



BUDWEISER BREWING COMPANY APAC
 百威亚太控股有限公司

Stock Code: 1876

ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT 2022

WE DREAM BIG TO CREATE A FUTURE WITH MORE CHEERS



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About this Report

Our 2022 Environmental, Social and Governance (ESG) Report is designed to give our stakeholders greater insight into how we are bringing our vision of a future with more cheers to life. This report describes our approach to assessing and managing the issues most important to our business and provides an overview of our progress in 2022, including our governance and policies that support our goals and programs in decision-making processes, and how we conduct our business to uphold the highest standards of business integrity and ethics. As of 2022 the scope of the ESG report is aligned with the Bud APAC's financial reporting of our four operating regions (China, India, Vietnam and South Korea), in accordance with GRI recommendations and HKEX's requirements.

Our reporting incorporates key non-financial indicators and guidance from frameworks such as the Global Reporting Initiative (GRI) standards, the UN Guiding Principles reporting framework, CDP Water and Climate, the Task Force on Climate-related Financial Disclosure (TCFD), and the relevant UN Sustainable Development Goals (UN SDGs). We have included several of these frameworks in the governance and ESG disclosure section of this report (pages 146-152).

This report contains forward-looking statements that relate to estimates about the future. These statements are subject to uncertainties and cannot be guaranteed. The statements are based on Bud APAC management's current expectations and beliefs regarding future events and developments and are inherently subject to uncertainties and changes in circumstances. All statements that are not historical facts are forward-looking statements.

Reporting Scope and Boundary

As of 2022, the scope of the ESG report is aligned with the Bud APAC's financial reporting of our four operating regions (China, India, Vietnam and South Korea), in accordance with GRI recommendations and HKEX's requirements.

The adjustment in scope does not impact our 2025 Sustainability Goals, which are relative and remain unchanged. For the entities included in the scope of reporting, please see the list of fully consolidated subsidiaries on page 167 of the 2022 Annual Report.

Environmental data from newly acquired operations are excluded from the running cycle. These facilities will be included in future reporting. 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 current year's reporting purposes nor in the comparative data of prior years. Sustainability 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. For our beverage and vertical operations, including malting and packaging facilities, we use our operations management system VPO. 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 are operations that fulfil one or more criteria including, but not limited to: reduced volume, low number of FTEs, complexity of brand mix, unusual products or production processes- are excluded from the reporting scope. The following assumptions are applied for the calculation of this percentage: 1) country average of Scope 1 and 2 emissions per hl, 2) average production volume per country, 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.

Reporting Standards

This Report is prepared in accordance with:

- The ESG Reporting Guide (Guide) is located in Appendix 27 to the Listing Rules on the Stock Exchange of Hong Kong Limited (HKEX)
- The Global Reporting Initiative (GRI) Standards (2021)
- Task Force on Climate-related Financial Disclosure (TCFD)
- The United Nations Global Compact

Our overall sustainability agenda aligns with several of the UN Sustainable Development Goals (UN SDGs) established by the United Nations in 2015. 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.

To provide a comprehensive picture of our ESG management and performance, we also refer to and align with key ESG ratings and frameworks such as MSCI, Sustainalytics, DJSI, the CDP Climate Change Questionnaire, the CDP Water Security Questionnaire and climate-related disclosures as per the TCFD recommended framework.

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 strategic priority areas and underpins 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 material issues that are of most importance to our stakeholders across different markets.

- For our **Materiality Assessment**, please refer to page 17.
- For our **Reporting Content Index**, which covers the GRI Index, the HKEX ESG Reporting Guide and the UN Global Compact, please refer to pages 146 – 152.

This Report has been reviewed and approved by our ESG Committee and, subsequently, the Board on March 15th, 2023. Certain data points have obtained limited external assurance by KPMG. Our ESG journey, including ESG Reports, performances, policies and responses to the CDP Climate Change and Water Security Questionnaires, are also available on our website.

We Welcome your Feedback

You can access our 2022 Annual Reports, historical ESG Reports, policies and responses to CDP on our website (<https://budweiserapac.com/>). Our website showcases our ESG journey and how our priority areas align with the UN SDGs. We welcome any suggestions, comments and questions about our Report and our sustainability performance. Inquiries to the Company may be directed to the Company's investor relations team at IR@budweiserapac.com.

Co-Chairs' Statement



(Left): Jan Craps, Chief Executive Officer and Co-Chair of the Board; (Right): Michel Doukeris, Co-Chair of the Board

Looking back on 2022, we would like to express our respect for and appreciation of the resilience of our teams across the region. They worked incredibly hard to support our partners, our customers and consumers, and our communities through a challenging year.

That resilience comes from living our purpose as a company – *we dream big to create a future with more cheers*. As Asia's largest brewer, we have an important role to play regarding the conservation of natural resources and supporting the communities where we operate. The milestones we achieved in our work on ESG in 2022 are significant and this report captures the progress we have made across multiple markets and individual projects, as well as laying out our targets for the future.

Long-term Value Creation

We are committed to building a sustainable business where ESG is embedded into our operations and across our value chain. To do so, we work across eight ESG strategic priorities, which culminate in three cross-cutting themes that we feel we can create the shared prosperity:

Inclusive

From thousands of farmers to millions of small retailers, to colleagues and consumers, we improve livelihoods and increase access to opportunity. Our inclusivity extends to our products. Going beyond an affordable and accessible category, we stand for better choices.

“

This report brings to life how we are putting our purpose of dreaming big to create a future with more cheers into practice across APAC. We strive to make our world more sustainable and inclusive, grounded in the principles of shared prosperity and long-term value creation.

Michel Doukeris
Co-Chair of the Board



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Natural

We are a company based in nature. With products made from simple ingredients, we understand the true value of the planet's precious resources. We work with nature instead of against it, leveraging nature-based solutions to develop resilience where it is needed most.

Local

With more than 50 brands in our portfolio and almost 50 breweries across APAC. We keep our supply chains short, our impact direct and boots on ground. We believe in the future of local economies and invest in their well-being and development.

The eight strategic priorities are Climate, Water Stewardship, Circular Packaging, Sustainable Agriculture, Smart Drinking & Moderation, Entrepreneurship, Diversity, Equity & Inclusion (DE&I), and Ethics & Transparency. Our 2025 Sustainability Goals focus on the first four of these priorities, driving our environmental sustainability strategy and ambition. In relation to social issues, we prioritize Smart Drinking, Entrepreneurship and DE&I. In addition, Ethics and Transparency form a core part of our governance agenda and, we believe, provide us with a competitive advantage in our overall business.

We disclosed additional ESG data points in 2022 to increase transparency, supporting our engagement with the leading rating agencies such as MSCI, Sustainalytics and CDP. We received our third MSCI rating upgrade in less than three years. MSCI now ranks us as an "AA" ESG leader among 50 global beverage peers, noting our effective governance, environmental and social programs, comprehensive disclosure, and responsible product and marketing initiatives.

We were also recognized for our ESG efforts in other areas. We received the Top Employer certification from the Top Employer Institute again for our operations in China, India and South Korea. In addition, we received several awards from leading organizations for our positive environmental and social impact, and our meaningful ESG disclosure.

We are proud of all of the ESG programs we have implemented and the progress toward our ESG ambition we have made in the last year. Now, we would like to take the chance to highlight some specific initiatives across our business in 2022.

Net Zero Ambition across Our Value Chain by 2040

While our 2025 Sustainability Goals provide our shorter-term targets, we are also working towards our 2040 net zero ambition. We have delivered substantial progress towards our 2025 Sustainability Goals, which are on track, with some achievements ahead of our goal.

Climate Action

We reduced carbon emission intensity per hectoliter (kgCO₂/hl) by 19.7% across our total value chain compared to our baseline of 2017. We recorded a 49.6% decrease in carbon emission intensity per hl within our operations against the baseline year. In the same time frame, the absolute carbon emissions of our operations reduced 45.9%, achieving a 35% reduction goal four years ahead of schedule. Our Jinzhou brewery in China became our second carbon neutral brewery in APAC.

In green logistics, we deployed 369 green trucks in our fleet, an increase of over 10% compared to 2021, further reducing our carbon footprint.

As the majority of our carbon emissions come from our value chain, we are using our Supplier Strategic Alliance (SSA) program, to actively help our suppliers reduce their emissions including renewable energy transition programs and carbon emission audit and capacity building projects.



We design our ESG strategy to enable our commercial vision and fulfill our purpose of creating a future with more cheers. We are proud to achieve some significant milestones in 2022 with our team, value chain partners and communities. We remain committed to bringing positive impacts in this region and continue investing in our strategic ESG priorities.



Jan Craps

Chief Executive Officer and Co-Chair of the Board



Co-Chairs' Statement

Water Stewardship

Knowing that “No water, no beer!” we are proud to lead the industry with our best-in-class water management practices. In 2022, we lowered our water usage to 2.20 hl per hl of beer produced across our APAC breweries, representing a 26% decrease compared to our 2017 baseline.

Our Nanning brewery in China ranks first among all ABI breweries globally in terms of water efficiency, with a water usage of 1.11 hl/hl of beer production. Nanning brewery also serves as a new benchmark for the world beer industry.

We continue to invest in water availability and quality improvement in communities with significant water stress, particularly India and China. The water replenishment rate in India reached 207% in high stress areas, with over 16 million hl of water supplied to the communities where we operate. China water replenishment reached approximately 15 million hl.

Circular Packaging

We made further progress in the area of circular packaging: 63.2% of our total packaging volume was returnable or made from majority of recycled material. 51.3% of our primary packaging consisted of recycled material. Aiming to build Corona into the first plastic neutral beer brand, we launched an initiative to protect ocean biodiversity by recycling approximately 155 tons of plastic waste.

Sustainable Agriculture

We increased a 60% of local barley harvesting in China to 40,000 tons, benefiting 4,500 farmers covering 60,000 hectares of land. We supported 721 farmers in India with our barley program. 100% of the farmers we partner with in China and India are qualified and have access to appropriate barley varieties and technical training. 100% are financially empowered to grow their businesses to improve their livelihoods and long-term sustainability. Leveraging our experience in sustainable agriculture, we partnered with nine leading agro-food companies in China to launch the Climate Change Agriculture Food Industry Partnership to reduce climate impact.

Thriving with Our People, Partners and Communities

In addition to creating a healthy environment for sustainable development, we remain committed to our people, supporting our employees through challenging moments and providing them with an inclusive and diverse workplace with equal opportunities for them to grow and thrive.

We have created a flexible, diverse, equitable and inclusive workplace for employees from 25 nationalities, with 37.2% female colleagues in our workforce. We achieved gender pay equity in APAC, underlining our commitment to diversity and inclusion. Through female mentorship and local leadership programs, we support our female and local talent to grow within the business.

As part of our Smart Drinking priority, we have developed programs tailored to local markets across the region to raise awareness of responsible drinking and road safety in each of our key markets over 15 years. In all markets in APAC, we have updated our guidance label designs on 100% of our product packaging to incorporate actions that consumers can take to reduce harmful drinking and make informed decisions.

We actively support our communities across Asia in times of disaster. We stopped our brewing lines to fill millions cans of emergency drinking water and have donated over 2.4 million cans of water to people most in need from China to South Korea and India since 2015.


Robust Governance to Drive Performance

A sound governance structure is the cornerstone of our company's success. We expanded our compensation framework that connects remuneration with ESG results to hundreds of managers with different targets across the business. We undertook an in-depth review of our risk and internal control systems. Recently, we evolved our Board Audit Committee to an Audit and Risk Committee and launched a management level Risk Committee to strengthen our cross-functional approach to determine the risk appetite, profile and tolerance of Bud APAC. We amplified our Anti-Bribery Policy and enhanced our Whistle Blowing System. In addition, we have become a Taskforce on Climate-related Financial Disclosures (TCFD) signatory, which will see us provide additional disclosures on our climate-related risks and opportunities.

This past year has seen us build strong upward momentum, driving positive changes across our value chain. Looking ahead, we remain focused on accelerating our net zero ambition delivery, benefiting our value chain partners and building our community impact through tailored programs, all in pursuit of a 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



35+

Countries/territories



50+

Brands



24,000+

Colleagues



47

Breweries



25

Nationalities in our workforce



51

Distribution centers



37.2%

Female colleagues

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 (ABI). 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.

About Bud APAC

Our Passion for Beer

We are brewers at heart, positioned to serve the evolving needs of consumers in Asia Pacific. Our brands are categorized 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. While we continuously innovate our product offerings to meet evolving consumer preferences, we are also sensitive to the sustainability needs of our markets: our extensive brand portfolio not only allows us to expand across all categories, but also to respond to ESG trends in the regions we operate in.

Our Product Portfolio

With over 50 brands and countless beer varieties, we are confident that we can meet the sustainability preferences of our diverse customer and consumer base in all markets. 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. With our range of no-alcohol and low-alcohol beers (NABLAB), carbon neutral brewing initiatives and other ESG offerings, we are continually expanding and shaping our brands to support our strategic ESG priorities.

Our Locations

Our state-of-the-art facilities and distribution network are spread across our principal markets, including China, South Korea, India and Vietnam. Our locations facilitate our strong market presence and enable us to be well-positioned for long-term growth and competitiveness.



Our Purpose & Principles

Our Purpose Manifesto

To us, a future with more cheers is shared prosperity, for our communities, for the planet and for our company. Together we are:

- Advancing sustainability around the world
- Driving category leadership and innovation to meet customer and consumer needs
- Leading the future growth of our industry, reaching more consumers on more occasions with our best-in-class portfolio
- Using data and technology to connect with our customers and consumers
- Connecting our farmers with resources
- Making a positive and lasting impact in our local communities around the globe in the moments that matter
- Empowering our colleagues who are passionate owners and problem-solvers to lead real change

This is our path to a more sustainable, inclusive and rewarding future.



“We dream big to create a future with more cheers”

About Bud APAC

Our 10 Principles



1. We dream big.



6. We thrive when our communities thrive.



2. We are owners who think long-term.



7. We believe in simplicity and scalable solutions.



3. We are powered by great people and build diverse teams through inclusion and collaboration.



8. We manage costs tightly and make choices to drive growth.



4. We lead change and innovate for our consumers.



9. We create and share superior value.

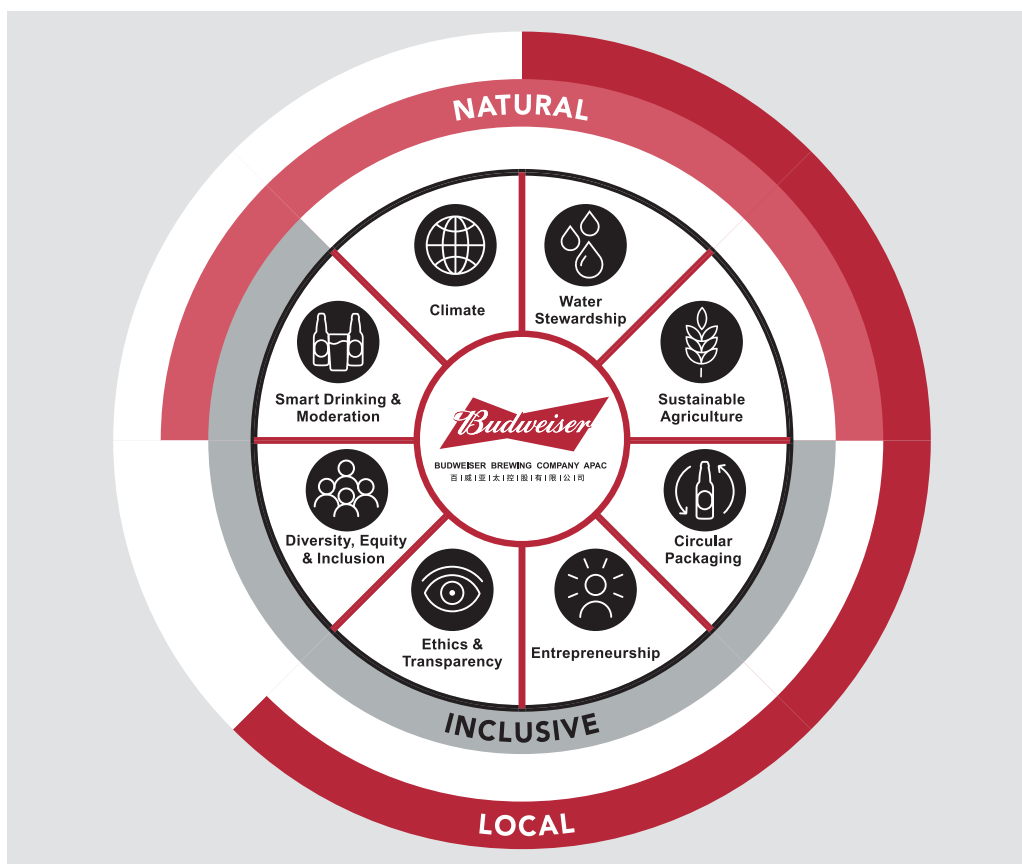


5. We grow when our customers grow.



10. We never take shortcuts.

Our Strategic ESG Priorities



We are committed to building a sustainable business where ESG is embedded into our operations and across our value chain. To do so, we work across eight ESG strategic priorities, which culminate in three cross-cutting themes that we feel we can create the shared prosperity:

Inclusive

From thousands of farmers to millions of small retailers, to colleagues and consumers, we improve livelihoods and increase access to opportunity. Our inclusivity extends to our products. Going beyond an affordable and accessible category, we stand for better choices.

Natural

We are a company based in nature. With products made from simple ingredients, we understand the true value of the planet's precious resources. We work with nature instead of against it, leveraging nature-based solutions to develop resilience where it is needed most.

Local

With more than 50 brands in our portfolio and almost 50 breweries across APAC, we keep our supply chains short, our impact direct and boots on ground. We believe in the future of local economies and invest in their well-being and development.

About Bud APAC

Our Strategic ESG Priorities and Highlights

Climate Action

2025 CLIMATE ACTION GOAL:

- 100% of our purchased electricity will come from renewable sources
- 25% of carbon emissions are reduced across our value chain
- 35% reduction in absolute scope 1 and 2 emissions by 2025



OUR ACHIEVEMENTS:

- **2** carbon neutral breweries (Wuhan since 2021 and Jinzhou since 2022).
- **4** breweries in China achieved RE100.
- **17** breweries across APAC installed solar panels on site; contracted 43% of our electricity in China from renewable sources; pioneered using flexible and lightweight solar panels in breweries, first in China's beer industry and AB InBev globally (Wuhan and Nantong).
- Deployed **369** green trucks in our fleet, an over **10%** increase compared to 2021.
- **49.6%** decrease in carbon emission intensity and **45.9%** absolute reduction within our operations against the 2017 baseline.
- Reduced **19.7%** carbon emission intensity per hl across our value chain compared to the 2017 baseline.

Water Stewardship

2025 WATER STEWARDSHIP GOAL:

- 100% of our communities in high stress areas will have measurably improved water availability and quality.
- Average brewing water usage reaches 2.0 hl/hl



OUR ACHIEVEMENTS:

- Lowered water usage for beer production to **2.20** hl/hl across APAC, a **26%** decrease compared to the 2017 baseline.
- Nanning Brewery recorded **1.11** hl/hl water usage for beer production- the lowest among ABI breweries globally and a benchmark for the world's beer industry.
- Conducted comprehensive water risk assessment to monitor water issues where we operate and within the supply chain in India.
- India's operation reached a **207%** water replenishment rate and returned **16** million hectoliter of water to high stress areas.
- Replenished nearly **15** million hl of water to our surrounding communities in China.
- Expanding zero effluent discharge practices to APAC breweries.

Circular Packaging

2025 CIRCULAR PACKAGING GOAL:

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



OUR ACHIEVEMENTS:

- **63.2%** of our total packaging volume is in returnable packaging or made from majority recycled content.
- **51.3%** of our packaging was made from recycled content.
- Aiming to make Corona the first plastic neutral beer brand, we recycled over **155** tons of plastic waste from the ocean.
- Reduced **8,473 tons** packaging material usage.

Our Strategic ESG Priorities and Highlights

Sustainable Agriculture

2025 SMART AGRICULTURE GOAL:

- 100% of our direct farmers will be Skilled, Connected and Financially Empowered.



OUR ACHIEVEMENTS:

- 100% of farmers we partnered with in China and India are skilled, connected and financially empowered.
- Supported 721 farmers in India through our barley program.
- Increased local barley harvesting in China by 60% to 40,000 tons, benefiting 4,500 farmers covering 60,000 hectares of land.
- Partnered with 9 leading agri-food companies in China to launch the Climate Change Agriculture Food Industry Partnership to reduce climate impacts.

Smart Drinking & Moderation

We actively take responsibility to reduce and prevent the harmful consumption of alcohol in our markets. This is achieved through influencing both social norms and Individual behaviors through our brand influence, dedicated social marketing campaigns and related programs, expanding consumer access to No-Alcohol Beer and Low-Alcohol Beer alternatives, and guiding our customers to make informed choices on alcohol consumption.



OUR ACHIEVEMENTS:

- Celebrating the 15th anniversary of promoting smart drinking in China through a creative campaign that reached more than 14 million people.
- 1st private company in South Korea to introduce 'Ignition Interlock Devices' to advocate drunk driving prevention.
- Launched "The Art of Drinking" campaign to advocate for responsible consumption that reached 3.2 million people in India.
- 100% of our products in APAC use guidance labels since FY21 to help consumers develop alcohol literacy.
- On track to achieve the ambition of having 20% no- or lower-alcohol beer in product portfolio by 2025.

Entrepreneurship

Our goal is to drive high-quality growth of our industry and communities, all in pursuit of building a future with more cheers. Leveraging our deep industry expertise and transformational experience, we can help entrepreneurs to accelerate their business development in a more sustainable way. We empower innovation and strive to establish meaningful partnerships to deliver shared commercial value for a resilient ecosystem.



OUR ACHIEVEMENTS:

- Inspired 79 ventures through our local Innovation Hub in China and 35 ventures in South Korea.
- 39 participants in the University Hackathon.
- Supported 3 start-ups through the 100+ Accelerator.

Diversity, Equity & Inclusion

DE&I is at the core of what we do, and it's represented both in our Purpose and our Principles. We are committed to consistency in executing our DE&I strategy and making progress across all platforms.



OUR ACHIEVEMENTS:

- Confirmed gender gap equity, underlining our commitment to diversity and inclusion.
- 32% of female representation among our top four leadership levels.
- 85% of our APAC management committee members and 91% of leadership level 2 positions are from local talent pipeline.

About Bud APAC

Our Strategic ESG Priorities and Highlights

Ethics & Transparency

Our Board of Directors and our leadership team are committed to promoting and maintaining the highest standards of ethical behavior and transparency. This guides everything that we do as an organization and serves as our foundation in creating a future with more cheers.



OUR ACHIEVEMENTS:

- Updated **Whistleblowing Policy, Privacy Policy** and launched **Anti-bribery Policy**.
- Have executive pay linked to ESG performance and **hundreds** of colleagues' compensation linked to individual ESG targets and metrics across APAC.
- Over **8,800** colleagues attended compliance training and over **3,000** colleagues trained on core policies and guidelines.

Our Sustainable Operation and Engagement

Our Employees

- **25** nationalities in our workforce
- **115,333** trainings provided to our colleagues
- **37.2%** of our colleagues are female
- Decrease of **40%** in total recorded injuries (compared to FY20)



Our Consumers

- Ran over **30** Smart drinking and road safety initiatives
- Launched public engagement initiatives on reducing ocean plastic waste, reaching **90** million impressions



Our Suppliers

- **369** green vehicles (**10%** increase compared to 2021) were put into operation as part of our green logistics strategy with our logistic partners
- Implemented large-scale solar energy projects at our largest glass supplier, driven by our overall renewable energy strategy



Our Community

- **95,391** hours of volunteering
- Distributed over **2.4** million cans of emergency drinking water to communities in need
- **28** Hope Schools in **15** provinces supported financially
- **235,000**kg of limes sold through the Budweiser China Lime Rural Revitalization Project by the end of 2022



Ambition to Achieve Net Zero across our Value Chain by 2040

Our business is closely tied to the natural environment. Agricultural crops and water are our key ingredients, we require raw materials for our packaging, and we need energy and fuel to brew, transport, and refrigerate our beers. This is why we have announced an ambition to achieve net zero across our value chain by 2040. Understanding the potential climate-related risks and opportunities for our business and value chain should inform our long-term climate strategy.

ESG Highlights

As of 2022, Bud APAC received an MSCI ESG rating of AA^[1]



CDP B Rating in Climate Change and B Rating in Water Security



Morningstar Sustainalytics ESG Risk Rating – Low risk rating



ESG Risk Rating **17.6** COMPREHENSIVE Low Risk



The FTSE4Good Index Series:

One of three companies in Hong Kong to be listed on their top ESG Indices.



HERA Awards

Won the Carbon Neutral Award – Grand Award for the second year, along with the Grand Award for Best ESG Report – Large Cap and Excellence in Environmental Positive Impact Award.



The Dow Jones Sustainability Indices

Selected as a constituent of the Dow Jones Sustainability Asia Pacific Index for the first time.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Top Employer Certification

Bud APAC has been certified for the second consecutive year as a Top Employer in China, India, and South Korea by the Top Employer Institute.



Sustainable Business Awards from the European Chamber of Commerce

Won the “Advanced Performed in Decarbonization” and “Resilient Industry, Innovation and Infrastructure Leader”



Signatory of



WE SUPPORT



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

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ESG Highlights

Our Economic Performance

As Asia’s largest beer brewer, we are a driver of economic growth, job creation and sustainable development. Businesses and communities across the value chain rely on the beer sector to support local economies, as beer is typically produced, distributed and consumed locally. Through a value chain that extends from farmers to truckers, small retailers, restaurants, bars and other hospitality establishments, it provides above-average economic benefits.

