emission intensity	ESG report p.27, 95
	305-5		KPI A1.5			Reduction of GHG emissions	ESG report p.25, 27, 95
	305-7		KPI A1.1			Nitrogen oxides (NO _x), Sulphur oxides (SO _x), and other significant air emissions	ESG report p.95
Waste (2020)	103-1	7, 8, 9	Aspect A1 GD	Management approach disclosure	ESG report p.44, 46-47		
	103-2		Aspect A3 GD				
	103-3		KPI A1.6 KPI A3.1				
	306-1		-			Waste generation and significant waste-related impacts	ESG report p.46-47, 95
	306-2		-			Management of significant waste-related impacts	ESG report p.44-47



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GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
	306-3		–	Waste generated	ESG report p.45, 95
	306-4		KPI A1.3 KPI A1.4	Weight and type of waste diverted from disposal	ESG report p.45, 95
	306-5		KPI A1.3 KPI A1.4	Weight and type of waste directed to disposal and disposal method	ESG report p.45, 95
Environmental Compliance (2016)	103-1 103-2 103-3	7	Aspect A1 GD	Management approach disclosure	As set out in Bud APAC's supporting framework of policies, we comply with all local laws and regulations at each site. Our environmental impact is considered as part of our company's risk assessment and we closely monitor our compliance across markets, as well as keeping in mind new and emerging compliances.
	307-1		Aspect A1 GD	Non-compliance with environmental laws and regulations	In FY21, there were no reported incidents of non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste which had a material impact on Bud APAC.
Supplier Environmental Assessment (2016)	103-1 103-2 103-3	7, 8	Aspect A1 GD	Management approach disclosure	ESG report p.31, 46-47, 50, 54-56
	–		Aspect B5 GD	Policies on managing environmental risk in supply chains	ESG report p.56 Responsible Sourcing Policy
	308-1		KPI B5.2	New suppliers that were screened using environmental criteria	ESG report p.57
	–		KPI B5.3	Practices used to identify environmental risks along the supply chain	ESG report p.55-57
	–		KPI B5.4	Practices used to promote environmentally preferable products and services when selecting suppliers	ESG report p.55-57
SOCIAL					
Employment (2016)	103-1 103-2 103-3	6	Aspect B1 GD	Management approach disclosure	ESG report p.80, 82, 87 In FY21, there were no reported incidents of non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare which had a significant impact on Bud APAC.
	401-1		KPI B1.2	New employees hiring and employee turnover	ESG report p.96 Due to the sensitive nature of the information, Bud APAC does not currently disclose employee turnover rate by region at this time.



GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References	
Occupational Health and Safety (2018)	103-1	1	Aspect B2 GD	Management approach disclosure	ESG report p.91	
	103-2				In FY21, there were no reported incidents of non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that had a significant impact on Bud APAC.	
	103-3					
	403-1		KPI B2.3	Occupational health and safety management system	ESG report p.91	
	403-2		-	Hazard identification, risk assessment, and incident investigation	ESG report p.91-92 Health and Safety Policy	
	403-3		-	Occupational health services	ESG report p.91	
	403-5		-	Worker training on occupational health and safety	ESG report p.92	
	403-6		-	Promotion of worker health	ESG report p.87-88	
	403-7		-	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG report p.91	
	403-8		-	Workers covered by an occupational health and safety management system	All employees are covered by the occupational health and safety management system that we have in place.	
	403-9		KPI B2.1 KPI B2.2	Number, rates and types of work-related injuries, lost days due to work-related injuries and, number and rate of work-related fatalities	ESG report p.97	
Training and Education (2016)	103-1	6	Aspect B3 GD	Management approach disclosure	ESG report p.89	
	103-2					
	103-3					
		404-1		KPI B3.2	Average hours of training per year per employee	ESG report p.97
		404-2		-	Programs for upgrading employee skills and transition assistance programs	ESG report p.89-90
		-		Aspect B3 GD	Description of training activities	ESG report p.89-90
		404-3		-	Percentage of employees receiving regular performance and career development reviews	ESG report p.90
	-		KPI B3.1	The percentage of employees trained by gender and employee category	ESG report p.97	