Oxford Economics’ “Beer’s Global Economic Footprint” report, released in early 2022, provides a unique study of the beer industry’s global economic contribution. The report, which accounts for approximately 89% of the volume of beer sold worldwide, shows the significant economic contribution beer makes throughout its value chain. The report examines beer’s direct, indirect and induced contributions to global gross domestic product (GDP), jobs and taxes. According to the report, the sector contributed \$555 billion to GDP in 2019, an average share of 0.8% of GDP across the 70 countries studied, rising by more than 1% in some countries, particularly emerging markets. It also supported more than 23 million jobs (one in 110) and generated \$262 billion in tax revenue for governments.

At Bud APAC, financial sustainability and commercial success are the foundation of our ESG journey. We are constantly looking for sustainable ways to increase our positive impact on the communities where we live and work – from sourcing local ingredients for our beers to financially supporting others through improved access to markets and financial resources. As we share our passion for beer, we seek to promote economic prosperity in our markets and along our value chain.

In this context, we have made significant investments to achieve our carbon reduction targets and meet Bud APAC’s RE 100 commitment. We will apply these innovation investments to more breweries, as well as support our suppliers in their low-carbon transition journey. In addition to the environmental benefits, these initiatives also bring long-term economic and social benefits.

VALUE FOR OUR SHAREHOLDERS

- Dividend returned **501** million USD
- Dividend per share **3.78** cents USD

VALUE FOR OUR COMMUNITIES

- Community investment **326** thousand USD
- Costs arising from COVID-19 responses activities **1** million USD

VALUE FOR OUR EMPLOYEES

- Jobs created **2,778**
- Number of employees across APAC **24,320**
- Payroll and related benefits **768** million USD

VALUE FOR OUR CUSTOMERS AND CONSUMERS

- Beers and beverages sold **88,491** thousand hl

VALUE FOR OUR PARTNERS

- Number of tier 1 suppliers and contractors (more than five million USD spending) **172**
- Number of suppliers and contractors **6,238**

ECONOMIC VALUE GENERATED

Revenue generated **6,478** million USD

Normalized EBITDA **1,932** million USD

Materiality Assessment

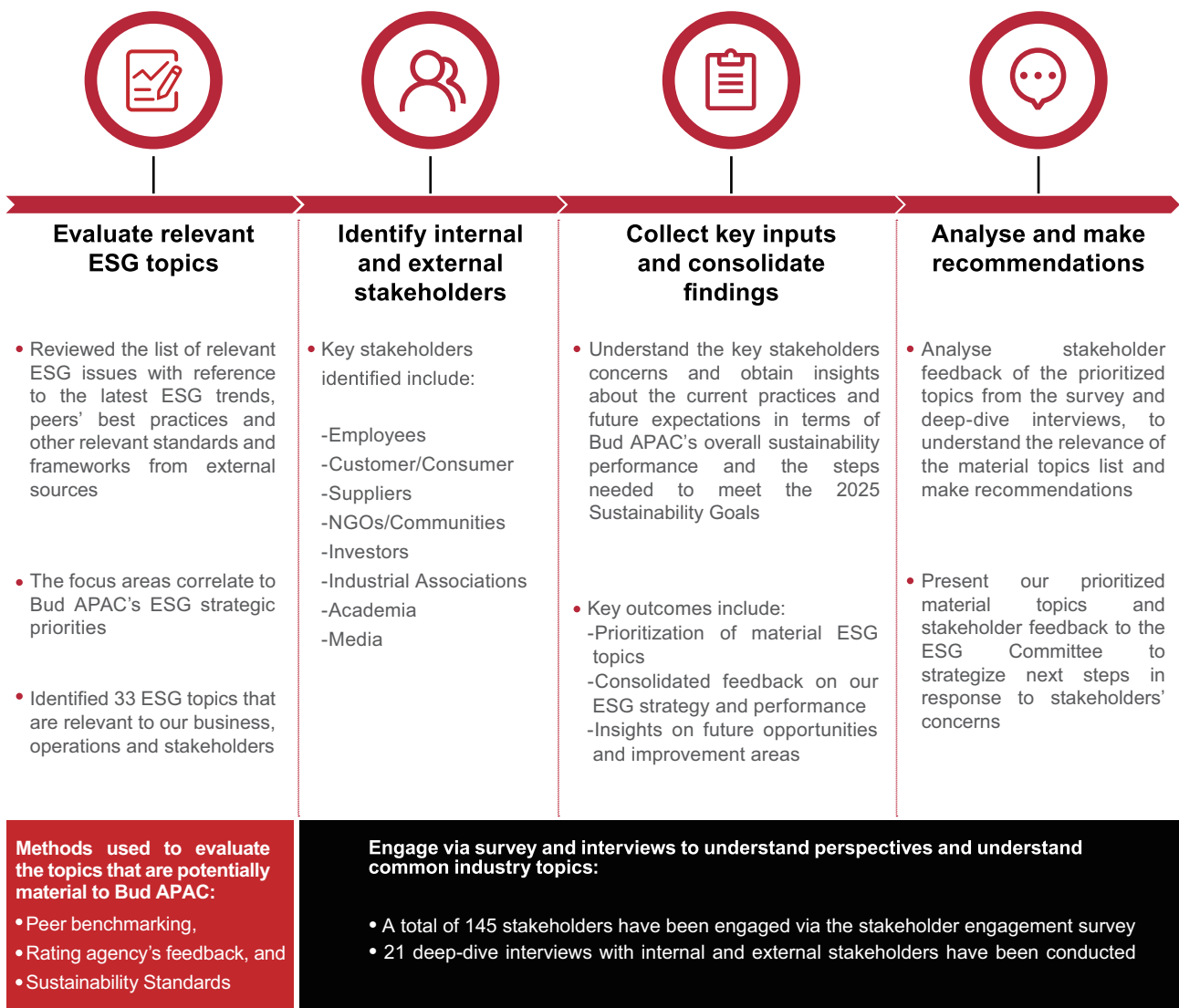
Materiality Assessment

Stakeholder Engagement Approach

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 FY22, we engaged external consultants to conduct a materiality assessment for pinpointing ESG topics that are material to us, guide how we prioritize different ESG aspects and strategize our next steps.

Our Materiality Assessment Process



Materiality Assessment

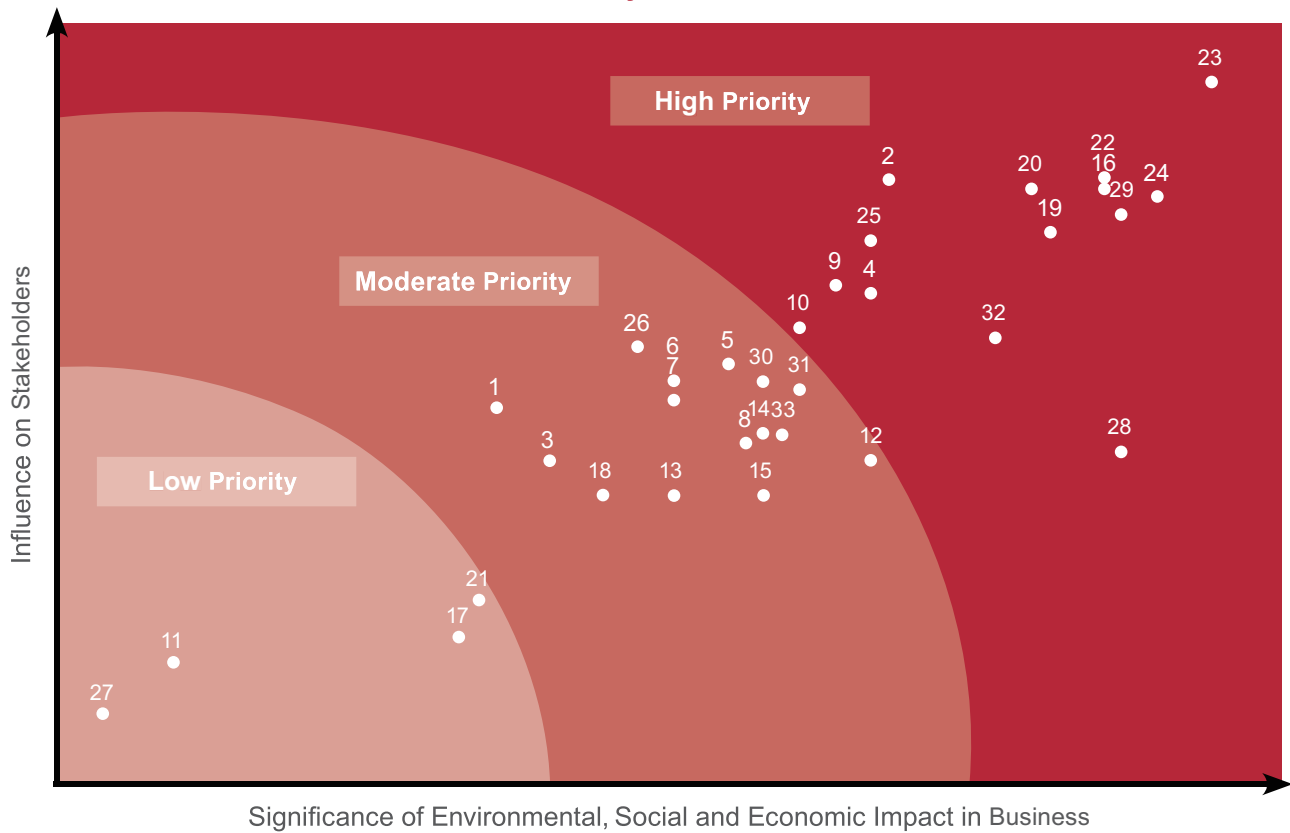
Key Stakeholder Groups		
 <p>Our People</p>	<p>Description</p> <p>Our greatest strength is our people. Our over 24,000 people from diverse backgrounds in APAC share the same vision to create a sustainable future with more cheers.</p>	<p>How We Engage</p> <ul style="list-style-type: none"> • Annual engagement and pulse surveys • Annual performance reviews • Leadership townhalls • Staff activities and sustainability activities • Intranet and official websites • Volunteering activities • Compliance helpline <p>What Matters to Them</p> <ul style="list-style-type: none"> • A diverse, equitable and inclusive workplace • Career development • Workplace health and safety • Well-being and engagement
 <p>Our Consumers and Customers</p>	<p>Description</p> <p>Our consumers and customers are the bosses. We serve our consumers by offering meaningful and responsible product experiences. We partner with valued retailers, bar owners, wholesalers and distributors to bring our beers to our consumers, while supporting their business growth, striving to provide best-in-class service, as well as pursuing extraordinary execution of our brands on and off-trade.</p>	<p>How We Engage</p> <ul style="list-style-type: none"> • Customer services • Important responsibility notices regarding products • Various social media sites • Sustainability activities <p>What Matters to Them</p> <ul style="list-style-type: none"> • Product quality • Brand purpose • Responsible, transparent marketing • Service quality • Product quality • Sales performance
 <p>Our Shareholders</p>	<p>Description</p> <p>We value the trust of our shareholders and are constantly working to provide positive results. We are committed to creating shared value and delivering consistent, profitable growth.</p>	<p>How We Engage</p> <ul style="list-style-type: none"> • Annual and interim reports • General shareholder meetings and presentations on financial results • Investor relations meetings • Official website disclosing information for investors <p>What Matters to Them</p> <ul style="list-style-type: none"> • Continued growth in corporate value • Transparency and timely disclosure
 <p>Our Partners</p>	<p>Description</p> <p>We partner with valued retailers, bar owners, wholesalers, and distributors to bring our beer to our consumers.</p>	<p>How We Engage</p> <ul style="list-style-type: none"> • Partnerships • Entrepreneurship Initiatives Goals <p>What Matters to Them</p> <ul style="list-style-type: none"> • Working collectively to address pressing challenges • Delivering the SDGs
 <p>Our Suppliers</p>	<p>Description</p> <p>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.</p>	<p>How We Engage</p> <ul style="list-style-type: none"> • Supplier assessments and audits • Supplier meetings <p>What Matters to Them</p> <ul style="list-style-type: none"> • Transparent and fair procurement practices, in line with our Responsible Sourcing Policy • Opportunities for development and collaboration
 <p>Our Communities</p>	<p>Description</p> <p>We engage the communities in which we operate, and work with NGOs, academia and the media to achieve our Sustainability Goals.</p>	<p>How We Engage</p> <ul style="list-style-type: none"> • Initiatives of our 2025 Sustainability Goals • Activities supporting communities <p>What Matters to Them</p> <ul style="list-style-type: none"> • Local economic development • Responsible business that contributes positively to society and the environment

Materiality Matrix

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



Materiality Matrix 2022



Materiality Assessment

Bud APAC: Topics by Tiers		Stakeholder Groups							
		Employee	ABI	Investors	Consumer	Supplier	NGO	Academia	Media
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #c8a27d; padding: 2px;">Environmental</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Social</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Governance</div> </div>									
Tier 1 – High Priority									
23	Food Safety	✓	✓	✓	✓	✓	✓	✓	
24	Product Quality, Ingredients & Transparency	✓	✓	✓	✓	✓	✓	✓	✓
20	Human Rights	✓	✓	✓	✓	✓	✓		
25	Data Security and Privacy	✓	✓	✓		✓	✓	✓	✓
2	Carbon Emission	✓	✓		✓		✓	✓	✓
16	Workplace Safety	✓	✓	✓	✓	✓	✓	✓	
29	Corporate Governance and Business Ethics	✓	✓	✓	✓			✓	
32	Innovation	✓	✓	✓		✓			
4	Packaging Strategy			✓	✓				✓
9	Sustainable Agriculture	✓			✓		✓	✓	✓
28	Economic Performance	✓	✓	✓				✓	
19	Labor Management					✓	✓	✓	
10	Water Conservation		✓		✓	✓	✓		✓
22	Product Safety		✓			✓			✓
Tier 2- Moderate Priority									
30	Board and Management Effectiveness	✓		✓		✓		✓	✓
26	Responsible Marketing and Consumer Education		✓			✓	✓	✓	
31	Value Chain Management	✓			✓				✓
5	Waste Management				✓				✓
6	Watershed Management		✓						✓
33	Responsible Sourcing				✓	✓	✓		
7	Effluents Management			✓		✓			✓
13	Employee Engagement	✓							
8	Circular Economy						✓		
14	Employee Wellbeing	✓			✓				
15	Employee Training and Development			✓					
1	Energy Management						✓		
3	Climate Resilience				✓				✓
18	Diversity and Inclusion							✓	
12	Talent Attraction and Retention								
Tier 3 – Low Priority									
21	Community Engagement		✓	✓			✓		
17	Road Safety					✓		✓	
11	Biodiversity Conservation								
27	Smart Drinking								

We have an annual process in place to engage different groups to understand their expectations, get feedback on our performance and inform our ESG approach. We maintain communication and build trusting relationships with those who have a direct influence on us and can be impacted by our activities. The issues prioritized by the above stakeholder groups formed the basis for the review of our management approach and initiatives, which are discussed in more detail below:

Responding to Stakeholder's Concerns

Our Responses for Top Five Material Topics



Food Safety

- Bud APAC has a **Food Safety Policy** to drive food safety culture in our operations
- Organized "World Food Safety Day" with more than 6,000 participants attending
- Hosted the 2022 APAC Food Safety Competition, with more than 2,000 participating staff



Product Quality, Ingredients & Transparency

- Updated our **Code of Business Conduct** to set forth our responsibility for implementing our standards of business conduct.
- As part of "Quality Week 2022", a number of quality-related activities were carried out at each site, in line with the general principles of the region. Through the strategic alliance of suppliers and distributors, Bud APAC's quality management system and high standards are spread throughout the value chain.
- Bud APAC is committed to providing consumers with high-quality and safe products. The quality and food safety management system implemented by Bud APAC has been recognized by many local governments and won 28 national, provincial, municipal and district awards in China.
- Budweiser Magnum has received "Qianzhuo" Awards for product quality and taste in China.



Human Rights

- Provided human rights training on 4 topics, with 100% training rate
- Updated **Human Rights Policy**
- Fully compliant with the UN Global Compact



Data Security and Privacy

- Updated **Privacy Policy** according to the latest regulatory changes
- Issued the Data Breach Incident Management Standard and Personal Information Security Impact Assessment Standard in China to guide employees on the steps we should take to safeguard our company data and personal information
- Provided training on regulations related to data security and third-party management to employees during the compliance month.



Carbon Emission

- On track to achieve the 2025 Climate Action goals and we are four years ahead of our 2025 goals for scope 1 & 2 emissions
- Used our SSA program – Supplier Strategic Alliance – to actively help our suppliers reduce their emissions
- Installed more solar panels in our breweries and deployed more electric vehicles for green logistics

Building Our Robust Governance Framework

Corporate Governance

Governance Structure

The Board of Directors (Board) is the highest decision-making body for the overall strategy and objectives of Bud APAC. It is responsible for aligning the corporate culture with the company's purpose, values and strategy and ensuring the linkage between corporate governance and ESG. The Board Committees, namely the Nomination Committee, the Remuneration Committee and the Audit and Risk Committee, consist of a majority of Independent Executive Directors (INEDs) and oversee the business, operational and financial management of the Company with the support of the Executive Committee.

The Executive Committee is responsible for the day-to-day management of Bud APAC and the implementation of decisions made by the Board. It also guides the Management Committee, formed by the Risk, ESG and Ethics and Compliance Committees, in fulfilling its responsibilities in line with the company's values and ESG objectives. With a sound and robust governance framework, initiatives and action plans are agreed at management level, which are then further relayed to our ESG champions and target owners, and ultimately to our employees.

Further details on our corporate governance can be found in the Corporate Governance Report on page 24 of our Annual Report 2022.

Board Oversight

The Board has a balanced composition of Executive and Non-Executive Directors. The Board is currently comprised of seven Directors:

Experienced & Diversified Board



Mr. Jan Craps
Co-Chair of the Board,
Chief Executive Officer,
Executive Director



Mr. Michel Doukeris
Co-Chair,
Non-Executive Director



Ms. Katherine Barrett
Non-Executive Director



Mr. Nelson Jamel
Non-Executive Director



Mr. Martin Cubbon
Independent
Non-executive
Director



**Ms. Marjorie
Mun Tak Yang**
Independent
Non-executive
Director



**Ms. Katherine
King-suen Tsang**
Independent
Non-executive
Director

Ultimate Decision-making Body

Board of Directors

- Approves the Company's long-term objectives and overall strategy (as recommended by the Chief Executive Officer)
- Aligns the Company's culture with its purpose, values and strategy
- Assumes the ultimate responsibility for the oversight of Bud APAC's activities
- Evaluates the Company's risk appetite and oversees the implementation of mitigation measures
- Considers and reviews the corporate governance and sustainability-related issues and performance each quarter as necessary and creates respective plans of actions
- Develops and reviews the Company's policies
- Ensures linkage between Corporate Governance and ESG

Board Committees

Audit and Risk Committee

- Oversees financial reporting
- Oversees enterprise, financials and operational risks
- Monitors risk management and internal control systems

Remuneration Committee

- Reviews Directors and Senior Management remuneration and incentives
- Reviews and monitors remuneration policies

Nomination Committee

- Reviews changes in Board Composition
- Reviews succession planning and talent management
- Reviews INED independence

Board Oversight

Executive Committee

(formed by Chief Executive Officer, the Chief Financial Officer and the Chief Legal and Corporate Affairs Officer)

- Oversees daily operations of the Company under the Board's delegation
- Assists the Board and the Company in managing the business, operational and financial performance of the Company
- Implementation of corporate strategy as defined by the Board
- Taking responsibility for day-to-day management of Bud APAC and the execution and management of decisions made by the Board
- Guiding the management committee to discharge duties in ways that align with the Company's values and ESG goals

Risk Committee

- Identifies, assesses and monitors Bud APAC's risk profile, appetite and controls regularly
- Implements risk management framework
- Facilitates risk communication and reporting

ESG Committee

- Oversees ESG initiatives internally and externally
- Implements actions to achieve ESG goals and targets
- Drives sustainability performance internally and externally with suppliers
- Oversees the Company's compliance with relevant environmental and social laws, rules, regulations and standards

Ethics & Compliance Committee

- Promotes Bud APAC's compliance culture and values
- Monitors, tracks and investigates compliance with local laws, regulations and internal policies
- Designs systems and processes to promote regulatory and legal compliance

ESG Champions and Target Owners

Embedded across the business and responsible for coordination and implementation of ESG matters and initiatives relevant to business function and/or Zone

Building Our Robust Governance Framework

Board Independence

The number of INEDs accounts for more than one-third of the members of the Board of Directors. Bud APAC received written confirmations of independence from all INEDs during the reporting period. There are no special relationships (including financial, business, family or other material or relevant relationships) between the Directors other than that the Executive Director and the Non-Executive Directors are each employees of AB InBev. The biographical details of the Directors are available in the section “**Corporate Governance Report – Board of Directors**” of the 2022 Annual Report on pages 62 to 93.

Board Meetings and Trainings

During the reporting period, Bud APAC convened four Board meetings, eight Board Committee meetings and one Annual General Meeting (AGM). The Board of Directors participated in five to ten trainings (including ESG-related training) in 2022. The training records and meeting attendance records of the Directors can be found on page 42 and 43 in 2022 Annual Report.



Board Effectiveness

Effectiveness and accountability of the Board are the two most important factors that drive our high standards of corporate governance to safeguard the interest of our shareholders and sustain business continuity.

Effectiveness

- Reflects the quality of leadership and direction that our Board provides
- Is measured by performance and reflected in enhanced shareholder value

Accountability

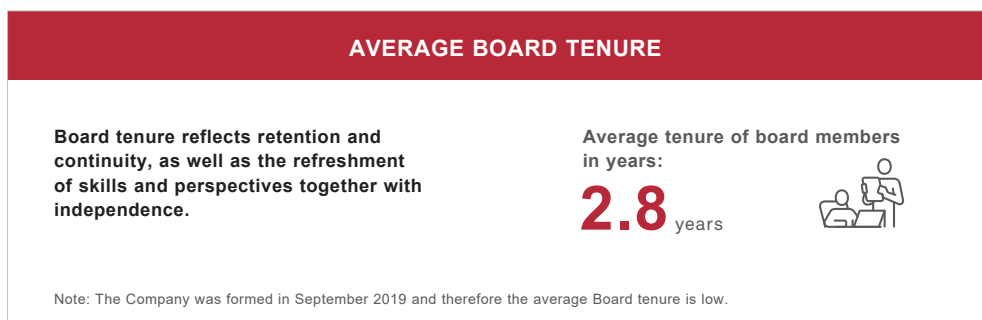
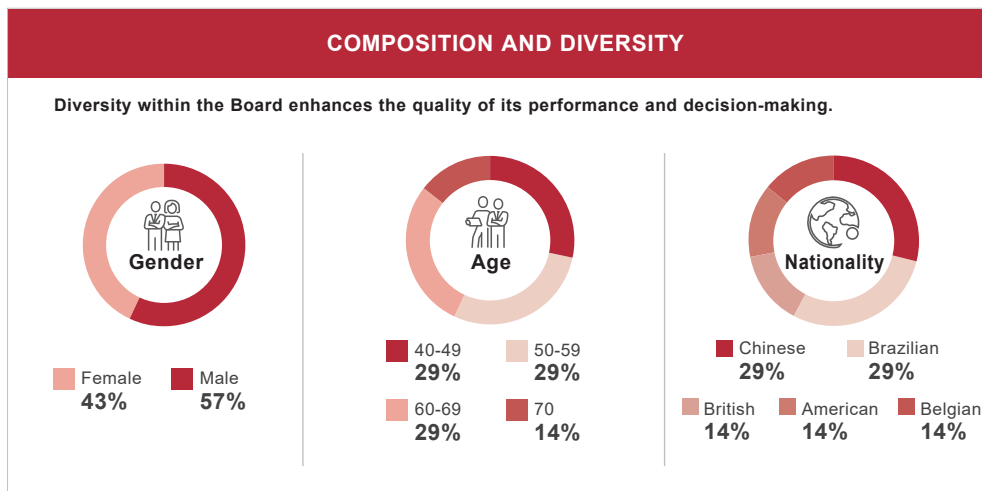
- Covers issues surrounding disclosure and transparency to provide legitimacy to our Board’s actions

The Board is elected individually by our shareholders and ensures that shareholders are well informed about our performance through an effective communication strategy, as outlined in our **Shareholder Communication Policy**, which is reviewed annually. Each of our Directors is subject to retirement by rotation and re-election by shareholders at a general meeting. One-third of the Directors were re-elected at the 2022 AGM and we aim to re-elect all Directors annually starting in 2023. Each Director is required to complete an annual Board performance evaluation survey and participate in an interview after the end of the financial year. In accordance with the Company's Corporate Governance Charter, the Co-Chairs are required to oversee the annual self-assessment of the Board and its Committees.



Board Diversity

Having a balanced yet diverse composition of skills and experience at 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 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. The Nomination Committee will monitor the implementation of the Board Diversity Policy by conducting a review of the Board's composition at least once annually taking into account the benefits of all relevant diversity aspects and adhering to the Board Diversity Policy when making recommendations on any Board appointments. The Nomination Committee will also ensure that measurable objectives with specific targets are set and reviewed for diversity when evaluating the Board's effectiveness. Criteria and considerations for Board appointments are based on the **Nomination Policy** and the 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.



Building Our Robust Governance Framework

Risk Management & Internal Control

The Company has established a robust, comprehensive and technology-driven risk management to effectively manage and mitigate risks inherent to the business to protect the Company, the customers and the partners, as well as to meet regulatory obligations. Risk management is the process designed to identify potential events that may affect the Company and to manage risks within the level of exposure acceptable to the Company (including ESG risks). Internal audit teams perform selected auditable operations of each business units every year based on the annual Enterprise Risk Management (ERM) assessment result. In addition, the team also carries out independent appraisal of the effectiveness of the Company's risk management framework. The overall

responsibility for risk management and internal control lies within the Board, the **Audit and Risk Committee** and is supported by the **Risk Committee**. Our Risk Management and Internal Audit team is structurally independent of the business lines for internal auditing purpose. The risk mitigation action plans identified as a result of internal audit are reviewed by the **Audit and Risk Committee** for monitoring of implementation. The Board also conducted a review of the Company's internal audit, internal control and risk management systems during the reporting period, including financial, operational and compliance controls and found the effectiveness and adequacy of the systems to be satisfactory. Details on our risk management and internal control can be found on page 53 of our Annual Report 2022.

Three Levels of Control of Risk Management and Internal Control

Responding To Stakeholder's Concerns



Responding To Stakeholder's Concerns

The company has identified the following main risk areas that affect its business. These risks do not claim to be exhaustive. In addition to the risks listed below, there may be others that the company is not aware of or that are not currently material but could prove material in the future. The identified ESG risks are shown in the table below:

ESG Risk Category and Description	Our Mitigating Measures
<p>Environmental Management Regarding Climate Change</p> <p>Our business is closely tied to the natural environment as our beer relies on high-quality agricultural commodities, raw materials for packaging, water resources, and energy.</p> <p>As the water stress in the regions increases the cost of our brew, we may be exposed to supply disruptions that could significantly impact its operations and add to the charges.</p> <p>Due to climate change, habitat degradation, excessive agricultural land use, and the exploitation of natural resources associated with economic activity, crop yields may decrease, affecting our brewing process.</p>	<p>The 2025 Sustainability Goals are our short-term goals, and our long-term ambition is to achieve net zero across our value chain by 2040. Our operating and investment decisions are fully linked to our Sustainability Goals and ambitions to reduce negative climate impacts.</p> <p>We leverage our influence in the industry to support the enforcement and implementation of effective climate change mitigation and adaptation measures. Our strategic priorities are to invest in renewable energy and regularly conduct comprehensive water withdrawal and risk assessments to monitor water issues where we operate and within the supply chain, including areas where we source our agricultural commodities.</p> <p>We aim to regularly review, analyze and report on the material environmental risks to the Company's business in line with the leading recommendations, such as the Task Force on Climate-related Financial Disclosures (TCFD) on transitional risks and physical risks of climate change.</p>
<p>ESG Compliance</p> <p>We are subject to prevailing ESG disclosure requirements and increasing scrutiny from investors, rating agencies, and other stakeholders on its ESG performance.</p>	<p>We have engaged independent professional consultants to review the Bud APAC's sustainability and climate change performance. The Company has also established a management-level ESG Committee to oversee compliance with a set of internal sustainability-related policies.</p>
<p>Data Privacy and Cybersecurity</p> <p>Due to the Company's increasing use of technology in its business and the rapid development of technology, the Company is increasingly exposed to cybersecurity risks, such as cyberattacks and phishing threats, which may interrupt critical business operations and manufacturing. In addition, personal data may also be collected inappropriately or illegally through digital platforms and other channels.</p>	<p>We continuously build a holistic approach to managing and protecting data and privacy by implementing various processes, roles, and controls. The Company's Technology and Analytics team works with multiple functions, such as Legal, Control, and Supply teams, to conduct regular cybersecurity reviews and upgrades to mitigate risks and reports to the Audit Committee.</p> <p>We have stringent cybersecurity and data privacy policies and procedures and provide regular training and seminars.</p>

Building Our Robust Governance Framework

Our ESG Committee

The integration of sustainability at the highest level of management at Bud APAC enables strategic oversight of ESG issues for long-term value creation. Leadership, led by the Board of Directors, is critical in delivering Bud APAC's sustainability purpose, integration, and performance that add business and economic value to Bud APAC.

The cross-departmental ESG Committee reports directly to the CEO and Co-Chair, which ultimately reports to the Board. The ESG Committee has direct advisory supervision on Bud APAC's sustainability strategy, material ESG issues, workplans and performance targets. It convenes meetings at least four times annually to discuss Bud APAC's ESG and sustainability plans and review its performance. Throughout the year, the ESG Working Group updates the ESG Committee on Bud APAC's ESG performance and initiatives, as well as global and local ESG trends. To achieve effective integration of sustainability throughout the company, the ESG Working Group comprises members across all departments and operational units in Bud APAC. Heads of departments and their line managers are held accountable for their ESG performances, which are linked to their remuneration and appraisal. Compensation for the ESG Committee, as well as our management, executives and hundreds of our employees, is linked to our 2025 Sustainability Goals and other ESG-related targets, providing financial incentives to drive performance.



Our Board of Directors

- Oversees and approves overall ESG strategies

- Reviews ESG performance



Jan Craps

CEO and Co-Chair of the Board of Directors

Oversees the ESG Committee and all departmental managers



Craig Katerberg

Chief Legal and Corporate Affairs Officer

Ignacio Lares

Chief Financial Officer

Yanjun Cheng

Chief Supply and Logistics Officer

Linda Qian

Chief People Officer

Jan Clysner

Vice President of Sustainability and Procurement

Luke Zhou

Chief Sales Officer, China

Ben Verhaert

President, East Asia

Kartikeya Sharma

President, India and Southeast Asia

- Oversees ESG initiatives internally and externally
- Implements actions to achieve ESG goals and targets
- Drives sustainability performance internally and externally with suppliers
- Oversees the Company's compliance with relevant environmental and social laws, rules, regulations and standards
- Identifies climate-related risks and opportunities with financial planning



ESG Committee



ESG Working Group

Comprises representatives from key departments

- Supports the implementation of ESG initiatives and data collection
- Provides timely ESG updates for each function

Environmental Management

CASE STUDY: PUTTING FORWARD THE “11244” CARBON MANAGEMENT CONCEPT

Under the national carbon neutrality pledge, China commits to achieving 80% of its energy mix from non-fossil fuel sources and to strongly increase its share of renewable energies. This has led to the cost of solar power in many provinces becoming equal to that of electricity from traditional and non-renewable sources. We see this upward trend in the adoption of energy from renewable sources and recognize the economic incentives to adopt a carbon neutrality strategy at the brewery level. Bud APAC’s experience and lessons learned in building carbon neutral breweries are summarised in the “11244” climate management concept:



- 1: One Dream – From senior executives to frontline staff, all employees are committed to the strategic goals of carbon neutrality.
- 1: One system – Combining the new processes with our existing VPO management system.
- 2: Digitisation and intelligence – The energy consumption and carbon emissions of each production line and product are visualized and monitored in a timely manner through a sustainability dashboard.
- 4: Four new measures – This means new processes, new technology, new equipment and new thinking. We are constantly looking for new equipment and technology, including renewable energy projects, hydrogen and biomass boilers, to drive carbon neutrality. We have brought forward many innovative ideas that bring new thinking to decarbonization and net zero.
- 4: 4A collaboration – We have built strategic alliances with upstream and downstream partners in the value chain, including material suppliers, equipment manufacturers, logistics providers and wholesalers, to support them in achieving carbon neutrality through new technologies and management systems.



Building Our Robust Governance Framework

Management System

Bud APAC has a robust set of policies, which outlines our ESG commitments and guidelines in our daily operations. Our efforts are guided by our Environmental Policy, which stipulates our overall commitment to reduce adverse environmental impacts and support us to achieve our 2025 Sustainability Goals with our Packaging and Waste Policy, Water Policy, Biodiversity Policy and Climate Policy.

Bud APAC has adopted and implemented the **Operations Management Systems (OMS)**, **Voyager Plant Optimisation (VPO)**, and **Distribution Process Optimisation (DPO)** for our operations in APAC. The scope of OMS includes agricultural and packaging material production plants, beverage production facilities and distribution centres. VPO applies to agricultural, packaging and beverage manufacturing facilities and DPO to Tier 2 distribution centres that are wholly owned by Bud APAC. Both systems include policies, standards, good operating practices and ways of working that cover all aspects of our supply chain, including, among others, safety, product quality, environment and personnel requirements.

All requirements within VPO and DPO meet or exceed relevant legal and regulatory requirements in the countries where we operate, and also meet or exceed internationally recognized certification scheme standards such as those of the International Organization for Standardization (ISO), the British Retail Consortium (BRC) and the Global Food Safety Index (GFSI). Under VPO and DPO, all our supply chain sites have annual targets related to how well they are implementing the VPO and DPO management systems to meet their performance targets in all aspects of operations. Facilities are audited at least once a year by internal teams to ensure compliance with the systems and to benchmark performance between sites on an ongoing basis so that further improvements to the systems can be made.

The Environment pillar of the VPO ensures that our environmental management is consistent with Bud APAC's environmental policy and strategy and ISO 14001 standards. All business units (BUs) under Bud APAC, suppliers, contractors and other business partners working on behalf of the Bud APAC have to follow and adhere to this policy.

Training

To ensure that all employees working in our facilities are able to perform tasks that have a significant impact on the environment and understand our environmental requirements, we have conducted 8 environmental training sessions this year based on the training needs identified by our department heads for each function. The general content and scope of the training programme is listed below:

- Environmental induction program for contractors, visitors and new hires;
- Environmental training for change of functions;
- Ongoing environmental training program for all levels within the site;
- Specific environmental trainings to address immediate training needs;
- Environmental operation training;
- Training for members of the Environmental Committee; and
- Environmental certification course for employees.

Audit & Monitoring

Our breweries and facilities have established a system to regularly monitor, measure and evaluate all relevant environmental aspects, including verification of compliance with legislation and Bud APAC environmental requirements. The following audit and monitoring procedures must be implemented at the breweries for all our operations, including:

- Environment technical knowledge check;
- Routine environmental check;
- Yearly environmental compliance check;
- Triennial environmental compliance audit;
- Audit on the destination of co-products and waste;
- Determination of environmental risks and non-compliances;
- Action plan and follow-up development; and
- Contractor monitoring.

Accidents & Violations

In 2022, Bud APAC had no major accidents or environmental violations related to air emissions, wastewater discharges, soil pollution, waste disposal, hazardous chemical substances, or other environment-related areas. Last year, none of our operations in APAC were subject to any environment-related fines or penalties.

Achievements

During the year, Bud APAC received various environment-related awards and certifications.

Company/Facility	Organizing Body	Date	Award/Certification
Budweiser China	Southern Weekly	29 July 2022	Low-Carbon Pioneer of the Year
Budweiser China	European Union Chamber of Commerce in China	15 Sep 2022	2022 Sustainable Business Awards: Advanced Performer in Decarbonization
Budweiser China	European Union Chamber of Commerce in China	15 Sep 2022	2022 Sustainable Business Awards: Resilient Industry, Innovation and Infrastructure Leader
Budweiser Brewing Company APAC Limited (Bud APAC)	The Hong Kong ESG Reporting Awards	21 Oct 2022	Carbon Neutral Award – Grand Award
Nanchang Brewery Jinshibai Brewery	Department of Industry and Information Technology	2022	Provincial Green Supply Chain Management Company
Putian Brewery Ziyang Brewery Jishui Brewery	Ministry of Industry and Information Technology of the People's Republic of China	2022	National Water Efficiency Leader
Oriental Brewery Co., Ltd	Ministry of Trade, Industry and Energy	1 Dec 2022	Commendation for Carbon Neutral Management
Budweiser China	YICAI	8 Dec 2022	Environmental and Ecological Contribution of ESG Award 2022
Putian Brewery Suqian Brewery Nanning Brewery Jinshibai Brewery	Ministry of Industry and Information Technology of the People's Republic of China	2022	National Green Factory
Anheuser-Bush InBev PVT. Ltd	Janhit Foundation, Meerut	Jun 2022	Tree Plantation Drive on World Environmental Day

Building Our Robust Governance Framework

Human Resources Management

Our company puts its people first and strives to create a work environment that is safe, fair and full of opportunities. Our goal is to be the employer of choice and we listen to our people to learn and grow together. We are powered by great people and employ more than 24,000 colleagues in our markets. We have Employee Handbooks across all our markets, which include corresponding employment policies, procedures, rules and regulations, benefits, training and communication.

Management System

The People Pillar is the foundation of the VPO and is designed to give our site and zone teams the concepts, tools, standards and resources they need to recruit, select, develop and reward our people at all levels. The **People Pillar Handbook** consists of seven components below:

Components	Content
Recruitment	All recruitment consists of a set of procedures for sourcing and selecting such as structured interview panels and employer value propositions.
Learning and Development (L&D)	The four most important prerequisites for an active learning culture are onboarding and induction, clear structures, a strategy that links the L&D goals to the company's objectives, and a motivating learning design that ensures high learning effectiveness.
Rewards and Recognitions	Our rewards principles are the foundation of our compensation model. The reward system consists of three categories: instant rewards; periodical rewards on work performance, outstanding employee and long-term service; and special rewards such as master award, lean proposal award, best service award, best sales award, compliance rewards, etc.
Talent and Growth	Regardless of the role, every employee has the opportunity to develop their talent and build a career. The three key areas are pipeline health, career pathways and talent management tools.
Workplace Environment and Engagement	The Work Environment and Engagement block is divided into six focus areas: appropriate conditions, psychological safety, communication, feedback and recognition, engagement and its measurement, and retention management.
Autonomous Teams	We have five criteria to empower our people to be an autonomous team across APAC: Determination, Active Learning, Meaningful Work, Leadership and Continuous Growth.
People Data and Analytics	To make our decisions data-driven, we have a Human Resource Information System (HRIS), with each unit having implemented a Master Data Management (MDM) process.

Talent Attraction

To create a future with more cheers, our talent attraction initiatives are designed to recruit people with passion, curiosity, courage and resilience to make a difference and grow with us. We welcome diverse talent because great ideas come from people with different backgrounds. Below are the three main avenues for talent attraction:

- **Graduate Talent Programs:** To attract the best talent for the different job categories, we have set up four specialized programmes. These include the "Red Star" program for sales teams, the "Supply Excellence Trainee" program for supply and logistics, the "Technology Management Trainee" program for technology and analytics and the "Global Management Trainee" (GMT) program. The GMT program is the flagship graduate talent initiative of the company. The highly competitive program takes dedicated graduates through a 10-month rotation that provides a comprehensive insight into our business operations and global projects. This year, we are pleased to welcome 27 GMTs – 72% women and 28% men – from different countries and top universities from around the world to the extended GMT family.

- **Experienced Recruitment:** The Global Management Business Administration (GMBA) program recruits top MBA students into mid-level positions where they use their knowledge from business schools and previous work experience to solve problems and create meaningful solutions on high impact projects.
- **Strategic External Hire:** To diversify our talent pool and leverage new ideas and approaches, we sometimes bring in specialized talent to expand our skills, abilities and knowledge base.

Achievement

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 for the second consecutive year, recognizing the Company's excellence in delivering an outstanding employee experience.

Building Our Robust Governance Framework

Ethics & Transparency

Ethics and transparency are fundamental to Bud APAC and guide us in everything we do. We always hold ourselves to the highest standards of business integrity and ethics and follow our 10 Principles, all applicable laws, regulations and company policies. By providing everyone with clear responsibilities and the appropriate resources, we foster a zero-tolerance environment for legal and safety violations.



Ethics and Transparency is at the core of our corporate culture and how we operate. We are committed to implementing and following robust policies and procedures that guide our business decisions in a professional, transparent, and ethical manner where hard work and results are rewarded and where shortcuts are never acceptable.



Craig Katerberg

Chief Legal & Corporate Affairs Officer



Our Policies

We have a set of policies and procedures in place to make business decisions professionally, fairly and honestly. Within Legal, Compliance and Corporate Affairs, we have dedicated ethics and compliance teams in all four markets to address locally specific issues, review these policies and update them regularly as needed.

Policy and Procedure	Expectations
Corporate Governance Charter	We aim at providing a transparent disclosure of the Company's governance which reflects the Company's commitment to achieving the highest standards of corporate governance.
Code of Business Conduct	All directors, officers, and colleagues of Bud APAC must always adhere to the highest standards of business integrity and ethics and comply with all applicable laws and regulations. For instance, there are mandatory guidelines on showing respect and confidential information such as the intellectual property of Bud APAC.
Anti-corruption Policy	Bud APAC has a zero-tolerance policy for bribery and corrupt behavior in any form. All directors, officers, and colleagues of Bud APAC must comply with all applicable laws relating to bribery and corruption, government conflict of interest and public disclosure laws. We conducted an audit of our Anti-corruption Policy this year on the policy's compliance, effectiveness and alignment with our ESG Program.
Supplier Anti-corruption Policy	Suppliers and business partners should ensure that their directors, officers, employees and agents will comply with our anti-corruption policy in connection with goods or services provided to Bud APAC. Bud APAC requires our suppliers, service providers and other business partners to act in a manner consistent with the Bud APAC Code of Business Conduct.
Anti-money Laundering and International Trade Compliance Policy	All Bud APAC employees should be aware of the list of activities that require prior approval from the Legal team or the Ethics and Compliance team and the required procedures consistent with the ethics and compliance guidelines.
Conflict of Interest Policy	Employees are required to disclose all ethical, legal, financial, or other interests that may conflict or give the appearance of conflicting with Bud APAC's interests.

Policy and Procedure	Expectations
Responsible Sourcing Policy	Bud APAC expects its business partners to adhere to the highest standards of business integrity and ethics, including avoiding bribery, corruption and kickbacks and effectively managing conflicts of interest.
Whistleblowing Policy	This policy is an important and effective tool for detecting corrupt, illegal or other undesirable conduct. Bud APAC employees and others should report all suspected cases of bribery and other unethical business practices.
Responsible Marketing and Communications Code	We ensure our Responsible Marketing and Communications Code (RMCC) is being applied to our brand marketing and commercial communications, a practice deeply embedded in our daily operations and part of our company's strong tradition of corporate responsibility that dates back over a century. We are doing so because we care about the well-being of our consumers, the reputation of our company and our brands, and to make sure our commercial communications are carried out in a socially responsible manner.
Privacy Policy	Employees and other workers of Bud APAC should ensure compliance with principles to access, process and protect the personal and confidential data of customers, consumers, website users, suppliers and vendors.

Our Ambitions

We work hard to ensure that there are no ethics and transparency issues. In line with the United Nations SDG goals 8 and 10 on decent work and equal opportunities, all our business strategies are based on the principles of fair trade and competition. We are strongly committed to a level playing field and welcome competition, which increases efficiency and promotes innovation.

Our Approach

Our commitment to ethics and transparency is reflected in every action we take. We comply with all applicable legal and safety regulations without taking any shortcuts, identify hazards and risks associated with all activities in our operations, and implement control measures with the right technology to reduce risk as part of a continuous improvement chain of best practices, always maintaining a 100% ethos. All of our employees and value chain partners have received regular trainings on our Code of Conduct (including all policies and procedures) and we make sure they understand our expectations on business ethics and transparency. 100% of our Board and more than 99% of the management have completed training on anti-corruption this year.

Whistleblowing Mechanisms

We have a whistleblowing mechanism that enables employees and business partners to raise compliance concerns and behaviors that violate our 10 Principles. Our compliance channels include a helpline, a specific email address to contact, and designated Ethics and Compliance Team contact points where colleagues can go to provide feedback, access relevant information, and raise concerns about the Code of Conduct. All reported cases are treated confidentially and anonymously and are handled promptly by the Ethics and Compliance teams.

Building Our Robust Governance Framework

Management System – BrewRIGHT

We use BrewRIGHT, an award-winning, state-of-the-art analytics platform, to monitor and assess risks related to corruption and money laundering, identify duplicate payments, and track beer gifts. It uses machine learning technology that can identify risky business partners and potentially illegal payments by comparing expenses. The platform can perform third-party audits and track vendor activity to increase audit accuracy and correct biases caused by differences in data quality. All of this enables Bud APAC to continuously audit record-keeping practices across all areas of our business.



External Audit for Anti-corruption Policy and Business Ethics

We engaged an external auditor to conduct an ESG compliance review for our four BUs from June 2021 to July 2022. The compliance status of the Anti-Corruption Policy in the four BUs was evaluated during the review period. Through documents review and interviews, all BUs under Bud APAC were proven 100% adhered to our anti-corruption policy and commitments to comply with our ESG Policies. Our Anti-corruption Policy is found effective under the Bud APAC context, our ESG principles, and requirements of local laws and regulations. The Anti-corruption Policy sets up a proper approach to mitigate our ESG-related fraud risk. We plan to conduct this external audit annually.

CASE STUDY - COMPLIANCE MONTH

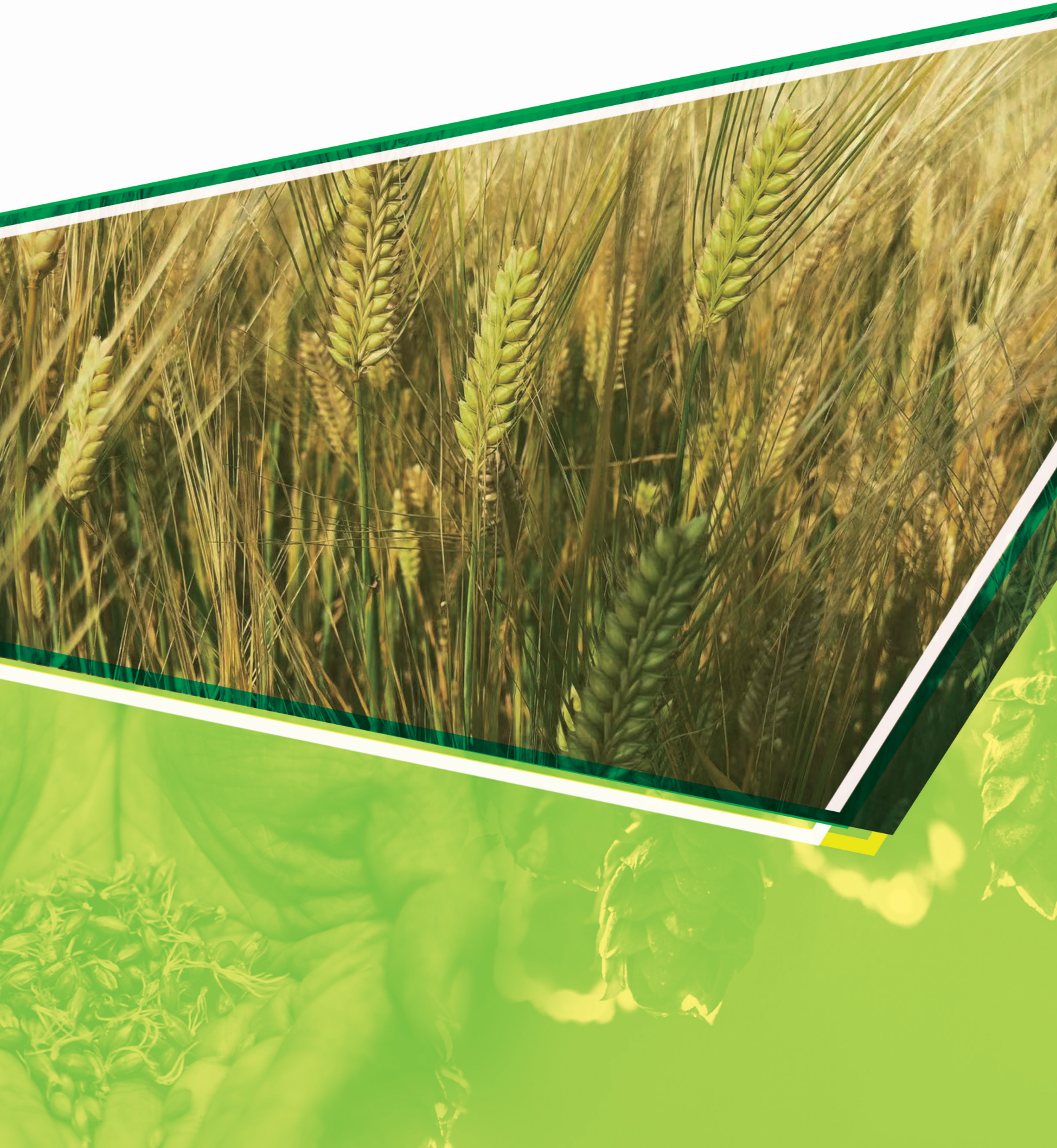
Compliance Month is an opportunity for Bud APAC to demonstrate our commitment to the highest standards of ethics and integrity and to doing business the right way. Transparency and ethics are directly responsible for creating value, which is essential to our vision of long-term strategic business growth.



Through various channels such as emails, newsletters, surveys, contests and awards, and training, colleagues learn about and discuss important ethics and compliance issues and ways to incorporate them into their daily work. In 2022, more than 10,800 colleagues across all our markets have participated in online trainings that focused on topics such as conflict of interest, digital ethics, anti-harassment and our Code of Business Conduct, and more than 3,800 colleagues have participated in live/zoom training on our key principles and policies. The training also covers contractors and part-time employees across operations.