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GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
Diversity and Equal Opportunity (2016)	103-1	6	Aspect B1 GD	Management approach disclosure	ESG report p.82
	103-2				
	103-3				
	405-1		–	Diversity of governance bodies and employees	ESG report p.17, 96 Annual report p.28-34, 39
Non-discrimination (2016)	103-1	6	Aspect B1 GD	Management approach disclosure	ESG report p.82
	103-2				
	103-3				
	406-1		–	Incidents of discrimination and corrective actions taken	In FY21, there were no reported incidents of discrimination.
Child Labor (2016)	103-1	4, 5	–	Management approach disclosure	ESG report p.56-57
	103-2				Human Rights Policy
	103-3				Responsible Sourcing Policy
	408-1		–	Operations and suppliers at significant risk for incidents of child labor	We are not aware of any operations or suppliers that have significant risks concerning issues related to child labor. On an annual basis, we assess existing direct and critical suppliers based on compliance with laws and regulations, as well as requirements stipulated in our Responsible Sourcing Policy.
	–		Aspect B4 GD	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	ESG report p.56, 81 Human Rights Policy Responsible Sourcing Policy In FY21, there were no reported incidents of non-compliance with relevant laws and regulations relating to child labor that had a significant impact on Bud APAC.
	–		KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	ESG report p.56, 81
	–		KPI B4.2	Description of steps taken to eliminate such practices when discovered	ESG report p.56, 81 Human Rights Policy Responsible Sourcing Policy
Forced or Compulsory Labor (2016)	103-1	4, 5	–	Management approach disclosure	ESG report p.56, 81
	103-2				Human Rights Policy
	103-3				Responsible Sourcing Policy
	409-1		–	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Bud APAC is not aware of any operations or suppliers that have significant risks concerning issues related to child labor. On an annual basis, we assess existing direct and critical suppliers based on compliance with laws and regulations, as well as requirements stipulated in our Responsible Sourcing Policy.



GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
	-		Aspect B4 GD	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	In FY2021, there were no reported incidents of non-compliance with relevant laws and regulations relating to forced labor that had a significant impact on Bud APAC.
	-		KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	ESG report p.56, 81
	-		KPI B4.2	Description of steps taken to eliminate such practices when discovered	ESG report p.56, 81 Human Rights Policy Responsible Sourcing Policy
Human Right Assessment (2016)	103-1 103-2 103-3	1	-	Management approach disclosure	ESG report p.55-57
	412-1		-	Operations that have been subject to human rights reviews or impact assessments	100% of Bud APAC's business units and operations are required to adhere to our Human Rights policy and carry out a risk assessment.
Local Communities (2016)	103-1 103-2 103-3	7, 8	-	Management approach disclosure	ESG report p.70-78
	413-1		-	Operations with local community engagement, impact assessments, and development programs	ESG report p.70-78
	-		KPI B8.1	Focus areas of contribution	ESG report p.70, 73-78
	-		KPI B8.2	Resources contributed to the focus area	ESG report p.70-78
Supplier Social Assessment (2016)	103-1 103-2 103-3	1, 2, 3, 4, 5, 6, 10	Aspect B5 GD	Management approach disclosure	ESG report p.18, 56
	414-1		KPI B5.2	New suppliers that were screened using social criteria	ESG report p.18, 56 Bud APAC requires 100% of its suppliers and business partners to follow our Responsible Sourcing Policy .
	-		KPI B5.1	Number of suppliers by geographical region	In FY21, we worked with roughly 7,000 suppliers, of which around 44% were based in China, 28% in India, 21% in South Korea, 5% in Vietnam and 2% in Japan.
	-		KPI B5.3	Practices used to identify social risks along the supply chain	ESG report p.18, 56
Customer Health and Safety (2016)	103-1 103-2 103-3		Aspect B6 GD	Management approach disclosure	ESG report p.65
	416-1		-	Assessment of the health and safety impacts of products and service categories	ESG report p.65-69



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GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX ESG Guide*	Description	Remarks and References
	416-2		Aspect B6 GD	Incidents of non-compliance concerning the health and safety impacts of products and services	In FY21, there were no reported incidents of non-compliance in relation to laws or regulations on the health and safety relating to products and methods of redress which had a material impact on Bud APAC.
	-		KPI B6.1	Percentage of total products sold or shipped subject to recalls for health and safety reasons	ESG Report p.97 In FY21, 0% of total products sold or shipped were subject to recall for safety and health reasons.
	-		KPI B6.4	Description of quality assurance process and recall procedures	ESG report p.65 Bud APAC's VPO Quality Pillar leads us to deliver excellence in quality for all our products. Our Recall Policy serves as a guideline to assess teams, expedite the recall process and ensure best practices.
Marketing and Labeling	103-1 103-2 103-3			Management approach disclosure	ESG report p.64
	417-2		Aspect B6 GD	Incidents of non-compliance concerning product and service information and labelling	In FY21, there were no reported incidents of non-compliance in relation to laws or regulations on advertising and labelling
	417-3		Aspect B6 GD	Incidents of non-compliance concerning marketing communications	relating to products and methods of redress which had a material impact on Bud APAC.
Customer Privacy (2016)	103-1 103-2 103-3		Aspect B6 GD KPI B6.5	Management approach disclosure	ESG report p.20 Privacy Policy
	418-1		Aspect B6 GD	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In FY21, there were no reported incidents of non-compliance in relation to laws or regulations on privacy matters relating to products and methods of redress which had a material impact on Bud APAC.
Socioeconomic Compliance (2019)	103-1 103-2 103-3		-	Management approach disclosure	ESG report p.18
	419-1		-	Non-compliance with laws and regulations in the social and economic area	In FY21, there were no reported incidents of non-compliance in relation to laws or regulations relating to products and methods of redress which had a material impact on Bud APAC.
Product Responsibility/ Intellectual Property Rights	-		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Code of Business Conduct In FY21, Bud APAC complied with relevant laws and regulations and had established internal policies as applicable.
	-		KPI B6.2	Number of products and service related complaints received and how they are dealt with.	In FY21, Bud APAC's Consumer Complaint stood at 94.26 parts per billion unit produced ("ppb"), compared with 135.9ppb in FY20.