The “G” of ‘Governance’ in the ESG framework is a strategic, long-term competitive advantage and will help us realize our dream of becoming the **Most Loved High-Quality Growth Leader in Beverages**. As a company of owners, it is our responsibility to ensure that our work adheres to all applicable laws, regulations, and corporate policies. We believe that integrity, hard work, commitment to quality and responsibility are key to growing our company for the long-term and building our reputation. Our values, standards and unwavering commitment to ethics and integrity represent our core character and are fundamental for our long-term success and **A Future With More Cheers**.

***WORKING TOWARD
OUR NET ZERO AMBITION***



Working Toward our Net Zero Ambition

Climate Action

Disclosure Items: GRI: 302, 305 HKEX: A1, A2, A4

As global temperatures rise and extreme weather events increase, climate change will affect our business, our value chain and our communities in different ways. This is particularly true for the natural environment: our business is closely linked to agricultural productivity and water availability – both of which will be severely affected by the various impacts of climate change. In addition to water, which is the most important ingredient in all our products and is becoming scarcer in various regions, we also rely on numerous other natural ingredients. These agricultural commodities such as grain, corn, wheat, barley, hops and various fruits are highly susceptible to weather changes, droughts and plant diseases. As the largest beer company in Asia Pacific, we are strongly committed to exerting our influence in the industry and in the markets to support the enforcement and implementation of effective climate change mitigation and adaptation measures.

Our Policy

Our Climate Policy is publicly available on our website and describes our stance and approaches to climate action. The policy is approved by the Procurement Director-Sustainability and is regularly reviewed considering legislation, public policy and organizational changes and development in sustainability best practices, at a minimum, every three years. The updates of the Policy will be presented to the ESG Committee for endorsement.

Our Ambition

Bud APAC's ambition is to achieve net zero across our value chain by 2040, with 2025 as an interim target for achieving 100% electricity from renewable sources and reducing GHG emission intensity by 25% across our value chain as part of our Science-Based target*. This ambition focuses on minimizing GHG emissions from our operations whilst addressing climate-related risks and opportunities that are significant to us.



As the largest brewer in the region, we are fully committed to enhancing our efforts in decarbonization to mitigate our impact on the climate while supporting our value chain partners to reduce their carbon emissions. Only through working together can we realize our ambition of achieving net zero across our value chain by 2040.

Jan Clysner

Vice President of Sustainability & Procurement





* 25% carbon reduction per beverage is in line with the Science-Based methodology and has been verified and approved by the Science Based Targets Initiative.

Our Approach

With a clear understanding of our carbon emissions within our value chain, we have developed our decarbonization plan and identified reduction opportunities, such as:

- Increasing operational and energy efficiency to minimize GHG emissions at the brewery level through the application of cutting-edge technologies;
- Integrating low-carbon sources of energy in our operations and across our value chain;
- Promoting energy-efficient and low-emission practices among value chain partners, especially strategic suppliers for packaging and raw materials and logistic partners;
- Promoting circularity to reduce GHG emissions from packaging and waste;
- Innovating cooling solutions to replace and phase out traditional refrigerants;
- Exploring nature-based solutions to eliminate our remaining GHG emissions; and
- Working with industry players, policymakers, non-governmental organizations (NGOs) and other key stakeholders to stimulate and encourage innovation.

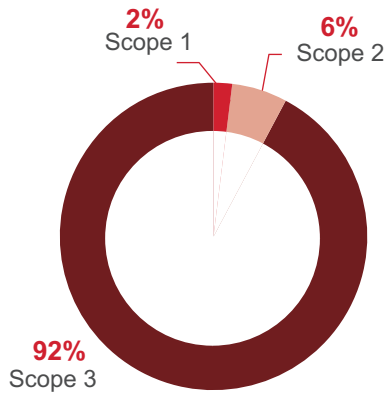
Our Target, KPI & Progress						
UN SDGs	Our Goal	KPI Measurements	2017 Baseline	Progress in 2021	Progress in 2022	2025 Target
7 AFFORDABLE AND CLEAN ENERGY 	To increase purchased electricity from renewable sources	% of purchased electricity from renewable sources	0.1%	On track 25.6%	On track 36.1%	100%
	To reduce carbon emissions across our value chain	% reduction of carbon emissions (tCO ₂ e/hl) across our value chain (Scope 1, 2 and 3)	0%	On track 15.4%	On track 19.7%	25%
13 CLIMATE ACTION 	To reduce absolute carbon emissions within our operations	% reduction of absolute carbon emissions (tCO ₂ e) within our operation (Scope 1 and 2)	0%	Completed 35.3%	Exceed Target 45.9%	35%
	To reduce the energy intensity of our own operations	% reduction of energy intensity (megajoules/hectoliter) of production of our own operations	0%	On track 20.8%	On track 26.6%	36%

Working Toward our Net Zero Ambition

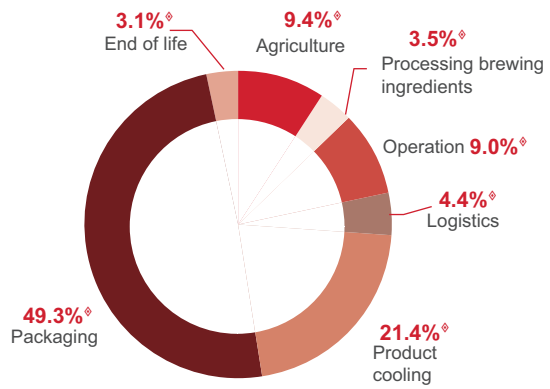
Our Carbon Footprint

Emission Breakdown by Scope and by Category

Breakdown of GHG emissions by Scope 1, 2 and 3



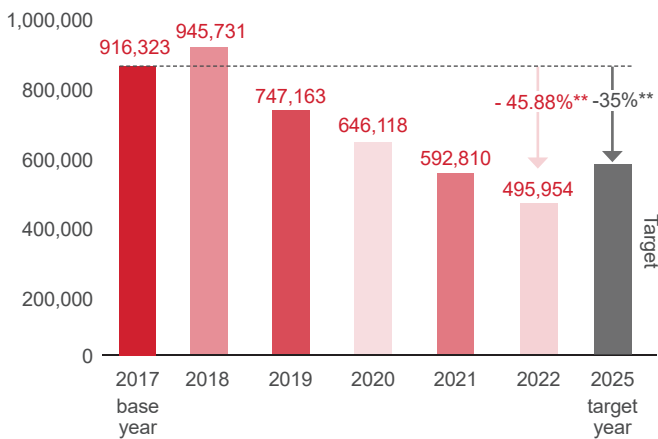
Breakdown of GHG emissions by category*



Bud APAC's Carbon Reduction Progress

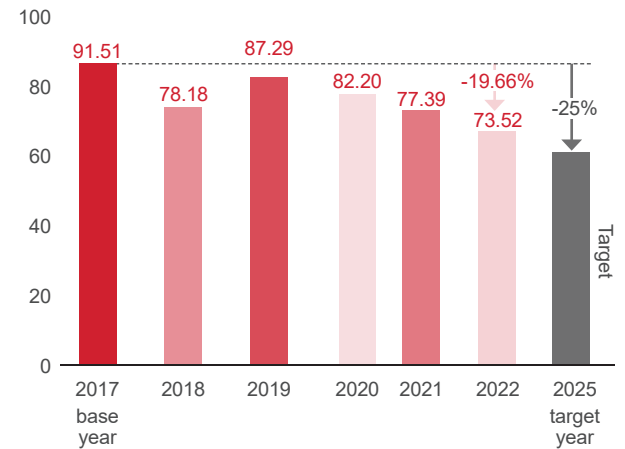
Absolute GHG Emissions from Own Operations (Scope 1 and 2)

Unit: tons of CO₂



GHG Emission Intensities across Value Chain (Scope 1, 2 and 3)

Unit: kg of CO₂ / hl of production

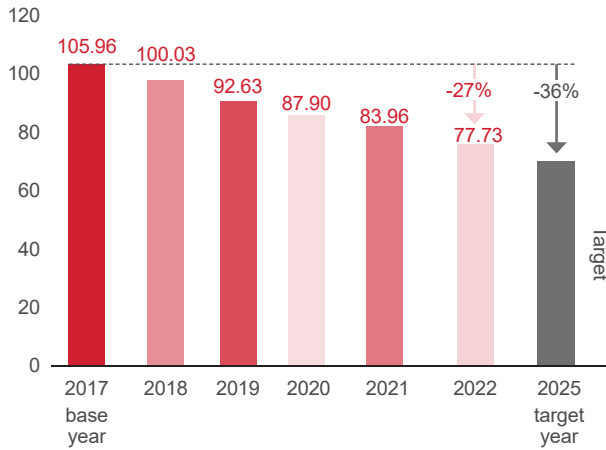


* The numbers stated in various graphs of the Report may not add up to totals or 100% due to rounding.

** Achieve the target 4 years ahead of schedule.

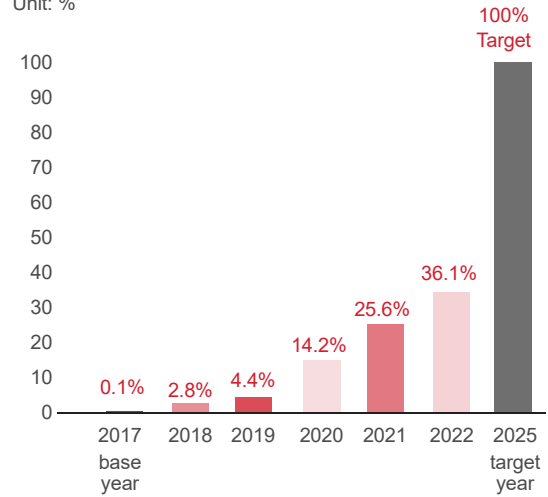
Energy Intensity of Own Operations

Unit: Megajoules / hl of production



Percentage of Contracted Electricity from Renewable Sources

Unit: %



Task Force on Climate-related Financial Disclosures

As we seek to transition to a more sustainable, low-carbon economy, we have examined our business using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to communicate risks and opportunities related to climate change. We have identified the potential risks and opportunities to our business and reputation that may come from changes in policy and law, new technology, evolving consumer sentiment and market conditions, as well as acute and chronic physical risks.

Governance

The Board is responsible for monitoring and approving sustainability strategies. This includes overseeing the company's 2025 Sustainability Goals, including our climate action, which aims to source 100% of electricity from renewable sources and reduce carbon emissions by 25% across our value chain. Climate-related KPIs, e.g. greenhouse gas emissions reduction, are included in Board members' performance appraisals. Our Board members have demonstrated interest, knowledge and competence in climate-related issues and bring important experience from their positions in other companies and their work in high-level foundations and international partnerships. For more details, please refer to Corporate Governance on page 22 of this report.

Working Toward our Net Zero Ambition

Strategy

In March 2018, we set our 2025 Sustainability Goals, which aim for holistic environmental and social impact in the areas most material to our value chain: **Smart Agriculture, Water Stewardship, Circular Packaging and Climate Action**. In 2018, following the Intergovernmental Panel on Climate Change recommendation, we committed to reducing absolute Scopes 1 and 2 GHG emissions by 35% by 2025 from a 2017 base year, in line with the pathway to keep global warming to 1.5 degrees Celsius. Furthermore, we committed to increasing the percentage of purchased electricity from renewable sources from 0.1% in 2017 to 100% by 2025. We also committed to reducing emissions across the value chain (Scope 1, 2 and 3) by 25% per beverage by 2025, from a 2017 base year. We included over 66% of our total Scope 3 emissions in our science-based target, complying with the two-thirds inclusion threshold that is required by the Science Based Targets initiative. In December 2021, we announced our ambition to achieve net zero across our value chain by 2040. With this ambition, we aim to reduce absolute GHG emissions, and our strategy centers on reducing Scope 1 and 2 emissions and categories within Scope 3 emissions that have the most material impact. This includes well over 90% of our Scope 3 categories, which are part of our goal to achieve net zero:

- Purchased goods and services
- Upstream transportation
- Emissions from fuel use which are not included in Scopes 1 and 2
- Downstream transportation
- Use of sold products (product cooling)
- End of product life






In 2022, about **5.6%** of our emissions, or around **358,425** tons of greenhouse gas emissions, came from electricity consumption in our own operations.

We are committed to reducing emissions from electricity consumption in our operations by adopting 100% renewable electricity by 2025. Our strategy to reach this goal is based on adding additional renewable capacity to the grids of the countries where we operate, taking a market-by-market approach to identify solutions for each individual grid. As members of the global corporate renewable energy initiative RE100, we follow the initiative's guidelines with our renewable electricity sources coming from solar, wind, biomass, biogas, geothermal and water. We also follow RE100 guidelines on energy generation, leveraging self-generated energy through either on-site installations or off-site PPAs.

Our carbon reduction mission is extended to our logistics partners, including upstream and downstream distribution, which represented around 4.4% of our GHG emissions in APAC in 2022. These emissions stem from the combustion of petrol, diesel and other fuels in all types of transport, including trucks, ships and trains. As part of our commitment to reduce our greenhouse gas emissions across our value chain by 25% per hectoliter by 2025 (from a 2017 baseline), we are reducing our emissions from logistics and transport through initiatives such as route optimization and the use of alternative fuel vehicles, which we have piloted across all our zones. As part of the strategic plan for our 2025 climate action targets, we estimate that by 2025 we will save over 1,800,000 tons of greenhouse gas emissions across our value chain (Scope 1, 2 and 3) compared to the 2017 baseline.

Risk Management

In line with TCFD recommendations, we have identified the relevant climate-related risks material to our business and value chain. Our decarbonization targets align with a 1.5°C reduction pathway, and our assets are included in the global assessment of climate-related risks, including physical and transition risks. For physical risks, for example, we are paying close attention to how climate change will affect the yields of the key agricultural commodities we source and are assessing the associated cost implications, with the aim of adjusting our sourcing strategy. In terms of transition risks, we are closely monitoring the emerging trend in the carbon market in China by managing and minimizing our emissions to prepare for emissions-related requirements and standards that may come into effect in the near future. We also consider the risks associated with market changes and consumer preferences and the impact these could have on our reputation as a company. We use an internal risk assessment matrix to determine which risks and/or opportunities could have a material financial or strategic impact. The following diagram illustrates where the physical and transition risks lie in the APAC region and how they impact our value chain.

% of GHG Emissions by Category		Agriculture (9.4%)	Conversion of Brewing Ingredients (3.5%)	Brewing Operations (9%)	Packaging (49.3%)	Logistics (4.4%)	Product Cooling (21.4%)	End of life (3.1%)
Physical Climate-related Risks								
	Changing Weather Patterns (Chronic Risk) Example: Projected impacts of changing climate conditions on barley yields	√	√	√				
	Extreme Weather Events (Acute Risk) Example: Projected impacts of extreme droughts on barley yields	√	√	√		√		
	Water Availability Example: Water availability risks in water-stressed areas	√	√	√				
Transition Climate-related Risks								
	Legal and Regulations Example: Exposure to future carbon price increase		√	√	√	√		√
	Technology Example: Additional cost in deploying innovative and low-carbon technology		√	√	√	√	√	
	Market and Reputation Example: Market risks related to future procurement of aluminum and glass			√	√	√		√

Working Toward our Net Zero Ambition

Responding to the Climate-Related Risks



Acute Physical:

Acute physical risk is included in climate-related risk assessments through evaluating the risk at facilities. We have identified sites where extreme weather events, such as droughts, can affect water availability in the short and long-term and work with local teams across our regions to mitigate and adapt to the risk.



Chronic Physical:

Bud APAC assesses risks associated with long-term shifts in climate patterns such as rising temperatures. Using our water risk tool, we can assess the current water-vulnerable areas and, through scenario modeling, predict which facilities will be located in high water-risk areas in the next 10 years and respond accordingly.



Legal and Regulations:

Our Teams constantly evaluates current regulations linked to climate-related risks using TCFD recommendations. We work closely with our legal advisors in each country in which we operate to assess current regulations and the resulting risks and opportunities for our business. Bud APAC also reviews and considers emerging trends in the carbon trading market and carbon tax regulations in different countries. Based on this assessment, we make strategic decisions about investments and plans to address current and future regulatory risks.



Technology:

We continuously work to pilot and implement innovative solutions that are less resource and emission-intensive. When developing new products, we consider technologies that minimize energy and water consumption and conduct life cycle assessments (LCAs) to evaluate the carbon footprint of new products. We invest in energy efficiency and water-saving equipment with lower operating costs that can ultimately offset the initially higher investment costs.



Market:

Market risks are incorporated into our risk assessment processes by tracking market trends that help us predict future behaviors and market developments. Customer demand and preferences for more environmentally friendly products are increasing along with their awareness of sustainability. We see this as an opportunity to drive product innovation to adapt to changing consumer preferences by placing a high priority on R&D priorities. This includes introducing new packaging and new dispensing systems, as well as updating and improving existing products and packaging that have a lower carbon footprint.



Reputation:

When a new product is developed, the impact on corporate reputation is taken into account. We embrace our corporate responsibility by taking solid actions. For instance, we take an active role in addressing climate issues by launching the "Accelerator 100+ project". It pilots innovative solutions across our operations and supply chain in key markets and programs relating to smart agriculture, water stewardship, circular packaging and climate action.

Metrics and targets

Please refer to Our Target, KPI & Progress on page 39 of this section.



Our Initiatives

Decarbonization

We implemented multiple initiatives to reduce carbon intensity across all our operations.

Scope 1 and Scope 2

Actions	Impact
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Electricity from Renewable Sources

China

Nine breweries in China have installed solar panels for the on-site generation of renewable electricity. The solar panels installed in the nine breweries generated a total 31.7 million kWh of electricity in 2022. Kunming, Jinzhou, Foshan and Ziyang breweries are now 100% powered by electricity from renewable sources and therefore achieved RE100. Our initiatives on maximizing renewable energy use include the following:

- Our Kunming brewery self-generates 1.6 million kWh from on-site solar panels and purchases the remaining electricity from a certified wind energy supplier.
- To support green logistics and transportation, charging stations for electric vehicles were installed in the parking area of Kunming brewery.
- We established the first grid-connected distributed power storage system in Wenzhou, storing 1.7 million kWh of electricity generated onsite in our Wenzhou brewery.
- Our Putian brewery will start its second phase of the solar panel installation project in 2023. Once completed, 23.5% of electricity can be generated from on-site solar panels and in turn, reduce carbon emissions by 11,000 tons per year.
- We have installed new lightweight solar panels, which are 60-70% lighter and also more flexible, on our fermentation tanks at the brewery in Wuhan and Nantong breweries. This new technology is an invention of Sunman, a start-up company that participated in our 100+ Accelerator.

Contracted 43% of our electricity from renewable sources, reducing 36% of total Scope 1 and 2 emissions in Bud APAC.



South Korea

Three breweries in South Korea are contracted to implement solar panels for the on-site generation of renewable electricity, with one brewery started installation in 2022. All of the forklifts used in our breweries are powered by electricity instead of diesel. Our transition to renewable energy in South Korea is on track and pioneering in the industry.

Oriental Brewery Co., Ltd (OBC) transformed 100% of sales employees from gasoline power to eco-friendly hybrid. We expect to reduce carbon emissions by 828 tons per year by replacing those vehicles with eco-friendly hybrids.

Contracted 11.7% of our electricity from renewable sources, reducing 9% of total Scope 1 and 2 emissions in Bud APAC.



Working Toward our Net Zero Ambition

Scope 1 and Scope 2	
Actions	Impact
<p>India</p> <p>Five breweries in India have installed solar panels for the on-site generation of renewable electricity. The solar panels installed in the five breweries generated a total 11.6 million kWh of electricity in 2022.</p> <p>Our brewery in Karnataka brewery is using the heat generated from biomass-fueled boilers in the wort boiling, bottle washing and pasteurization and diverse renewable energy sources such as solar, wind and hydro to increase the renewable electricity ratio to 80% in the brewery.</p>	<p>Contracted 25.9% of our electricity from renewable sources, reducing 6% of total Scope 1 and 2 emissions in Bud APAC.</p>
<p>Vietnam</p> <p>Two breweries in Vietnam have installed on-site solar panels for the on-site generation of renewable electricity. The solar panels installed in the two breweries generated in total 1.3 million kWh of electricity in 2022.</p>	<p>Contracted 24.4% of our electricity from renewable sources, reducing 1% of total Scope 1 and 2 emissions in Bud APAC.</p>

Energy Efficiency

90025 Better World Result

To continuously promote and improve energy efficiency, the 90025 competition has been launched by AB InBev among global breweries for three years. Breweries that have achieved the 90025 targets of 90 MJ/hl total purchased energy, 0 CO₂ purchases, and 2.5 hl/hl water usage are selected to enter the competition. Bud APAC has maintained the first place for three consecutive years and becomes the global leader on energy efficiency. In 2022, 66% of the breweries participating in the competition were from Bud APAC. Our Suqian brewery stood out from more than 170 breweries and won the global 90025 championship.



Further Decarbonization in Breweries

100% Biogas Recovery Project

To process the waste water from the brewery, we take initiatives that can create both environmental and economic value. By launching profitable Biological Treatment System (BTS) across APAC, we continue reduce operational cost and maximize the recovery of biomass.



We recovered a total of 12.5 million m³ of biogas in 2022, increasing 23% compared to the baseline year of 2020. We also achieved a GHG reduction of 3.6 million kgCO₂.

Scope 1 and Scope 2

Actions

Impact

Heat Pump System Project

The heat pump system of Nantong brewery adopts the “hot & cold dual-effect” mode to address the specific beer brewing process. By fully recycling the low-quality waste heat, the high-temperature heat pump unit is used to heat the water to above 90°C, thus replacing the purchased steam as much as possible. The heat pump system helped us to reduce heat consumption by 40% per hl of beer production throughout the year, reaching the global benchmark.



The heat pump system combined with solar panel projects is estimated to reduce 7.7 million kgCO₂ annually, and reduce the carbon emission intensity by more than 50% per hl.

CASE STUDY 1: SECOND CARBON NEUTRAL BREWERY IN CHINA

Following our Wuhan brewery, Jinzhou brewery has become the second carbon neutral brewery within Bud APAC. The Jinzhou “Carbon Neutral Brewery” marked yet another milestone for us, substantiating our ambition to achieve net zero across our value chain by 2040. We’re dedicated to supporting innovation and cultivating new partnerships to bring long-term value to our stakeholders, all pursuing an inclusive and sustainable future with more cheers. Jinzhou brewery’s carbon neutral status was certified by global independent agency TUV following the international carbon neutral standard (PAS 2060).

Key Features Driving Carbon Neutrality in our Jinzhou Brewery:

- Invested in biomass conversion to eliminate the use of natural gas.
- Purchasing 100% electricity from a wind energy provider via a power purchase agreement (PPA)
- Constructed an on-site solar power project with 20,000 sqm of solar panels, generating 445,600 kWh of electricity for direct use in our operations
- Switching to electric shuttle buses to replace vehicles consuming gasoline or diesel
- Switching to 100% electric forklifts and installed on-site charging facilities
- CO₂ self-sufficient
- Purchasing zero refrigerants as cooling agents
- Offset remaining carbon emissions



Working Toward our Net Zero Ambition

Scope 3

Actions

Agriculture

Exploring Carbon Capture through Agriculture

We work closely with our farmers to support sustainable farming practices through crop management, improved varieties and risk mitigation tools, whilst one of our supplier is also exploring carbon sequestration as a method to offset residual carbon emission for achieving net zero.

We are building a soil health framework to promote carbon sequestration through healthy soils and plantations. We are using both our internal experts and our global partners to enhance our approach to soil regeneration in our agricultural development program. We joined the Climate Change Agriculture & Food Industry Partnership (CCAFIP) this year as an industry leader on climate action.

For more information, please refer to the Sustainable Agriculture section on page 67 of this report.

Logistics

Fuel Switch

In China, our logistic partners have rolled out 310 liquefied natural gas (LNG) trucks, 55 electric vehicles (EV) heavy trucks and four hydrogen-powered trucks.

Green Logistics Technology

We continue to implement our Green Logistics program, which constantly assesses the greenhouse gas emissions of the logistics supply chain, including all means of transport used. This is part of our executive risk assessment process, which is analyzed monthly through our Green Logistics platform. We assess the distance traveled, the type of vehicles used and the fuel used. We compare the KPIs on a rolling three-month basis with the previous year to assess efficiency and impact on greenhouse gas emissions. We also minimize our emissions from logistics through route optimization, change in transportation mode, and replacing the lightings in the distribution centers.



As a result, our green logistics program can contribute to a reduction of up to 20% of tail pipe emissions in China compared to diesel vehicles every year. We reduced the carbon intensity in logistics by 11.4% including all distribution centers vs. the 2017 baseline.

Distribution Center

We extend our energy reduction program to the distribution centers to further reduce carbon emissions.

Product Cooling

Use of Energy-Efficient and Low-Emission Cooling Agents

We install energy-efficient and eco-friendly chillers, coolers and refrigerants to reduce GHG emissions in our Points of Connection (POC). In 2022, we have replaced many existing chillers and coolers with energy-efficient models. All the cooling agents used are eco-friendly and all of our purchased fridges are certified Class I energy efficiency or above.

Packaging Materials

Reduction in the use of Virgin Materials

Recycling helps reduce greenhouse gas emissions. Using recycled materials to make new products reduces the need for virgin materials and reduces overall energy consumption. That is why we have developed lightweight packaging materials, which means reducing the weight of our glass bottles and cans and sourcing secondary packaging materials from recycled materials.

For more information, please refer to the Circular Packaging section on page 60 of this report.

Scope 3

Actions

End of Life

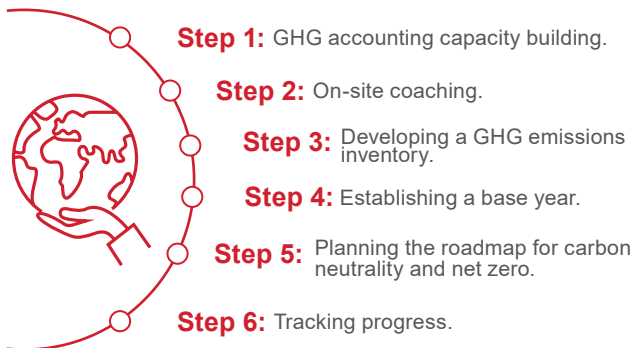
Conserve Energy through Waste Recycling

We explore ways to repurpose waste and minimize any generation of waste to promote a circular loop within the value chain.

For more information, please refer to the Circular Packaging section on page 60 of this report.

CASE STUDY 2: BUILDING CAPABILITY FOR OUR VALUE CHAIN PARTNERS TO REDUCE SCOPE 3 EMISSIONS

Bud APAC is taking a leading role in decarbonizing the entire value chain. We provide guidance to our suppliers on their own carbon neutral & net zero journeys through the following steps:



In 2022, we have obtained the baseline carbon emission data from seven suppliers. In the coming year, we will provide training on the GHG Protocol, TCFD, CDP and PAS 2060 and introduce the concept of science-based target setting to the selected suppliers. We also helped these seven suppliers to prepare their carbon footprint and conducted visits to eight supplier sites. All Scope 3 emissions data will be captured in our digital analytics platform, which is developed by a third-party provider. In 2023, we plan to engage 20 suppliers and 53 sites to help them develop a site-specific carbon footprint map, which will cover 50% of the spending for barley and packaging (primary and secondary packaging), covering 32% of the carbon emission footprint within our entire value chain. We believe that knowledge sharing is key to achieving net zero for our entire value chain.



Working Toward our Net Zero Ambition

Water Stewardship

Disclosure Items: GRI 303 HKEA A2, A3

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



Water is essential for our business and our communities to survive and thrive. We are proud to lead the industry with our best-in-class water management practices and will continue to invest in water availability and quality improvement in our communities with high water stress.

Ashwin Kak

Procurement Director, India and Southeast Asia




Our Policy

Our Water Policy is publicly available on our website and describes our commitment to minimizing water discharges, reducing the intensity of water use and improving water availability and quality. This Policy will be regularly reviewed considering legislation, public policy and organizational changes and development in sustainability best practices, at a minimum, every three years. Updates of the Policy will be presented to the ESG Committee for endorsement.

Our Ambition

Five of our breweries are located in proximity to three watersheds identified as facing “high water stress”. We have reinforced our goal to achieve an average water usage of 2.0hl/hl in APAC, including high water stress areas by 2025.

Our Water Usage Goal



Bud APAC’s average brewing water usage intensity reaches 2.0hl/hl by 2025



Our Approach

Water Aspects	Our Process	Relevant Water Users	Our Management
 <p>Water Withdrawals</p>	<p>Our breweries withdraw from third-party water utilities (including tank water and imported steam), groundwater and surface water to produce our beverages. Water withdrawal for exporting to third parties is being excluded in our reporting scope as it is not used by our own operation in the breweries in scope.</p>	<ul style="list-style-type: none"> Local communities Water utilities 	<p>Total water withdrawal is measured for all sites, regardless of source, and reported monthly across the company. Measurement and reporting are based on key production levels and monitored on an eight-hour per shift basis for ongoing benchmarking and corrective action where necessary. Water withdrawals are also reported for each site per water source.</p>
 <p>Water Consumption*/Water Usage**</p>	<p>Agriculture (Supply Chain) Water is also used in agriculture for the agricultural products we purchase. However, it is not included in our water consumption or water use data as it is outside our reporting scope for the brewery operation.</p> <p>Conversion of Brewing Ingredients (Supply Chain) Our suppliers need water to convert raw materials and agricultural produce into ingredients for our products. For example, the conversion of barley into malt requires water. However, this process is not included in our water consumption or water use data as it is outside our reporting scope for brewery operations.</p> <p>Brewing Operations (Our Operation) Our breweries consume water for production and operations.</p> <p>Sanitary Water Use (Our Operation) At our breweries, we provide clean water for workers to wash their hands, flush toilets and take showers.</p> <p>End of Life (Our Operation) As part of the water treatment process, some of the wastewater is evaporated into the atmosphere before it enters the biological treatment system. During this process, water is lost and counted towards our consumption.</p>	<ul style="list-style-type: none"> Our farmers (supply chain) Our production and operations 	<p>We conduct water risk assessments at breweries located in water-stressed areas.</p> <p>We aim to reduce our total water consumption by making water use efficiency improvements.</p> <p>Every year we increase the number of sites reusing treated effluent. In addition, new greenfield beverage operations have clear specifications on increased levels of effluent reuse.</p> <p>We provide fully-functioning, safely managed WASH services to all workers.</p>


* Water consumption is sum of all water that has been withdrawn for use in operation, incorporated into products, has evaporated, and is not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period. It is calculated by water withdrawals less water discharges.

** Water usage is the sum of water withdrawals used for operations. The amount of reclaimed water (up to standard of the Reuse of Urban Recycling Water – Water Quality Standard for Urban Miscellaneous Use in China) exported to third party for reusing after water treatment is excluded from the water usage data. It is calculated by: water usage = water withdrawal – reclaimed water.

Working Toward our Net Zero Ambition

Water Aspects	Our Process	Relevant Water Users	Our Management
 <p>Water Discharges</p>	<p>Our breweries discharge the majority of effluent to registered third-party treatment facilities and a small amount of treated effluent to surface water</p>	<p>Local communities</p>	<p>We treat all wastewater from our breweries via an internal biological treatment plant and discharge it accordingly into surface waters or municipal wastewater treatment plants. The wastewater discharge volume and discharge location are recorded daily in our VPO data management system. Our goal is to systematically reduce the discharge quantities by recycling and reusing the treated wastewater.</p>
 <p>Water Intake Quality</p>	<p>Conversion of Brewing Ingredients and Brewing Operations We need to ensure food safety standards and compliance with relevant food safety limits, especially for the water used in producing our beverages.</p>	<p>Our production and operations</p>	<p>We have standardized procedures and standards to measure and monitor the quality of water withdrawals. Water quality data is tracked in our VPO data management system. The gap between incoming water quality and internal specifications is corrected for every intake of water. Some parameters such as the pH value are checked for each brew.</p>

Our Target, KPI & Progress

UN SDGs	Our Goal	KPI Measurements	2017 Baseline	Progress in 2021	Progress in 2022	2025 Target
Goal 6: Clean Water and Sanitation 	To improve water availability and quality in our communities in high-stress areas	% of our sites in APAC have conducted local activities, identified water issues specific to their community and found appropriate solutions	0%	On track 100%	On track 100%	100%
	To achieve an average water usage intensity of 2.0hl/hl across APAC	% reduction (hl/hl) of water usage since 2017	0%	On track 22%	On track 26%	33%

Our Water Footprint

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

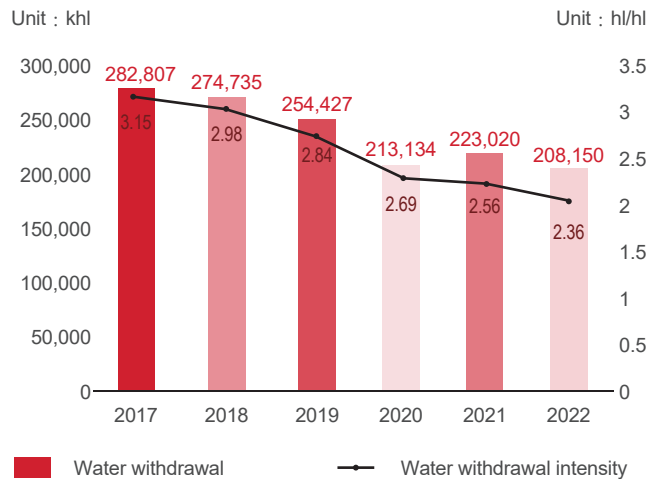
Process	Water Withdrawals	Water Usage	Water Discharges
Our Footprint	Brewery Water Withdrawal by Source: <ul style="list-style-type: none"> Surface water 15.79% Groundwater 10.69% Third-party 73.53% We do not withdraw from brackish surface water/seawater or produced/entrained water.	Brewery Water Usage by Purpose: <ul style="list-style-type: none"> Water consumption in product and water loss 45% Water for processing during operation 55% 	Brewery Water Discharge by Destination: <ul style="list-style-type: none"> Third-party 84.36% Surface water 15.29% Brackish surface water / seawater 0.32% Groundwater 0.03%

Working Toward our Net Zero Ambition

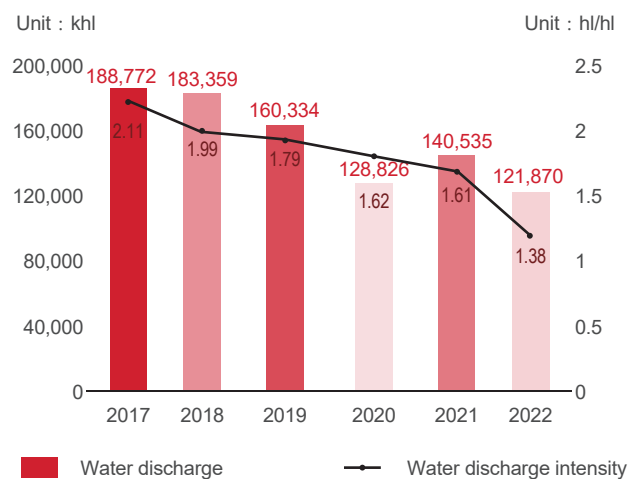
Details of our water management and engagement with water users can be found on our website, where you can also view our responses to the CDP Water Security Questionnaire 2022.

Water Breakdown:

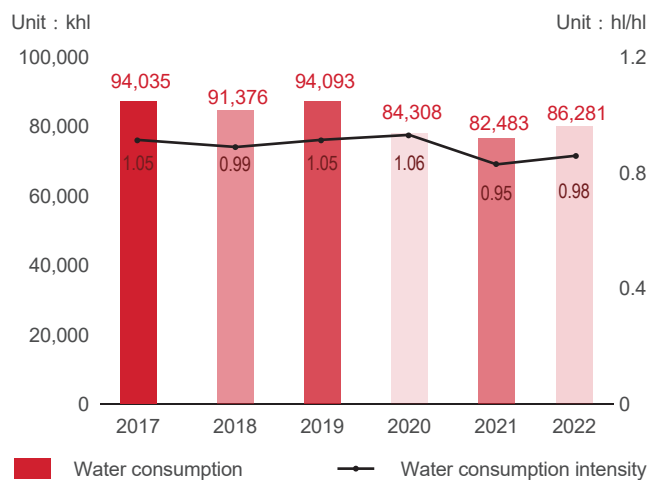
Water Withdrawal



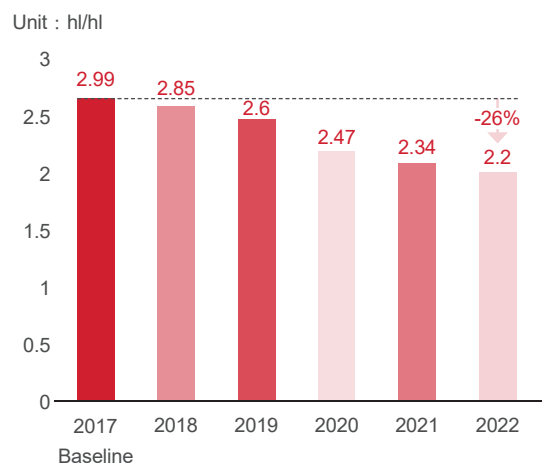
Water Discharge



Water Consumption*



Water Usage**



* Water consumption is the sum of all water that has been withdrawn for use in operation, incorporated into products, has evaporated, and is not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period. It is calculated by water withdrawals less water discharges.

** Water usage is the sum of water withdrawals used for operations. The amount of reclaimed water (up to Water Quality Standard for Urban Use in China) exported to third party for reusing after water treatment is excluded from the water usage data. Water withdrawals less reclaimed water.

Our Initiatives

Actions

Impact

Water Withdrawal

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-stressed areas annually and quarterly to classify each brewery from "Very High-Risk" to "Low to Medium Risk" sites.

Five of our breweries in India are located in three high water stress areas.

We also monitor the supply chain and apply the WRI Aqueduct tool to ensure that our agricultural raw materials do not come from areas with water scarcity or where water scarcity is expected.

Water Consumption/Usage

Improvement in Water Efficiency in Operations and Supply Chain

We implement water reduction measures at 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. With the joint efforts of each brewery, up to now, all breweries in the APAC region have joined the water 1:1 development plan, and formulated brewery-specific water consumption solutions guided by 3R+A and VPO+TECH.

100% of our breweries have applied water reduction programs. We achieved an overall water use ratio of 2.2 hl/hl.

- China 2.03hl/hl
- South Korea 3.04 hl/hl
- India 2.7 hl/hl
- Vietnam 2.64 hl/hl

Applying Innovative Technology for Water Efficiency

- All breweries in Bud APAC are using water recycling technology in the CIP (cleaning in place) process and saved a total of 790,000 tons of fresh water annually, more than 21 breweries have adopted the multi-steps water recycling technology which further increases the rate of water reuse/recycle from CIP process by 50%;
- 27 breweries are using the overflow water recovery system of bottle washing machines and saved 1.51 million tons of fresh water annually;
- 27 breweries are using dynamic water recycling systems and saved 400,000 tons of fresh water annually; and
- 11 breweries are using advanced treatment systems for reclaimed water and saved more than one million tons of fresh water annually.

Working Toward our Net Zero Ambition

Water Discharge

Monitoring of Quality and Quantity of Wastewater Discharge

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

We are 100% in compliance with water quality standards for discharge. Four of our breweries have adopted the Zero Effluent Discharge strategy, where the extracted water either flows into our product or is reused internally for operations. We are collecting, treating and reusing 0.134 million hl of water of ZED breweries on an annual basis.

“Zero Effluent Discharge” Strategy

Our breweries are rolling out the “Zero Effluent Discharge” (ZED) strategy. This strategy not only reduces our effluent, but also relieves our reliance on water. Our ZED strategy is based on the principles of Reuse, Reduce and Recycle, and promotes the concept of circularity. This is now being implemented in breweries at five strategic locations in India that are facing water stress. Our water treatment plants apply technologies, such as the RO system, to recycle water and reuse it onsite. Recycled water is used for cooling towers, secondary washers and pasteurizers, for example.

Water Replenishment to Surface Water in Water-Stressed Communities

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

In total, we have replenished 31 million hl of water across the APAC region.

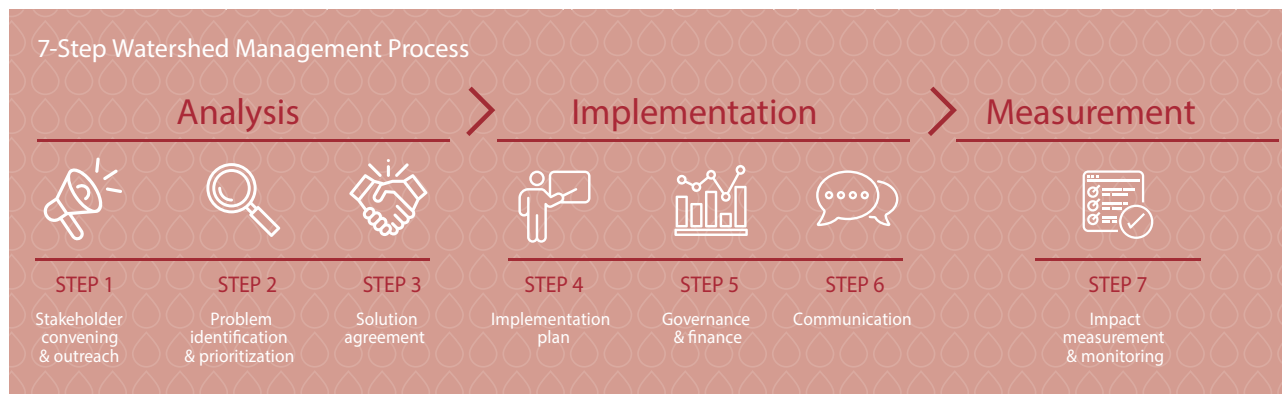
Establishing the “Community Water Replenishment” Program in China

We launched the Community Water Replenishment program to reuse our reclaimed water in the community for greening and artificial lakes to improve the local ecosystem. This is not only a sign that we no longer need to rely on freshwater, but also that we are making an effort to make a difference, starting with our environment.

We replenished approximately 15 million hl water in China. In India, we have activated watershed initiatives at five breweries in high water stress areas. We have created cumulative water recharge capacities of more than 16 million hl across four high water stress areas since 2018 and our water replenishment rate in India reached 207%.

Creating Water Recharge Capacities for Water-Stressed Areas in India

We have been collaborating with different local parties to implement community and watershed programs to recharge water and promote access to clean water. 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. To improve quality water access in stressed communities, we have established watershed replenishment structures ranging from on-farm ponds to check dams and promoting conservation and management of water and soil for smart, sustainable agriculture.



CASE STUDY 1: OUR WATER 1:1 DREAM IN CHINA

Putian Brewery

Putian brewery, which is situated at Mulan Creek's entrance, demonstrated being a leader in water stewardship. Putian Brewery uses only 1.99 tons of water for every tonne of beer produced (net freshwater use intensity 1.99hl/hl)*, which is significantly less than the industry standard.

Leading by 3R+A Concept

Putian Brewery adheres to the 3R+A management concept (Responsibility, Resource, Reward, and Action), which establishes water usage management as a responsibility at all levels and departments and provides front-line employees with the technology and resources necessary to continuously improve water usage through a strong incentive structure.

Water Saving Technology

Putian brewery has set up a water treatment system to ensure high-quality water for production. The low-quality water produced is recycled and used for the cooling system and cleaning the equipment. By doing this, we can save up to 450 tons of water per day and about 140,000 tons of water per year.



The brewery increased the capacity of its advanced reclaimed water treatment in 2022 and committed RMB three million (approximately USD435,155) in a project to magnetically coagulate wastewater from biological treatment systems (BTS). The pace at which treated water is used has greatly increased as a result. In the future, it should be possible to reuse 1,000 tons of water every day for processing and operation. In order to create one ton of beer while utilizing only 1.14 tons of fresh water, Putian Brewery intends to be the first brewery in the world to achieve water 1:1. To determine how to further cut water use, we have closely consulted with international water specialists. Putian intends to invest RMB two million (approximately USD290,103) in the construction of a super water reclamation center in 2023 in order to recycle all process wastewater and work toward the "Water 1:1 Ratio" objective.

* Net freshwater use, refers to the net fresh water withdrawal.

Working Toward our Net Zero Ambition

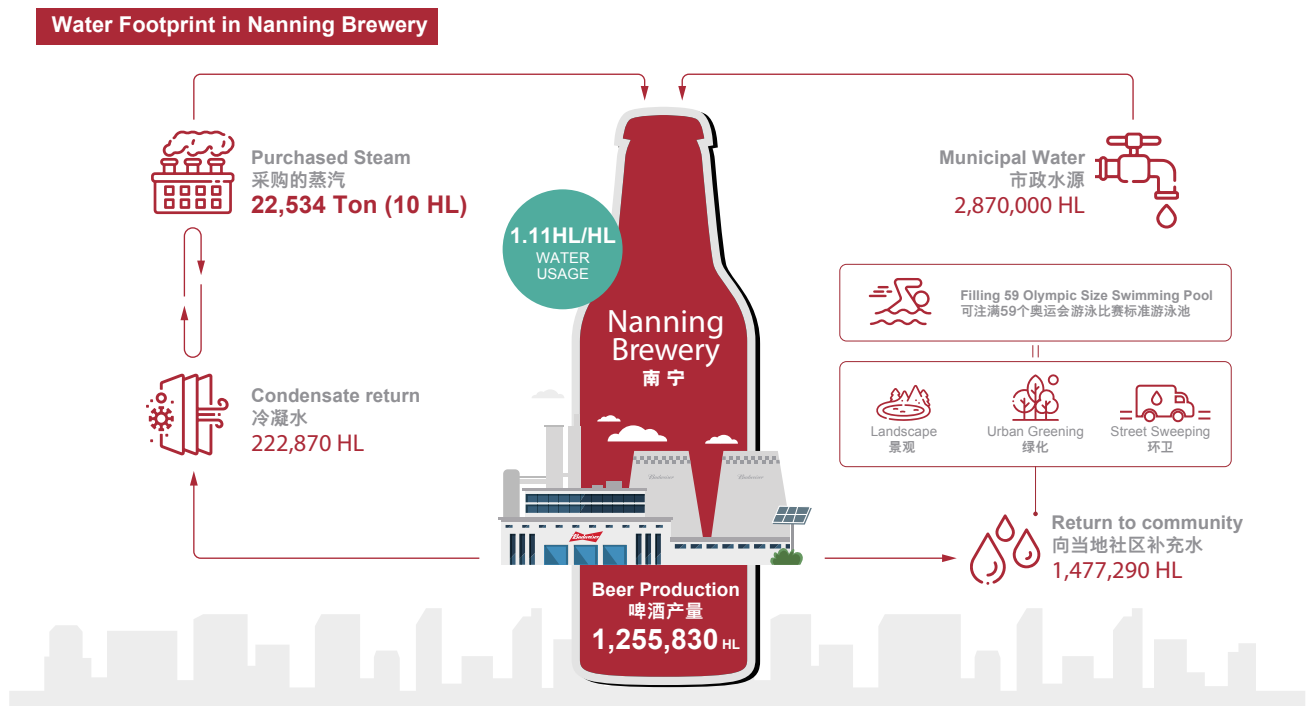
CASE STUDY 2: ADVANCEMENTS IN TECHNOLOGY TO ACHIEVE OUR WATER 1:1 DREAM IN CHINA

Tech Empowered Future

In 2022, Putian Brewery actively used digital technology and artificial intelligence for water management. For example, it used the EMS (energy management system) to monitor water consumption all around the brewery with detailed breakdowns. This can facilitate data consistency by comparing differences in water consumption and identifying exceptions. Dynamic forecasts can also be made based on the current production of different brands and bottle types to compare with the actual situation and forecast for the future.

Nanning Brewery

Our brewery in Nanning uses an advanced water management system that covers all stages of production and achieves a water use intensity of 1.11hl/hl. It is the most water-efficient brewery among all ABI breweries globally. The water resource recycling rate at the Nanning brewery is 95%, minimizing the consumption of fresh water. The brewery worked with the local government to use treated water to replenish the drying Yufeng Lake and achieved zero discharge. At the same time, Nanning Brewery continues to explore reverse osmosis membrane technology to produce treated water that meets drinking water standards and can be used in non-production areas.



CASE STUDY 3: PERCEPTION-BASED IMPACT ASSESSMENT OF WATERSHED REPLENISHMENT PROJECTS IN INDIA

To understand the impact of its watershed initiatives, our team in India engaged an external consultant to conduct a perception-based impact evaluation in the selected areas of Neemrana (Alwar district, Rajasthan), Sangareddy (Telangana), Aurangabad (Maharashtra) and Sonipat (Haryana). The evaluation was designed using the framework of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) to assess the impact of the construction of various watershed structures such as retention dams, anicuts, mini-infiltration basins, etc. in the four Indian states. The study included 228 beneficiaries from the 22 project villages. Beneficiaries of all ages, genders and caste were proportionally represented in this sample.

Key Analysis and Findings

Around 73% of beneficiaries reported that the measure was relevant and met the needs of the target community in terms of water availability.

Effectiveness: The project interventions had a target completion rate of 100%. About 65% of the respondents reported that water availability in their main water source had improved after the intervention.

Efficiency: In India, we have been able to cater to the needs of the beneficiaries efficiently in the respective districts of intervention. The projects were efficiently implemented in the villages with the support of Gram Panchayats (GP) and the beneficiaries themselves.

Impact:

- **Impact on Groundwater Resources** – Around 69% of the beneficiaries surveyed shared that access to water for agricultural purposes has improved in the community post-intervention. Around 57% of the respondents highlighted that the project activities improved their water security.
- **Change in Cropping Pattern** – Around 52% of respondents reported an increase in the cultivation of water-intensive crops post-intervention. In Aurangabad, beneficiaries shared that due to the improved availability of water they were able to grow both Rabi and Kharif crops.
- **Increase in Household Income** – The study indicated that there was an approximate increase of 43% in the average annual income of the beneficiary post-intervention. On average, there had been an increase of approximately INR 18,885 in the annual income of the farmers.



Sustainability: Across all locations, there was a significant level of community participation during project implementation with around 75% of the respondents contributing labor, water, and/or land towards the project activities. In Telangana, watershed committees were formed as part of the project activities along with capacity building and organizing of exposure visits for the committee members.

Working Toward our Net Zero Ambition

Circular Packaging

Disclosure Items: GRI 301, 306 HKEX A1, A2, A3, B5

As the world faces increasing resource scarcity, we are committed to improving the circularity of packaging materials that we use and eliminating waste. Our approach to circular packaging helps us to reduce our impact on the world's limited resources as well as delivering long-term financial cost-benefits. Circularity further helps us to address climate change, as packaging is accountable for a significant proportion (49.26%) of our overall GHG emissions. Tackling issues on packaging and waste, such as the landfill problem in China and environmental pollution in India, require cross-boundary and cross-sector innovation, collaboration and education.