Glossary

“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)
“ABV”	Alcohol by volume
“AI”	Artificial intelligence
“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
“APACU”	APAC University
“B2B”	Business to business
“Board” or “Board of Directors”	The board of directors of the Company
“BPM 2.0”	Business Process Management 2.0
“BSG”	Barley Saved Grain
“BU”	Business unit
“Business Partners”	Suppliers, vendors, agents and contractors
“CADA”	China Alcoholic Drinks Association



Appendices

“CDP”	Formerly known as the Carbon Disclosure Project; Questionnaires that measure the environmental impacts of companies focusing on climate change, water security and forest management
“CEIBS”	China Europe International Business School
“CO ₂ ”	Carbon dioxide
“Company”, “Bud APAC”	Budweiser Brewing Company APAC Limited, a company incorporated under the laws of the Cayman Islands with limited liability on 10 April 2019
“COP15”	Conference of the Parties to the Convention on Biological Diversity
“COP26”	United Nations Climate Change Conference
“COVID-19”	Coronavirus Disease 2019
“CSR”	Corporate Social Responsibility
“Director(s)”	The director(s) of the Company
“DJSI”	Dow Jones Sustainability Index
“D&I”	Diversity and inclusion
“ESG”	Environmental, Social and Governance
“EV”	Electric vehicle
“FY” or “financial year”	Financial year ended or ending 31 December
“FY20”	The financial year ended 31 December 2020
“FY21” or “reporting period”	The financial year ended 31 December 2021
“GHG”	Greenhouse gas
“GMBA”	Global Master of Business Administration
“GMT”	Global Management Trainee program
“GRI”	The Global Reporting Initiative
“Group,” “we,” “our” or “us”	The Company and its subsidiaries
“Guide”	The ESG Reporting Guide located in Appendix 27 to the Listing Rules on The Stock Exchange of Hong Kong Limited
“HACCP”	Hazard Analysis Critical Control Points



“HAPI”	Harbin Beer
“HBL”	Haryana Breweries Ltd.
“HKEX”	The Stock Exchange of Hong Kong Limited
“hl”	Hectoliter
“IARD”	International Alliance for Responsible Drinking
“ICRISAT”	International Crops Research Institute for the Semi-arid Tropics
“IIWBR”	Indian Institute of Wheat and Barley Research
“ITI”	International Taste Institute
“JSNK”	Jiangsu Nongken Group, a local barley supplier in China and our strategic partner
“KBC”	Korean Brewers Collective
“KGF”	Korea Green Foundation
“kl”	Kiloliter
“KoROAD”	Korea Road Traffic Authority
“KRW”	South Korean won, the lawful currency of South Korea
“kwh”	Kilowatt-hour
“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
“LNG”	Liquefied natural gas
“ml”	Milliliter
“MW”	Megawatt
“NABLAB”	No-Alcohol Beer and Low-Alcohol Beer
“NSFI”	National Skill Foundation of India
“OBC”	Oriental Brewery Co., Ltd
“One MDM”	One Master Data Management
“OPR”	Organization and personnel review
“PRC” or “China”	the People’s Republic of China



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"RBS"	Responsible Beverage Service
"R&D"	Research and development
"RE"	Renewable energy
"RE:harvest"	RE:harvest Company Limited
"RMB"	Renminbi, the lawful currency of the PRC
"RO"	Reverse osmosis
"RSP"	Responsible Sourcing Practices
"RTD"	Ready to Drink
"SBTI"	Science Based Targets initiative
"SJTU"	Shanghai Jiao Tong University
"SSA"	Supplier Strategic Allianz
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TCFD"	Task Force on Climate-related Financial Disclosures
"UN"	The United Nations
"UN SDGs"	The United Nations' Sustainable Development Goals
"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
"VOH"	Voice of Ho Chi Minh People
"VPO"	Voyager Plant Optimization
"VPPA"	Virtual power purchase agreement
"VSA"	Vendor Strategic Allianz
"WEPs"	The Women's Empowerment Principles
"WHO"	World Health Organization
"WRI"	World Resource Institute
"ZLD"	Zero Liquid Discharge
"90025"	90 MJ/hl total purchased energy, 0 CO ₂ purchases and 2.5 hl/hl water usage





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