“

With finite resources available in the world, we are committed to taking a circular approach to packaging and the materials we use. Doing so not only supports us to deliver long-term financial benefits, but also means we can close the loop and help to eliminate waste.

Pang Weizhen

Vice President, Zone Brewery Support



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Our Policy

We work to minimize waste generated at each stage of our packaging life cycle. Our Packaging and Waste Policy is available on our website to guide our operations to avoid redundant consumption, select sustainable alternatives and properly reuse and dispose of materials. This Policy is approved by the Procurement Director – Sustainability and regularly reviewed considering legislation, public policy and organizational changes and development in sustainability best practices, or at a minimum, every three years. Updates of the Policy will be presented to the ESG Committee for endorsement.

Our Ambition

Bud APAC recognizes the significance of promoting circularity and eliminating waste. As part of this, we pledge to ensure 100% of our products will be in packaging that is returnable or made from majority (>50%) by 2025.

Our Approach


Waste Management in our Operation

- Assess waste generation and waste diverted from/to landfill within our operations and in the value chain to identify reduction opportunities and integrate circularity;
- Adopt green procurement practices to reduce waste at source by eliminating single-use supplies and working with our suppliers through our Responsible Sourcing Policy;
- Optimize our processes to increase the reuse and recycling of packaging and other materials to reduce waste (e.g. advance “Zero Waste” strategies to treat and repurpose waste materials in China and India);

Circular Packaging

- **Innovate** – Support start-ups that advance packaging innovations via our 100+ Accelerator platform and our APAC Sustainability and Procurement Innovation Hub;
- **Reduce** – Adopt technological innovations (e.g. lightweighting) and redesign our packaging to reduce the usage of materials for the all types of packagings;
- **Reuse** – Increase the returnability of our packaging;
- **Recycle** – Integrate recycled and/or recyclable contents into our packaging; and
- **Recover** – Work with local communities and governments to support the recovery rate of post-consumer packaging.

By doing these, we successfully reduced our carbon intensity by 18.2% compared to the 2017 baseline, including suppliers.

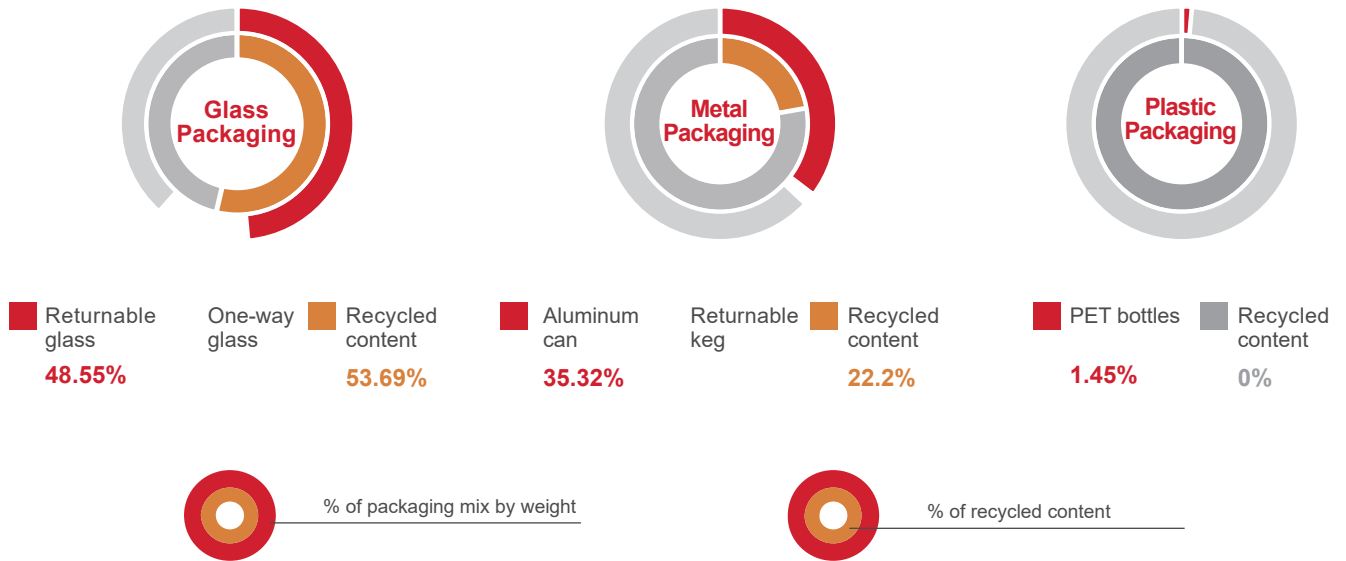
Our Target, KPI & Progress					
UN SDGs	Our Goal	KPI Measurements	Progress in 2021	Progress in 2022	2025 Target
Goal 12: Responsible Consumption and Production 	100% of our product are in packaging that is returnable or made from majority recycled content	% of products in returnable packaging + % of products in packaging made from majority > 50% recycled content	On track 65.10%	On track 63.20%	100%
	To increase products in returnable packaging	% of products in returnable packaging	53.30%	50.20% [†]	100%
	To increase products in packaging made from > 50% recycled content	% of products in packaging made from majority > 50% recycled content	12.30%	13.00%	
	To increase recycling of byproducts and waste	% recycling of by-products and waste	On track 99.77%	On track 99.96%	No target



Working Toward our Net Zero Ambition

Recycled Content of Product Packaging

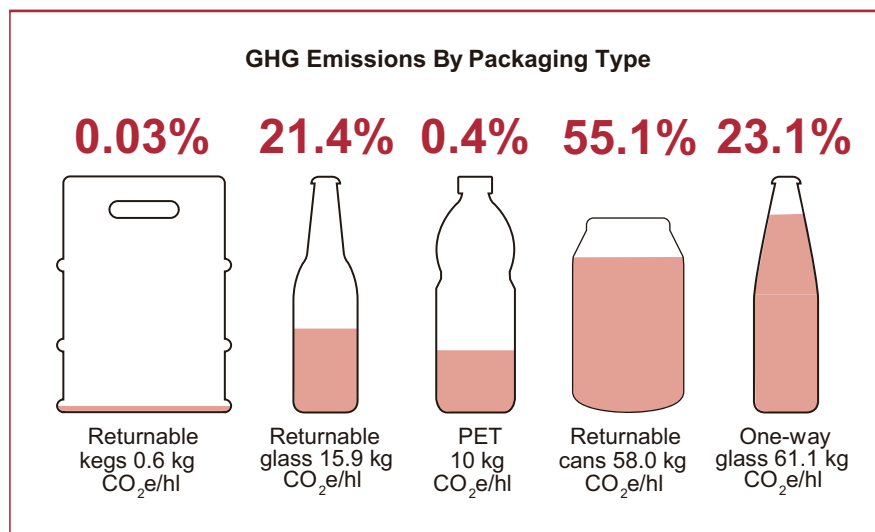
Our Target, KPI & Progress



Our Progress on Increasing the Recycled Content of Product Packaging

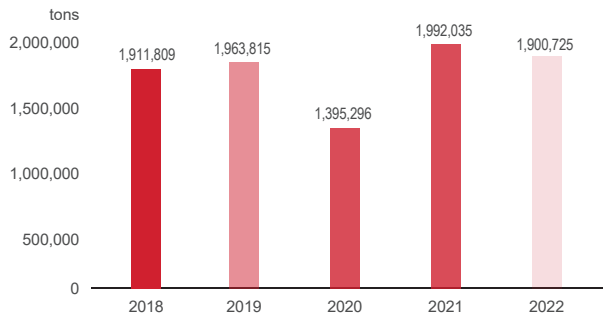
Can-to-can recycling of aluminum is a new concept in China, lacking of industry standards on the process, scope, and recycled aluminum to be used in food packaging material and there has been no mature can-to-can recycling system established for can collection back to cansheet suppliers. Hence, recycling of aluminum in the beer industry so far did not yet scale up.

Recycled PET is still yet to be implemented due to technical and legislative issues. Until the second quarter in 2021, the South Korean government did not allow mechanically-recycled plastic material to be used as food/beverage packaging. Since the lifting of regulation in the second quarter of 2022, we have been pushing the agenda to test both mechanically and chemically recycled PET and we are currently in the stage of running internal quality tests. With the current schedule, our goal is to develop a commercially ready product packaged with rPET by the end of 2023.

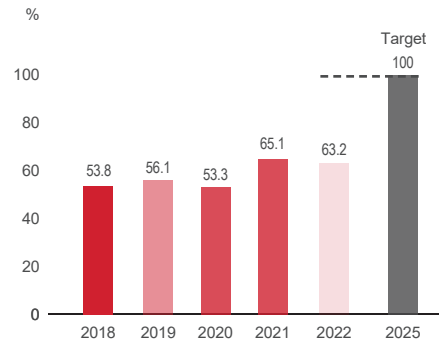


Overall Packaging by Packaging Materials

Total Packaging Materials used for Finished Products

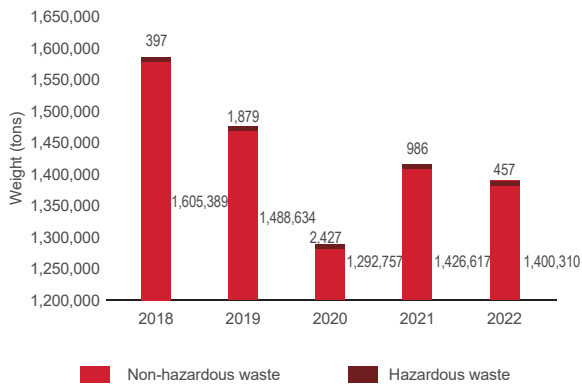


Percentage of Product Packaging that is Returnable or made from Majority Recycled Content

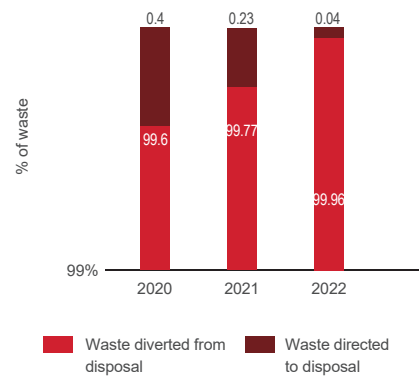


Waste Footprint

Waste Type



Waste Route

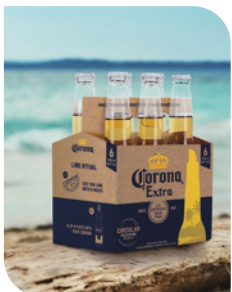


Working Toward our Net Zero Ambition

Our Initiatives

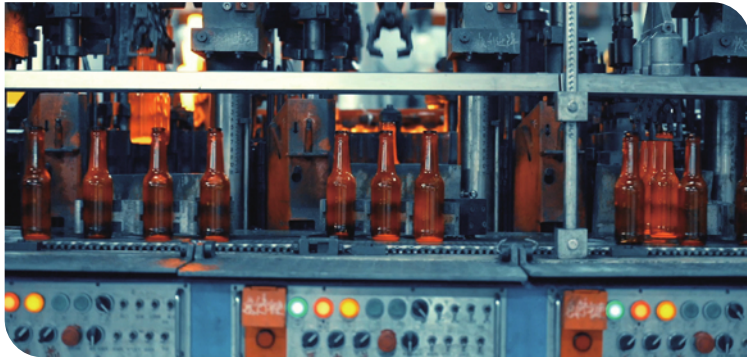
Activities	Actions	Impact
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Waste Management		
<p>Minimizing Waste Generated on-site</p> <p>We have procedures and policies in place to optimize the manufacturing process, minimizing the generation of waste as much as possible.</p>	<p>Waste Reduction in Manufacturing</p> <p>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.</p> <p>Waste Reduction in Logistics</p> <p>We utilize innovative secondary and tertiary packaging, such as recyclable shrink film and paperboard, and reusable wooden pallets, that facilitates the handling, logistics and distribution of beverages. We source cartons that are produced with 80% waste pulp for the distribution of products in our breweries in China.</p>	<p>Following the footsteps of our first Zero Waste Brewery in Taizhou, three of our breweries in China also started to implement the Zero Waste Strategy and aiming to become a Zero Waste Brewery.</p>



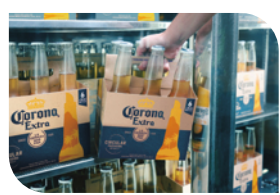
Circular Packaging

<p>Packaging Design</p> <p>Design our packaging to optimize the use of materials and source materials that are recyclable, returnable and/or contain recycled contents.</p>	<p>Returnable Packaging</p> <p>Adopting circular options, such as returnable bottles, reduces carbon emissions and drives more sustainable consumer behavior.</p>	<p>More than 80% of the returnable bottles have been collected and refilled with beer after sanitization. In terms of the bottle return rate, South Korea ranked first with over 95%, while both China and Vietnam recorded over 80% and India had over 60%. Moving forward, we will continue to improve the return rates in all markets.</p>
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<p>Lightweighting</p> <p>We worked closely with our suppliers to lightweight our bottles, cans and other packaging materials in each market in 2022.</p>	<p>Reduced weight in tons:</p> <ul style="list-style-type: none"> • Aluminum: 58.2 • Glass: 5,130.6 • Paper: 2,567.2 • Plastic: 628.4 • Steel: 88.2
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<p>Recycled Contents in Packaging</p> <p>With a focus on reducing the need for virgin materials where possible and instead increasing recycled content, we have developed a new technology to achieve 90% recycled content in our glass bottles in China.</p>	<p>13% of our packaging contains 50% or more recycled content.</p>
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Activities Actions Impact

Post-Consumer Recovery

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 work with our wholesalers to collect cullet and disposable bottles. We have shortened the glass bottle return process in China to directly return bottles back to our glass supplier. This not only provides a stable source of recycled glass for our suppliers, but also creates a more sustainable closed-loop recycling system.



Our suppliers collected 31,824 tons of cullet for recycling in 2022.

Can-to-can Recycling

We introduced a new system to provide our aluminum can suppliers with a reliable source of recycled cans collected directly from the community. Wuhan, Putian and Foshan breweries signed the agreements with aluminum can recyclers for recycling from breweries. While used beverage cans (UBC) were recycled and reused in China, they are not necessarily remade to become Bud APAC cans. To increase the percentage of recycled content in our cans, we work with industry partners in the collecting and recycling chain, to build a closed-loop solution for UBC and thus enable can-to-can recycling.

More than 99 tons of waste cans have been collected in the China market.

Public Education and Awareness Building

We use social media marketing campaigns and product labeling to educate our consumers about the importance of recycling, and look for more ways to support packaging recycling.

Cultivate Corona to be the First Plastic Neutral Beer

Corona announced its sustainability development plan for 2022: 145 tons of plastic waste in the ocean to be recycled throughout the year. In preparation for the annual plastic clean-up target, Corona has joined forces with the BlueRibbon Ocean Conservation Association, a well-known non-governmental organization in China, to launch the "Restoring the Fishing Road" project, which asks local fishermen in Sanya to clean up plastic waste in the sea. Subsidies equal to the average price of seafood are provided for all collected waste. This is Corona's local interpretation of sustainable projects in China with an innovative model, and it is also part of the continuous actions Corona has taken to improve the marine environment and continue to explore the myriad possibilities of This is Living.

Aiming to cultivate Corona to be the first plastic neutral beer (more plastic is recovered from the environment than produced), we recycled over 155 tons of plastic waste from the ocean in 2022.



Working Toward our Net Zero Ambition

CASE STUDY 1: ESTABLISHING ZERO WASTE BREWERIES IN CHINA

In 2022, our breweries in Wuhan, Ningbo and Wenzhou also started to roll out their zero-waste brewery roadmaps, led by the example of Taizhou Brewery, which was the first zero-waste brewery in APAC. Our Wenzhou brewery demonstrates a beneficial balance between environmental and economic benefits with a triple zero waste approach:

- **Soilless Filtration Technology** – Brewery uses soilless filtration technology, which significantly reduces aging content and waste compared with traditional DE filtered beer.
- **Repurpose of Intermediate Products** – We recognize the intrinsic value of products and explore the repurpose of waste into useful materials. Partnering with biotechnology companies, we have recycled waste yeast extract for producing biological medium and special feed for young animals with nutrition value 51% higher.
- **Turning Sewage Sludge into Fuel** – Our wastewater treatment plant produces sewage sludge as a by-product, which is then converted into fuel by a third party thermal power station. We have turned more than 800 tons of sewage sludge into fuel for electricity generation.



Following our success in Wenzhou, we plan to gradually transition our breweries across the APAC region to zero waste.

CASE STUDY 2: COLLECTING ALUMINIUM

As mentioned in the previous section, we worked with our strategic supplier ORG Technology Co., Ltd and Shaoxing Urban Smart Recycling Co., Ltd to explore ways of collecting waste can and feeding them back into our can loop. The discarded cans from our breweries were collected as part of our pilot initiatives in our Putian and Wuhan brewery to be returned to the supply chain loop and ultimately the cansheet mills. With this pilot project, we recovered more than 90 Mt of waste cans.

Moving forward, we will continue to roll-out this initiative to other breweries.



Sustainable Agriculture

Disclosure Items: HKEX A3

Healthy biodiversity supports unique ecosystem services that benefit environmental health, water quality, and agricultural practices, and enable our activities as well as human well-being. Due to climate change, habitat destruction, excessive agricultural use, and natural resource exploitation associated with economic activities, biodiversity is declining – globally – at an unprecedented rate. Biodiversity loss is ranked among the top three risks at the global level over the next 10 years. Therefore, it is critical that we promote sustainable agricultural practices among our agricultural suppliers to support healthy ecosystems and build a self-sufficient agricultural supply chain. With a farmer-centric approach and 20 years of breeding experience in China, we aim to educate and financially support our farmers to improve agriculture at scale.



We rely on high-quality agricultural crops that came from thriving communities and a healthy ecosystem to brew our beers. With the goal of supporting 100% of our direct farmers to be skilled, connected, and financially empowered by 2025, we hope to bring a positive and long-lasting impact that can make our farmers, local communities, and the biodiversity of the ecosystem that we depend on more resilient, now and for years to come.

Terry Yao

Procurement Director Sustainability & Smart Barley



Our Policy

Through our commitment and actions outlined in our Biodiversity Policy on the website, we aim to minimize our environmental footprint and maximize opportunities for biodiversity and ecosystem conservation. This Policy is approved by the Procurement Director – Sustainability and regularly reviewed considering legislation, public policy and organizational changes and development in sustainability best practices, or at a minimum, every three years. Updates of the Policy will be presented to the ESG Committee for endorsement.

Our Ambition



We are working to ensure that Bud APAC's business will continue to grow sustainably over the next 100+ years. In doing so, it is critical to maintain crucial ecosystem services and the availability of raw materials and natural resources such as barley, hops and water, as our production and operations are highly dependent on them. In our quest to achieve net zero production by 2040, our plan relies on natural solutions and has a focus on regenerative practices.

Our Approach

- Conduct soil assessments and identify nature-related risks that include impacts and dependencies on natural resources where material to Bud APAC's operations and supply chain;
- Avoid sourcing from/operating in areas listed as World Heritage Sites and International Union for Conservation of Nature (IUCN) Category I-IV Protected Areas;

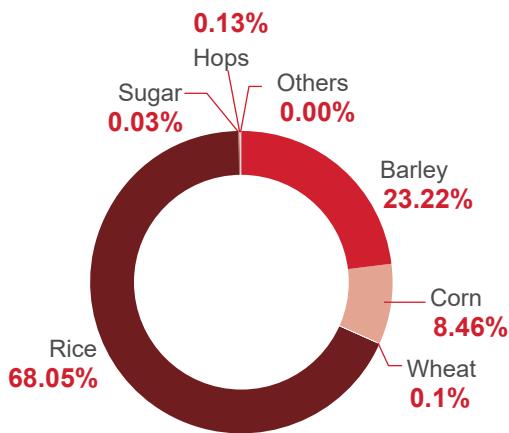
Working Toward our Net Zero Ambition

- Support ecosystem restoration through local regenerative practices, educating farmers in our supply chain, and optimizing our operations to minimize negative impacts on the environment and biodiversity;
- Reducing habitat disturbance and degradation and indirect impacts such as pollution and atmospheric emissions from our operations and supply chain; and
- Increase awareness of biodiversity among our stakeholders, particularly with our employees and in our communities.

Our Target, KPI & Progress					
UN SDGs	Our Goal	KPI Measurements	Progress in 2021	Progress in 2022	2025 Target
Goal 8: Decent Work and Economic Growth 	To ensure all of our direct farmers are skilled, connected and financially empowered by 2025	% of our direct farmers are skilled, connected and financially empowered	On track	On track	On track
Goal 15: Life on Land 			100% of our direct farmers are skilled, 100% are connected and 99% are financially empowered	100% of our direct farmers are skilled, 100% are connected and 100% are financially empowered	100% of our direct farmers are skilled, 100% are connected and 100% are financially empowered

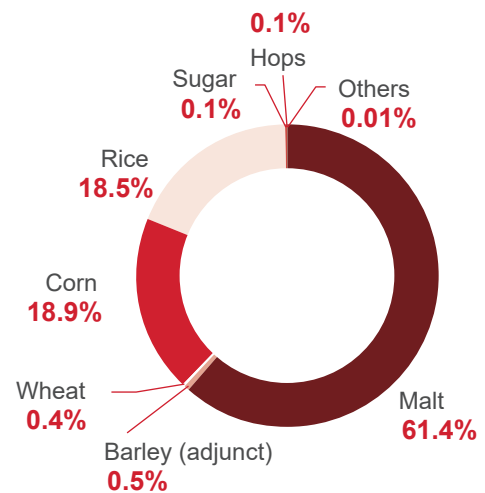
Our Agricultural Footprint

Emissions by Agricultural Commodities



Emissions from Agriculture:
609,038 tCO₂e

Amount of Agricultural Commodities Sourced



Total amount of Commodities Sourced:
1,085,561 tons

Our Initiatives

Actions

Impact

Soil Program

Soil Health Framework in India

Soil health is the foundation for ensuring sustainable productivity of barley and other crops, which is critical to maintaining food security and ultimately social stability. We recognize the importance of soil health and are building a holistic soil health framework to support our farmers, promote biodiversity and water quality, and sequester carbon. As we provide our farmers with the practices and tools they need to understand and improve the quality of their soils, it is important that we stay in touch with them to effectively gather evidence and provide recommendations for additional action.



We have expanded coverage of the Soil Health Framework to 75% of our farmers in India.

Soil Testing in India

Our internal experts in India conducted a soil testing initiative with a selected group of farmers. We observed a significant improvement in quality across key performance indicators. The soil testing aims to develop tailored farm-level protocols that farmers can use to achieve the right quality and yield in barley production. Soil testing analyzes the levels of available nutrients such as nitrogen, phosphorus, potassium and micronutrients in the soil along with other physical parameters such as soil type, pH and organic matter, etc. These parameters are critical to understanding the nature of the soil and analyzing the nutrient levels required to maintain quality and yield. As part of this process, the team takes soil samples for laboratory analysis and uses the findings to develop recommendations. These recommendations allow for optimization of agricultural inputs to grow high-quality crops and create sustainable gains for local farmers.



We conducted the largest soil testing program among Bud APAC's breweries and conducted 2,500 soil tests before seeding in 2022.

Working Toward our Net Zero Ambition

Actions	Impact
Smart Agriculture Program	

Capability Building for our Agricultural Partners in India

We regularly collaborate with the Indian Institute of Wheat and Barley Research (IIWBR) and the National Skill Foundation of India (NSFI) to further educate our farmers and ensure optimal barley growing conditions. In addition, our Field Officers met with each farmer at least five times per year (totaling more than 4,500 visits). By using technologies such as FOSS, we can guarantee that the barley purchased from our farmers meets our quality requirements.

To support improvements in agricultural production, we have reviewed farming practices and identified gaps and opportunities, and to promote water conservation, we have trained our farmers in water-saving irrigation techniques.

100% of our farmers received on-farm training on barley cultivation and responsible sourcing practices (RSP), such as pest and disease management, safe use of machinery and post-harvest storage.



The program has enabled us to retain more than 60% of farmers and limit rejection rates to less than 2% (barley grown by our farmers that does not meet quality requirements).

Digitalization and Agricultural Technology

100% of our direct farmers are registered on the digital platform KisanHub. The platform allows our field team to record data digitally, as well as deploy real-time crop management protocols among farmers to make informed decisions. In addition, we use quality assurance technologies to ensure that the barley purchased from our farmers meets our quality requirements.

In 2022, 100% of the barley procured from our farmers met the quality specifications.



Actions

Impact

Indoor Hops Farming Project

Every year, we import large quantities of high-quality aroma hops for our local brands in China. To save costs, ensure consistent supply and shorten our supply chain, we want to grow Cascade hops indoors and are looking to develop sustainable, long-term initiatives on a large scale.

In 2022, we were able to achieve a yield of 2,475 kg/ha of Cascade, which is higher than the world's highest outdoor yield of 2,200 kg/ha.



We have grown hops in a greenhouse in China and the results have been remarkable. We used 80% less water, 90% less land and 95% less fuel for transportation. With the indoor farm, we plan to increase the harvesting frequency to four times from twice a year. We will continue to expand this program and explore innovative ideas, such as spent grain-based soils as well as experiments with flavors.

Biodiversity Program

Enhance Biodiversity Awareness Amongst our Value Chain Partners

The loss of biodiversity affects soil composition and water quality. Both factors affect the yield and quality of the crops we source. We want to better integrate biodiversity strategies throughout our supply chain and are therefore working with external partners to develop a standardized approach that can be tailored to each market. We are committed to integrating biodiversity into the modernization of the beer industry.

100% of our direct farmers are connected.

Working Toward our Net Zero Ambition

CASE STUDY 1: STORIES OF OUR AGRICULTURAL PARTNERS IN INDIA

Raj Singh is a farmer from Farukhnagar in Haryana who has been working with Bud APAC for almost a decade. The main driver for him to continuing this collaboration is the knowledge of fertilizer usage that the field officer provides him. This has enabled him to reduce the cost of fertilizers while increasing his yields, thus improving his profit margins.

Kailash is a farmer from Bansur, Rajasthan, who has been farming for two decades. His collaboration with Bud APAC has lasted two years so far, and he wants to continue this practice. In addition to barley, he also grows wheat, mustard, chickpeas and watermelons, all of which require careful use of fertilizers. Through trainings at Bud APAC, Kailash learned how to apply the fertilizers more efficiently and more precisely and benefited tremendously from that. By adopting soil analysis tests and resulting guidance on fertilizer use, Kailash was able to reduce his input costs and increase overall yield.



CASE STUDY 2: NET ZERO AGRICULTURE IN CHINA

Driving Net Zero in Value Chain through CCAFIP

We have participated in the Climate Change Agriculture Food Industry Partnership (CCAFIP), driving the standard of agriculture and raw material carbon emission standards and developing a more comprehensive understanding of the carbon emission from upstream and downstream venues. Together with other nine companies, we work together to achieve a low carbon value chain.

Building up Net Zero Barley

As part of a three-year strategic roadmap and action plan for “net zero barley”, we will conduct a life cycle analysis (LCA) to clarify emission sources and sinks in the barley production process and at the production boundaries, and collect baseline data such as GHG emission factors and activity levels, etc. Based on the carbon footprint and taking into account of our supply chain and potential risks, a roadmap of actions will be formulated, prioritized according to JAR’s soil health framework, regional climate, soil, production and cropping characteristics, as well as cost-benefit. We aim to produce the first ton of low GHG barley in China starting in 2024, have premium local malting barley breed commercialization in 2025, and become the first carbon neutral third-party malting house in 2030.



Smart Barley Program

We strive to constantly improve our products, and we are one of the few brewers on the market dedicated to breeding better quality malting barley. Through our barley programs, we focus on improving the quality of local products.

We strive to keep our supply chains short and have been working closely with Jiangsu Nongken Group (JSNK) in the past 20 years on a domestic barley breeding program, which aims to localize foreign seeds. Since 2016, we further develop the local barley industry in China by driving economic development and reducing carbon emissions in the supply chain.

In China, we have purchased 40,000 tons of local barley with an 60% increased from 2021, and improved the livelihood of 4,500 farmers. We supported 721 farmers in India as part of our barley program.



Working Toward our Net Zero Ambition

CASE STUDY 3: “CASS FOREST OF HOPE” IN MONGOLIA

“Cass Forest of Hope” has been our signature environmental campaign for 13 years, working with the international environmental NGO “Green Asia Network” since 2010. “Cass Forest of Hope” is a large-scale environmental improvement project to plant trees in Mongolia to prevent desertification due to climate change and better protect local biodiversity and ecosystems. Our activities include the following:



Reforestation in Mongolia

- Working with Mongolian civil/student volunteer groups
- Planting approximately 46,000 trees in Mongolia over the past 13 years as a windbreak to keep out desert winds
- Awarded the UNCCD’s Land for Life Award in 2014 in recognition of its contribution to preventing desertification



Provision of Climate-Refugee Assistance:

- Supporting climate-refugees struggling with desertification and local communities by providing fruit-picking jobs
- Implementing the “Warmth Box” campaign to collect and deliver winter items to climate-refugees in Mongolia



Organizing an Awareness Campaign in South Korea:

- “Cass Forest of Hope” PR booth at the 15th World Forestry Congress (WFC) in 2022.
- Presentation of “Cass Forest of Hope” as the best environmental project at the Korean Forest Service webinar in 2021.
- Presentation as an exemplary CSR campaign at a forum of the Korean Forest Service in 2021.



Looking forward

Aligning a Disclosure Framework for Nature

The nature and biodiversity agenda gained tremendous energy and momentum in 2022. From its presence as an integral part of the discussions at the COP27 UN climate conference in Egypt, to the landmark Global Biodiversity Framework agreed at the COP15 UN biological diversity conference in Montreal, the agenda has emerged as an important issue for leaders from business, government, and civil society alike.

Much like what its companion initiative – the Task Force on Climate-related Disclosures (TCFD) – has done for climate, the Task Force on Nature-related Disclosures (TNFD) is shaping the global discourse with the mission to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks and opportunities, with the ultimate aim of supporting a shift in global financial flows away from nature negative outcomes and toward nature positive outcomes. We are an active member of the TNFD Taskforce, which comprises 40 senior executives from financial institutions, corporates and market service providers representing sectors with the largest impacts and dependencies on nature. At Bud APAC, we are working toward adopting TNFD in the coming years.



EMPOWERING OUR VALUE CHAIN PARTNERS



啤酒，创食安厂—PUT质量周之食品安全知识



Our Value Chain

Disclosure Items: GRI 308, 414 HKEX A3

Value Chain Management

The production and delivery of our beer relies on a supply chain of high-quality agricultural raw materials, ingredients and packaging materials. The associated impacts of climate change, combined with the increasing focus on labor issues, are putting greater pressure on our complex value chain. Therefore, we are working intensively with our partners in the value chain to address the emerging challenges and continue to create a sustainable and responsible value chain.

“

We value the incredible contribution our partners make to our business and our products. Today, many are facing the challenges of a shifting climate and labour issues. We are actively supporting them through training and capacity development programs to manage these challenges, helping create a more sustainable value chain.



Huang Huihuang

Zone Brewery Support Utility & Sustainability Director

”

Our Policies

Policy and Procedure	Expectations
Responsible Sourcing Policy	Business partners should ensure that their operations and practices support our approach and commitment to human rights, labor standards, health and safety, environmental management and business integrity. We require our suppliers and business partners to commit to setting relevant targets, such as those related to carbon emissions, recycled content and water consumption.
Supplier Anti-corruption Policy	Business partners have to ensure that their directors, officers, employees and agents comply with our anti-corruption practices.

Our Ambition

Managing a complex value chain is never easy, and we want to encourage our suppliers and business partners to help minimize environmental impacts, protect human rights and improve economic stability. We actively share and communicate our sustainability values and principles with our suppliers, business partners and surrounding communities to create a world with more cheers.



Empowering our Value Chain Partners

Our Value Chain

GRI: 201-1

Creating value from seed to beyond sip

Farmers

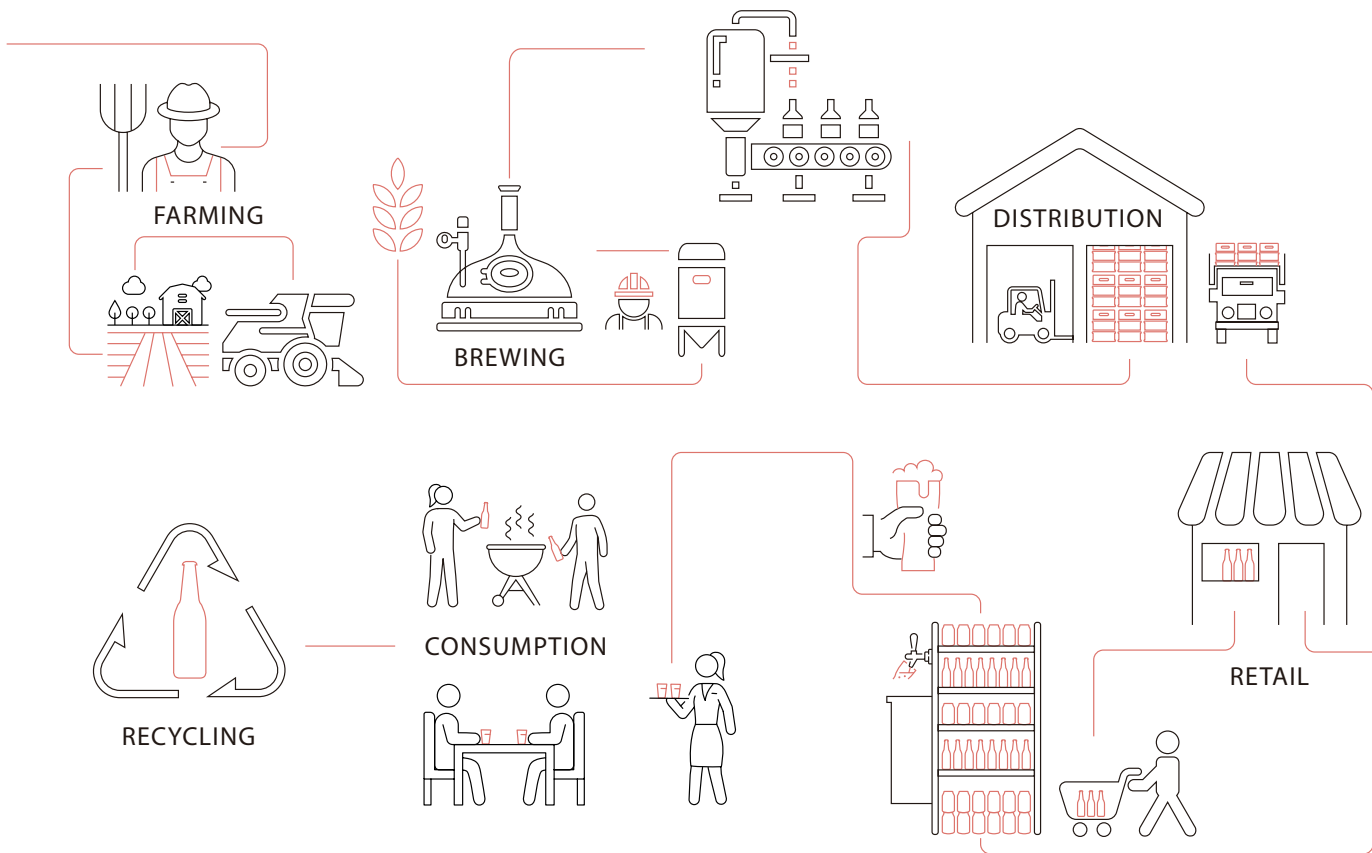
We value our relationships with farmers in our supply chain, who provide natural ingredients for our products. Our mutual collaboration is a key element in creating a sustainable supply of high-quality ingredients that our products demand. That is why we promote Sustainable Agriculture to help farmers improve their resilience and profitability while protecting the biodiversity of our ecosystem, contributing toward our 2025 Sustainability Goals.

Suppliers

We source from 172 tier 1 (direct) suppliers that are essential to our operations. Our suppliers use their knowledge, expertise and innovation to support us in transforming ingredients and raw materials into a product that consumers love. We work to optimize our operations and partner with suppliers to advance the sustainable use of resources and help achieve our 2025 Sustainability Goals.

Customers

We partner with retailers, bar owners and wholesalers to responsibly bring our beers to our consumers, while supporting our customers' business growth, helping close the gap in digital and financial inclusion and pursuing extraordinary execution of our brands on- and off-premise.



Recycle 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.

Communities

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


Consumers

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

Our Approach

- We require all suppliers, service providers, contractors and business partners to follow our Responsible Procurement, Supplier Anti-corruption and Human Rights policies that oversee our operations along our value chain.
- We conduct sustainability risk assessments of our new and existing suppliers, service providers and business partners.
- We provide ESG training to our suppliers, service providers and business partners.
- We work with our business partners to develop innovative and sustainable products.
- We conduct suppliers' sustainability performance as one of the criteria of the suppliers selection, especially on carbon footprint.
- We incorporate ESG considerations into our procurement and give preference to more sustainable materials, e.g. packaging materials with a higher recycled content.
- We annually review our contract terms and service agreements with our existing suppliers, service providers, contractors and business partners. We will terminate our contracts with those suppliers that pose a high sustainability risk and are not willing to engage in climate risk mitigation actions as well as those that do not comply with our Responsible Procurement Policy, Supplier Anti-corruption Policy and Human Rights Policy.

Our Target, KPI & Progress

UN SDGs	KPI Measurement	Progress in 2021	Progress in 2022
Goal 12: Responsible Consumption and Production	% of compliance with social and environmental standards among existing suppliers	100%	100%
	% of basic requirements and compliances in new suppliers	100%	100%

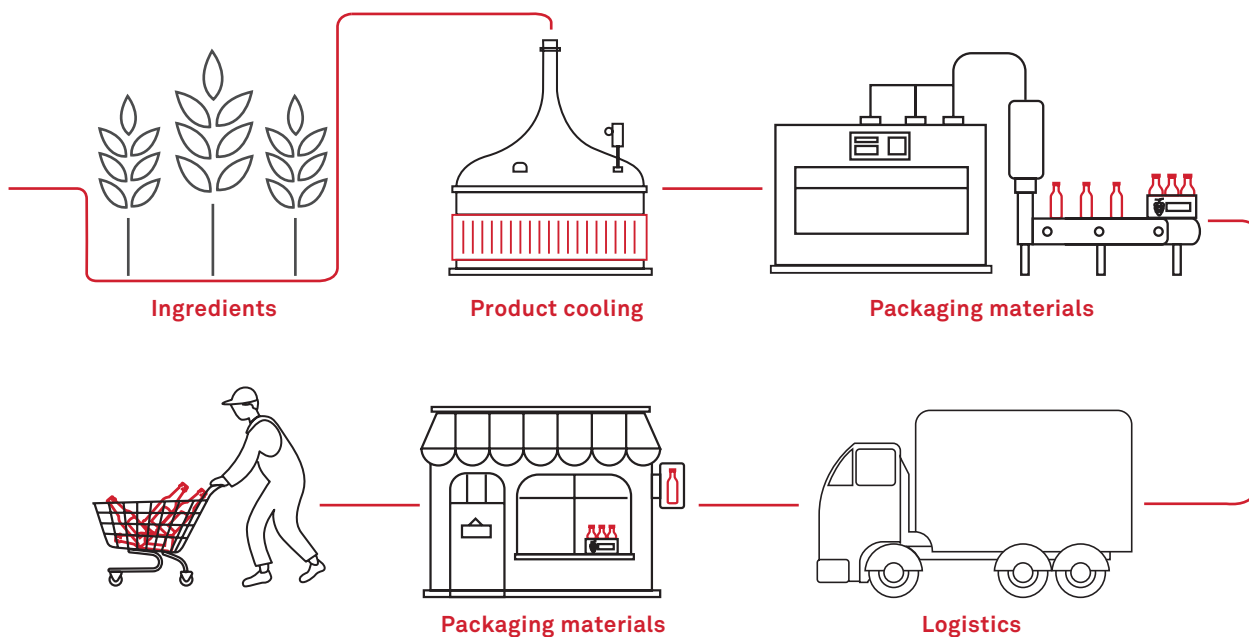
In APAC, we source from up to 172 tier 1 (direct) suppliers to produce and deliver the drinks that our consumers know and love.

Empowering our Value Chain Partners

Our Sourcing

Key goods and services that we source directly and indirectly:

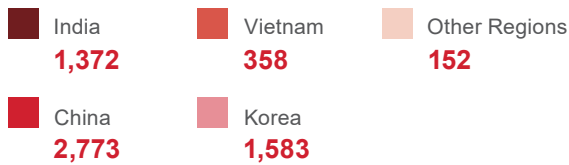
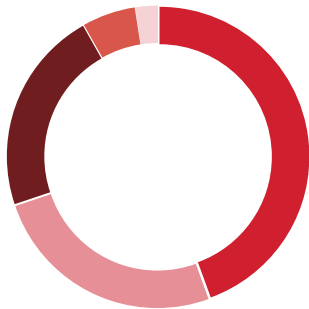
Stage of Value Chain	Operation (Production)	Operation (Packaging)	Distribution & Retail
Sourcing Channel	Direct Sourcing	Direct Sourcing	Indirect Sourcing
Type of Goods and Services Sourced	<p>Agricultural Commodities</p> <ul style="list-style-type: none"> • Malt • Corn • Wheat • Rice • Hops • Cassava • Fruits <p>Ingredients</p> <ul style="list-style-type: none"> • Water • Carbon dioxide 	<p>Packaging materials</p> <ul style="list-style-type: none"> • One way glass • Returnable glass • Aluminum bottles • Cans • PET bottles • Kegs • Cardboards • Labels • Plastic films 	<p>Logistics</p> <ul style="list-style-type: none"> • Logistic services <p>Product cooling</p> <ul style="list-style-type: none"> • Chillers • Coolers • Refrigerants



Our Value Chain Partners:

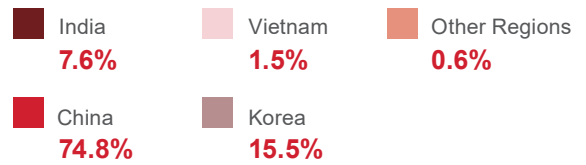
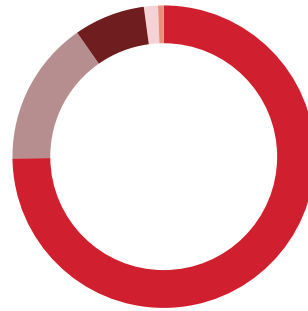
Breakdown in Geographical Areas

Geographical Breakdown of Suppliers



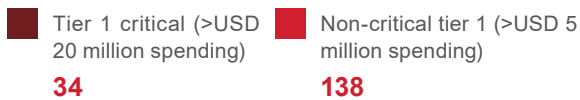
Total no. of suppliers: 6,238

Percentage of Procurement Spending



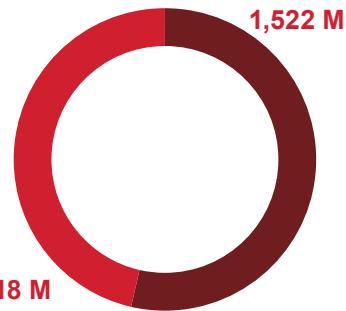
Breakdown in Criticality

Breakdown of Tier 1 Suppliers by Criticality



Total no. of tier 1 suppliers: 172

Breakdown of Procurement Spending on Tier 1 Suppliers by Criticality



Total spending on tier 1 suppliers: USD 2,840 M

Empowering our Value Chain Partners

Our Initiatives

Activities	Actions	Impacts
Responsible Sourcing	Responsible sourcing is integrated into our supply chain. By communicating our expectations and sharing our rigorous requirements with 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.	Basic requirements and compliances in 100% of new suppliers
Supplier Assessments	Annually, we evaluate existing direct and strategic suppliers based on compliance with laws and regulations, financial performance, and ESG-related issues (such as child or forced labor, freedom of association, occupational health and safety, and environmental initiatives) highlighted in our Responsible Sourcing Policy. In addition, we verify the credentials and other basic registration requirements of potential new suppliers before issuing a request for proposals.	In 2022, we assessed: Compliance with social and environmental regulations at 100% of existing suppliers.
Supplier/Business Partner Training	We provide training and guidance to suppliers and business partners to support effective compliance with our policies, such as strengthening cybersecurity compliance practices. Following the trainings, we conducted surveys to assess suppliers’ current practices and monitor any cybersecurity-related risks. Survey results were recorded to identify high-risk suppliers and engage with them to develop plans to improve their practices.	In 2022, we conducted 5 training sessions in China and 1 in South Korea for suppliers and business partners.



CASE STUDY: SUPPLIER STRATEGIC ALLIANCE AND VENDOR STRATEGIC ALLIANCE PROGRAMS

Our supplier engagement programs vary from site to site as we consider the different local circumstances and needs of suppliers. We have launched the Supplier Strategic Alliance (SSA) and Vendor Strategic Alliance (VSA) programs with our suppliers to address critical challenges they face and share the benefits of our joint efforts.



SSA Program

Our pioneering SSA platform has reached 33 upstream suppliers of malt, rice and packaging materials. The SSA program started in early 2019, and we have since optimized and modified the program based on actual conditions. We are monitoring progress and providing guidance and support along the way, which has led to many breakthroughs in various fields. We have selected China as a pilot region and plan to gradually expand to other countries in APAC.

In our quest to drive change and incentivize change, our ongoing engagements with suppliers and vendors pay off: the joint efforts with our packaging suppliers to minimize the environmental footprint has led to reduced emissions. Our collaboration with SSA suppliers on sustainable development mainly includes the following aspects:

- Training and on-site support by SSA sustainable development team;
- Baseline GHG emissions calculation of products for SSA suppliers;
- Setting the three to five years roadmap for net zero carbon transition for malt houses;
- Sharing Bud APAC's advanced energy management approach and technology with SSA suppliers; and
- Assisting in the implementation of net zero roadmaps, for example, deployment of green energy and green logistics, etc.

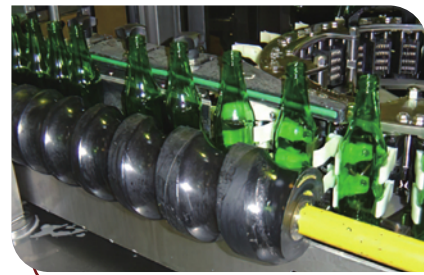
Through the SSA platform, Bud APAC aims to continuously improve suppliers' energy management through the use of new technologies and clean energy such as biomass steam and renewable electricity. In 2022, we helped our glass supplier Huaxing to map its own carbon emission baseline at one of their sites and Huaxing will extend the baseline setting practice to more sites in the coming year.



VSA Program

Retaining star wheel development is a VSA project initiated by Bud APAC to cater the rapid growth of consumer demand and improve the flexibility of supply chain. Through technological improvements, the innovative processing equipment can reduce production time, improve production efficiency, and greatly reduce the time cost of our employees in the workflow. This can also eliminate the safety risk caused by handling and replacing the star wheel.

The star wheel has strict requirements on the processing accuracy and material of the spare parts to ensure the stable transfer of the bottle in the equipment during filling and capping process. This project is currently undergoing field testing and will be incorporated into our operations in the future.



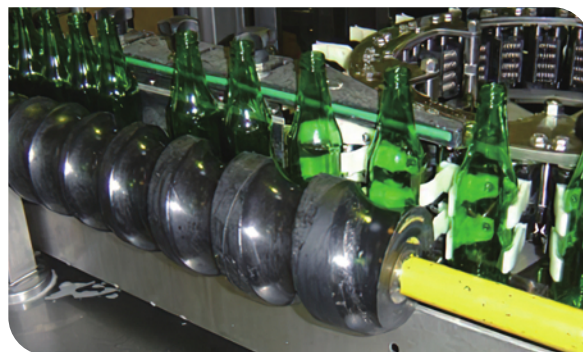
Empowering our Value Chain Partners

Our Consumers

Disclosure Items: GRI 416 HKEX B6

Product Quality and Food Safety

We are committed to producing products with the highest quality standards to ensure that all our consumers can enjoy healthy, safe and authentic products of the highest quality that meet all regulatory requirements.



We aim to provide the best quality and safe products to our customers. We adopt strict food and product standards across our entire value chain, from growing the barley to bottling and distributing our beer. All our breweries are straightly aligned to international food safety standards (BRCGS) and certified by external auditor DNV.

Xiang Yang

Senior Brewing & Quality Director



Our Policies






Policy and Procedure	Expectations
Code of Business Conduct	We have updated our Code of Conduct to reflect our responsibility to implement our Standards of Business Conduct. Integrity, hard work, quality and responsibility are key to building our business and reputation.
Global Quality and Food Safety Policy	We are committed to producing products with the highest quality standards to ensure that all our consumers can enjoy healthy, safe and authentic products of the highest quality that meet all regulatory requirements.
Responsible Marketing and Communication Code	Bud APAC always markets and promotes our beers in a responsible way. Our vision is to foster a culture of smart drinking. We strive to include a message of responsibility in all communications whenever possible. For more detail, please refer to page 35 and 124.

Our Target, KPI & Progress

KPI Measurements	Progress in 2021	Progress in 2022
Net Promoter Score for Customer Satisfaction	46.1	56
No. of accidents involving products or services that conform to the minimum safety requirements and the remedial actions taken	0	0
Percentage of total products sold or shipped subject to recalls for safety and health reasons	0	0

Our Approach

We have the following directions to meet our “Best Quality and Food Safety Products” standards:

Management 	System 	End-to-End Monitoring 	Learning and Feedback 	Stakeholder Engagement 
We cultivate and continuously strengthen a Quality Culture that focuses on ownership of Quality at all levels and in all areas of our operations. We identify and manage critical control points and conduct annual product safety training.	We use our Voyager Plant Optimization System, which covers all elements of ISO 9001 and FSSC 22000, in all production facilities.	We organize regular traceability, recall, and compliance testing. We have third-party food safety audits, performance analysis and conduct a bi-annual internal audit to ensure systems are working as intended. The Quality KPI's are owned by the brewery quality manager and also being a part of all employees' responsibilities.	We encourage and insist on benchmarking and knowledge sharing among our employees and facilities to continuously improve quality and food safety while ensuring that we maintain our performance targets and profitability. We reward and recognize improvements and excellence in quality and food safety.	We continuously educate and train our employees and hold them accountable for monitoring, evaluating and controlling quality and food safety. We collaborate with our customers and suppliers. We set demanding standards and communicate them clearly to all employees and suppliers, while monitoring and evaluating compliance with these standards.

Empowering our Value Chain Partners

Our Initiatives

Action	Impact
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Product Quality

Bud APAC Taster Appraisal and Skills Competition

In September 2022, Bud APAC hosted the 2nd Taster Appraiser Evaluation and 3rd Frontline Taster Appraisal Skill Competition. Three of our staff members excelled, winning the gold, silver, and bronze medals in the competition!

The training includes theory and tasting training. The director of the China Food Fermentation Industry Research Institute was specially appointed as the main instructor to teach professional tasting skills to the participants.



392 trainees from 28 breweries participated in the evaluation training and assessment, including brewery directors, managers, supervisors, commissioners, and employees from various departments such as quality, brewing, packaging, energy, etc. 43 of them passed the rigorous assessment and were appointed as quality assessors.



Action	Impact
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Product Quality

Quality Week 2022

In order to continuously strengthen the quality culture, Bud APAC holds a quality week in each brewery every year from November to December, with topics such as the opening ceremony, quality commitment, introduction to the quality culture, 10 brewing principles, quality focus for the next year and strategic brainstorming, food hygiene and safety, process quality management, employee skill evaluation and knowledge competition, brewery stakeholder visits and knowledge sharing, etc.

About 7,000 people participated in the Quality Week

Regional department heads, regional brewery managers, zone managers, local authorities, key suppliers and distributors actively participated in the opening ceremony and gave speeches.

Under the general guiding principles of the region, each brewery carried out a variety of quality-related activities, knowledge of the quality policy was further consolidated, and the quality culture was publicized and promoted inside and outside the company. In addition, Bud APAC's quality management system and high standards were extended to upstream and downstream partners through the strategic alliance of suppliers and distributors to create a quality management system for the supply chain from producer to consumer.



Empowering our Value Chain Partners

Action	Impact
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Food Safety

World Food Safety Day

Supporting the UN World Food Safety Day to raise public awareness of food safety and encourage people to take action to promote food safety. Under the theme “Safer Food, Healthier Body,” Bud APAC hosted 400 activities that included food safety advocacy, on-farm safety inspections and public engagement.



6,000 participants from 41 breweries in our four markets were involved. More than 200 external stakeholders were also involved, including upstream suppliers and downstream distributors, and in many places, we also received strong support from the media and government. In addition, some factories also went into communities and universities to actively promote food safety knowledge.

World Food Safety Day activities have created and strengthened a culture of food safety throughout the supply chain, from farm to fork.

2022 Asia Pacific Food Safety Knowledge Competition

To better promote and strengthen the culture of food safety, Bud APAC held the 2022 Asia Pacific Food Safety Knowledge Competition. The preliminary round, which officially opened on November 1, 2022, was held in four countries, 40 breweries and more than 200 departments. All breweries were completed within two weeks, and knowledge points included Bud APAC’s food safety policy and local laws and regulations. After two weeks of preliminary rounds and selection, 40 teams were assembled with 400 members from four countries in the Asia-Pacific region. On November 16, 40 teams competed in the final round. In the end, three teams and three staff members prevailed with solid food safety knowledge and quick responses. They won first, second and third places in the Asia-Pacific team and individual competitions.

2,000+ employees participated



Ingredients & Transparency

We are committed to promoting alcohol health literacy through transparent information. With our goal of smart drinking, we provide clear product information that enables consumers to make informed choices about how to enjoy alcohol safely and in moderation.

Our Recognition

Bud APAC is committed to providing consumers with high-quality and safe products. Bud APAC's quality and food safety management system has been recognized by many local governments and received 28 national, provincial, municipal and county awards in China.

At the industry level, we have actively participated in competitions and received multiple awards in five industry competitions. For example, our Budweiser Magnum was awarded the "Qingzhuo" prize for product quality and taste in China. The "Qingzhuo" award is one of the most professional and rigorous annual platforms for evaluating new products in the industry. It has become a milestone in predicting the development trend of new products and continuous innovation of enterprises, attracting the attention of the industry in China.



Highlights of the awards we received:

Entity/Brand	Organizing Body	Date	Award/Certification
Jishui Brewery	Municipal government of Jian, Jiangxi Province	2022	Ji'an Mayor Quality Award
Budweiser Mangum	China Alcoholic Drinks Association	2022	Qingzhuo Award
Suqian Brewery	Municipal government of Suqian, Jiangsu Province	2022	Suqian Mayor Quality Award

Empowering our Value Chain Partners

Entrepreneurship & Innovation

Disclosure Items: GRI 201, 203



We grow where our partners and communities grow. Our goal is to drive high-quality growth of our industry and communities, all in pursuit of building a future with more cheers. We want to empower innovation and establish meaningful partnerships to deliver shared commercial value for a more resilient ecosystem.

Luke Zhou

Chief Sales Officer, China



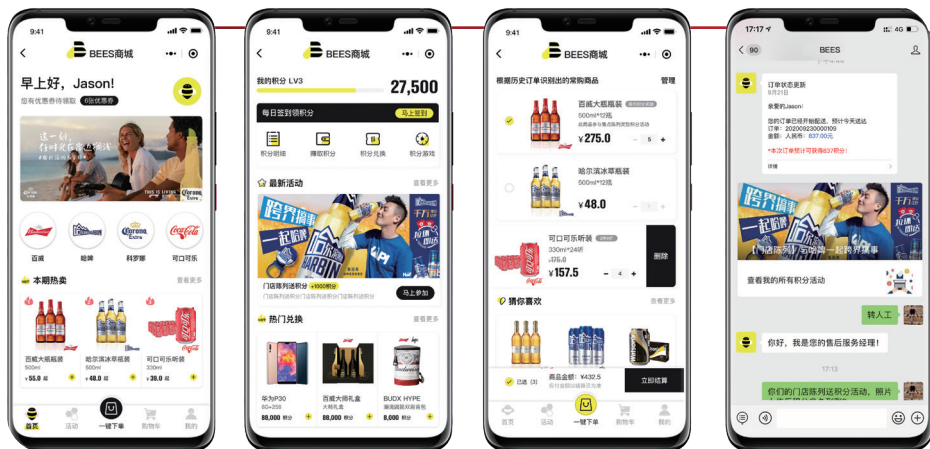
We are working with start-ups and changemakers to explore and share innovative solutions along our value chain and with a specific focus on sustainability in the beverage industry. Leveraging our deep industry expertise and transformational experience, we can help entrepreneurs to accelerate their business development in a more sustainable way. We empower innovation and strive to establish meaningful partnerships to deliver shared commercial value for a resilient ecosystem. This will help us achieve our 2025 Sustainability Goals and our goal to reach net zero across our value chain by 2040.

Our Strategy

Entrepreneurship is about supporting and uplifting the small – and medium-sized businesses across our value chain, from tens of thousands of farmers to millions of retailers. We understand the challenges that these small businesses face in accessing financial services, business skills development and the inputs needed to maintain and upgrade their operations. That is why we meet entrepreneurs where they are, whether that is on the field, over a counter or in a recycling facility.

Our Approach

We want to use the momentum to strengthen our leadership position and explore new opportunities to make a greater impact.



Key Stakeholders	Strategic Focus	Projects
Farmers	<ul style="list-style-type: none"> Explore strategic partnerships 	<ul style="list-style-type: none"> Smart Barley Program in India Domestic Barley Program in China Rural revitalization through the Lime and Lychee Programs
Suppliers		<ul style="list-style-type: none"> Supplier Strategic Alliance Vendor Strategic Alliance Innovation Strategic Alliance
Wholesalers	<ul style="list-style-type: none"> Provide wholesalers with advanced operational and management capabilities to grow our business together. Expanding the competency framework to 2T wholesalers to create more impact and improve the business. 	<ul style="list-style-type: none"> Wholesaler Excellence Program Wholesaler College 2T Expansion & Capability Building
Small Retailers	<ul style="list-style-type: none"> Provide a systemic engagement to explore new opportunities 	<ul style="list-style-type: none"> WEP BEES
Start-ups	<ul style="list-style-type: none"> Exploring new opportunities to create greater impact. Create an inspiring ecosystem that empowers entrepreneurs to drive change in APAC communities. Leverage our knowledge and experience to support problem solvers on their journey to develop innovative solutions. 	<ul style="list-style-type: none"> Beer Garage Accelerator Innovation Hub Accelerator 100+ University Hackathon Sustainability 100+

Our Targets, KPIs, and Progress

UN SDGs	Our Goal	Progress in 2022	2025 Target
Goal 4: Quality Education 	To reach and empower one million people	Reached and empowered 180,000 + people in our value chain	Reached and empowered 1,000,000 + people in our value chain
Goal 8: Decent Work and Economic Growth 			
Goal 17: Partnerships for the Goals 			

Empowering our Value Chain Partners

Our Initiatives

Highlighted Action

Innovation Hub

Our local hub creates an inspiring ecosystem that empowers entrepreneurs to drive change in APAC communities. We use our knowledge and experience to help problem solvers develop innovative solutions that not only help us achieve our Sustainability Goals, but also the communities in which we live and work.

China

Officially launched in 2020, the Budweiser China Innovation Hub works with innovative start-ups and teams to explore the sustainable development potential of the value chain based on the Chinese market and environment. Building on past success, in 2022 we again called for innovative ideas on six topics covering the entire value chain, including “Carbon neutrality”, “Green agriculture”, “Circular Economy”, “Smart brewery”, “Impact marketing and “Sustainability US”. At the same time, we collaborated with SJTU’s College of Smart Energy to launch the Campus Hackathon this year, which aims to give young changemakers who care about sustainable development the opportunity to put their know-how and innovative ideas into practice. 4 start-ups have been selected.



South Korea

In South Korea, we have held the Innovation Hub Meet-Up every year since 2019. At each meet-up, we selected four to five start-ups for proof of concept and at least one for pilot project. This year, five start-ups were selected.

- We signed a pilot agreement with ReHarvest and worked on a project to produce and sell energy bars from OBC spent grain. ReHarvest completed Series A this year with a total investment of USD five million.
- We signed a pilot contract with Rafiq and are working together on the production of “beer cosmetics” from BSG.
- Rafiq create high value-added upcycling cosmetics through the materialization of OBC’s Barley Saved Grain (BSG). They develop upcycled cosmetics such as scrubs, masks, hand creams etc. by using whole BSG and BSG ingredients.



Vietnam

We launched the 100+ Labs program in Vietnam with our partner 5Desire to support sustainability related start-ups. This platform was the country’s first corporate-led sustainability accelerator and received a good response from the start-up ecosystem. The intention was to promote the start-up ecosystem and help Vietnamese start-ups scale out-of-the-box sustainability solutions in partnership while addressing our 2025 Sustainability Goals around water, circular economy, climate, agriculture, inclusive growth, and biodiversity for us to create a sustainable and inclusive future.



We were encouraged by the number of applications and the platform’s support from multiple stakeholders. As a result, Buyo labs won season 1 of the 100+ Labs Vietnam along with mentoring, training, and funding up to US\$15,000 to implement a pilot project in Vietnam in 2023. We look forward to scaling the program in the country and will continue to scout the ecosystem to identify sustainable solutions that can be implemented locally and internationally.

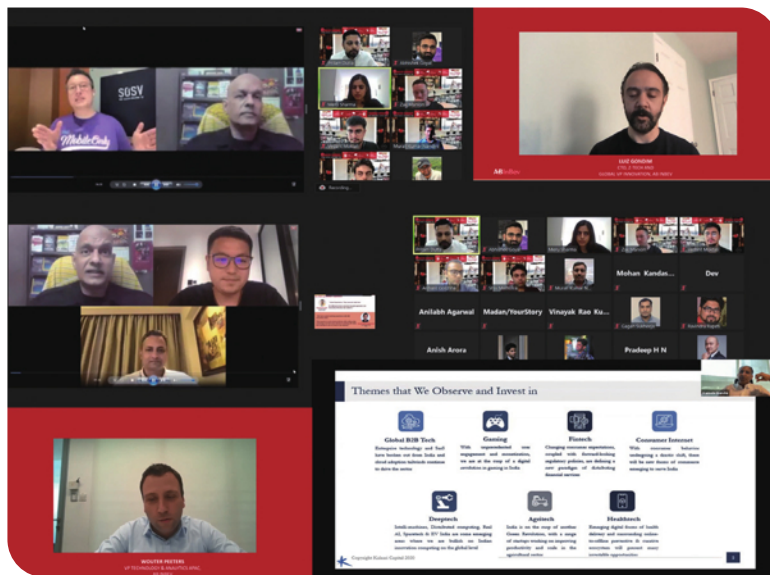
In 2022, we engaged with 221 start-ups and 22 pilots through Innovation Hub.

Action **Impacts**

Beer Garage Accelerator

Beer Garage Accelerator is a program by Beer Garage – Global tech innovation hub, which aims to drive innovation by finding future disruptive ideas that will help us to lead category growth in coming years. The program operates by building a robust network of ecosystem players such as start-ups, SMEs, innovators, academia, and venture capitalists across APAC, Europe, LATAM & Africa. The selected cohort gains equity free paid POC, mentorship, leadership access and geographical expansion through our global footprint in APAC markets.

Attendees: 500+
Focus Areas: 4
Use Cases: 12
Start-up Applications: 250+



Accelerator 100+ **Impacts**

Since launching in 2018, we have been developing partnerships with entrepreneurs with the goal of accelerating sustainable innovation. We work with our corporate partners and external experts to identify pressing environmental and social challenges within supply chains. Through remote programming and mentoring from key experts, funding, and access to new global networks, we help successful applicants bring their solutions to market faster.

3 start-ups were selected for Cohort 4 from APAC.

We have hosted a scope of work session with three APAC start-ups:

- Shanghai Vegatex from China, which produce vegan leather with BSG as an ingredient
- Virenxia from India, IOT based soil-testing smart agriculture solution
- UET from China, provide a water-saving solution by increasing cycles of concentration



Empowering our Value Chain Partners

Action	Impacts
Sustainability 100+	

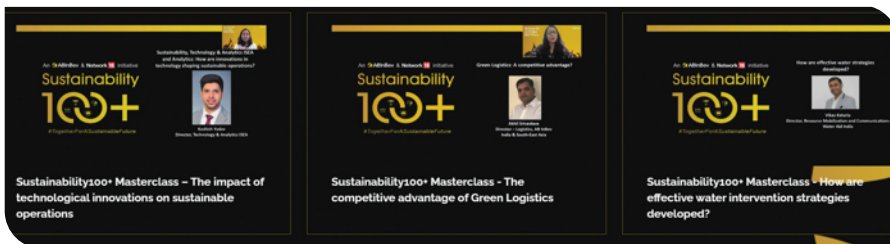
In India, we launched Sustainability 100+ with the goal of supporting India on the path to achieving the United Nations SDGs. Through the online platform, we brought together entrepreneurs, policy makers, business leaders, non-governmental organizations, and other industry-wide stakeholders to build sustainability thought leadership and inspire collective action.

Over a six-month period, we hosted a series of panel discussions, roundtables, and master classes focused on Bud APAC's environmental pillars. Our speakers came from Schneider Electric, WaterAid, Erthos, as well as internal ABI experts in engineering, legal, utilities and others.

The participation of diverse stakeholders combined with successful stories of change and innovation provided a well-rounded perspective. Sustainability 100+ leveraged existing relationships built new ones, and created partnerships with key innovative and sustainable organizations.

As part of Sustainability 100+, we introduced the Sustainability 100+ Awards to recognize and celebrate the best sustainability projects and initiatives. The awards are given to the best organizations, start-ups and NGOs in six categories, for which we received over 100 applications and selected three start-ups for the final presentation and one winner.

- Five national and state-televised sustainability summits with key external stakeholders from governments, transnational organizations, NGOs, and corporations
- 42 master classes and articles with ABI experts, suppliers, and industry leaders provided food for thought
- We attempted for the first time to create an Instagram handle to target the younger generation of decision-makers and influencers.
- The launch of India's first 100+ sustainability award with a judging panel of national and international repute.



Action

Impacts

Rural Revitalization

Lychee Project

We take a long-term, sustainable approach when working with local farmers in places like China's Fujian province, where growers of the iconic lychees often need more technology and resources to reach buyers directly.

In 2022, we continued this innovative project to help solve lychee farmers' challenges by engaging them as suppliers of the main ingredient in a lychee beer produced by Sedrin, a popular local beer brand.

The harvest season usually begins in June to July each year. The difficulties of preservation, storage and transportation, as well as the lack of offline sales channels, directly affect the income of local lychee farmers. To address these issues, Budweiser China launched the lychee program in 2020 to support local growers in Zhangzhou. The program aims to improve the livelihood of local lychee farmers and boost local economic growth by helping farmers buy and sell their lychees.

- 300 farmers have benefited from the lychee project.
- Around 20,000 orders totaling 50,000 kg of lychees were sold, which was highly appreciated by the local government, the e-commerce association and the growers.
- We combined support for local growers with support in the fight against the pandemic by purchasing an additional 2,500 kg of the best quality lychees from Zhao'an County and, in collaboration with The Paper and the Shanghai United Foundation, sent 1,000 gift boxes of lychees to medical staff and volunteers at Shanghai Punan Hospital and Hudong Xincun Street in Shanghai who are fighting the pandemic.



In the 2022 lychee harvest season, Budweiser China again purchased lychees from the county for beer production. Sedrin is also working with the Zhao'an EC Association, inviting local farmers to share their own stories to promote lychees in Fujian: The older generation has been tending their orchards for decades, and young people are constantly promoting lychees through new channels such as live streaming.

Empowering our Value Chain Partners

CASE STUDY 1 – WOMEN ENTREPRENEURS IN INDIA

Handcrafted in Sangareddy, Telangana, by women micro-entrepreneurs skilled and incubated by Bud India, these bags are made from 100% organic cotton, sustainably sourced.

In 2020, in the midst of COVID, triggered by the sharp rise in rural unemployment due to the nationwide shutdowns, Bud India launched a strategic CSR initiative aimed at sustainable livelihood development through microenterprise creation in communities near our key breweries. The program works with communities, local governments, state governments and non-profit organizations to accelerate post-pandemic economic recovery in rural areas through microenterprise creation.

From technical training to entrepreneurship development, from market exposure to mentorship, and from financial literacy to incubation, Bud India's flagship CSR program has set a benchmark for strengthening rural economies. The program has since expanded to three key states, including Haryana and Karnataka, and is set to expand further in Maharashtra, Uttar Pradesh and other regions where we operate.

The first group of 103 entrepreneurs – among them women micro-entrepreneurs from Sangareddy – graduated in Telangana and started thriving businesses in areas such as tamarind processing, floriculture, tailoring and embroidery, beauticians, goat rearing, etc. By working with the government, we were able to secure loans of USD30,000 for some of these businesses.

The example of women micro-entrepreneurs and their bags made from 100% natural organic cotton is a first step towards our goal of bringing micro-entrepreneurs in our communities closer to our ecosystem and connecting them to our value chain. We are working to develop additional offerings relevant to our in-country business needs as we continue to grow the program and create meaningful impact for our communities.



CASE STUDY 2 – BARLEY-BASED WATERBORNE GARMENT LEATHER IN CHINA

Bud APAC has introduced the world's first "water-based barley-based garment leather" at Shanghai Fashion Week. The leather is mainly made from brewer's grains (about 30%) in China. We have managed to replace conventional petroleum-based chemicals with our brewer's grain leather, and all materials and production techniques used are 100% environmentally friendly, odorless and VOC certified.



As a pioneer in sustainable development, Bud APAC Innovation Hub in China has supported Vegatex's innovation and growth for years. Vegatex uses spent grain to produce an innovative and highly sustainable blend of vegan leather that can be used for handbags, shoes, clothing and car seats.



Empowering our Value Chain Partners

CASE STUDY 3 – 2ND CAMPUS HACKATHON POWERED BY BUDWEISER CHINA INNOVATION HUB

The second Campus Hackathon powered by Budweiser China Innovation Hub was successfully held on Nov 25th – 26th. This year, 39 students from eight teams participated in the Campus Hackathon focusing on three topics, climate action, circular economy, and sustainable solution. Participants worked with mentors, coaches and judges in exploring the Budweiser China sustainability journey. Participants completed the workshop, brainstorming and pre-marketing presentation within 48 hours.

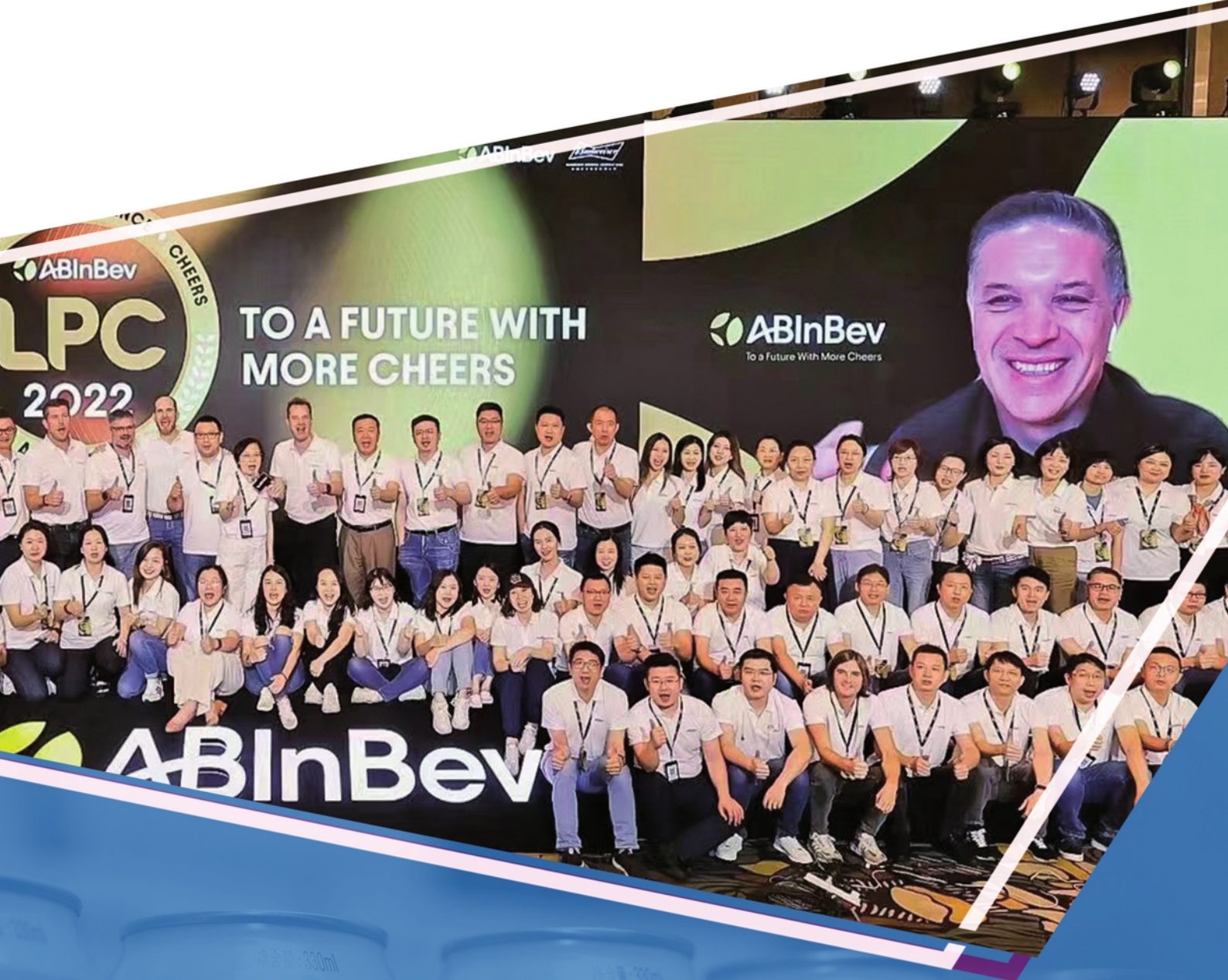


Colleagues from sustainability and procurement department and members from Impact Hub Shanghai led the group discussion as the mentors. They talked with the participants, gave insights for the customer research and helped with the business model. Within the limited time, participants brainstormed for ideas, polished the business model and prepared the pre-marketing presentation.



Every team brought professional knowledge and creative ideas to the competition. When presenting the solution, participants replied to the tricky questions put forward by the judges. The judges agreed that the solution should come from the actual application scenario while at the same time taking more realistic factors into consideration, which will be helpful to polish their business model. Judging from problem solving skills, business case and presentation performance, three teams stood out from the competitive participant pool.

THRIVING WITH OUR PEOPLE AND COMMUNITIES



Thriving with Our People and Communities

Our Employees

Disclosure Items: GRI 403 HKEX B2

Workplace Safety



The safety of our colleagues is paramount to us as a business. Aiming to be a benchmark for safety in our industry, we follow high standards on protecting occupational health and safety, and work towards zero injuries in our operations by integrating safety into production and logistics operations.

Yanjun Cheng

Chief Supply & Logistics Officer



The nature of our work exposes our employees to potential hazards such as falls, transportation accidents, equipment accidents, and heat-related illness or injury. Ensuring the safety of our production and logistics staff, contractors and the community is critical to our business.

Our Policy

Our commitment to occupational health and safety is embedded in our corporate culture. We strive to minimize risks and respond quickly to workplace hazards. Our Occupational Health and Safety Policy is publicly available on our website and describes our approach to workplace health and safety. The policy is reviewed annually by our EHS team and approved by the Bud APAC CEO.

Our Ambition

We firmly believe in our “zero injuries” safety dream, because all injuries are preventable. To achieve this, we set

ambitious health and safety targets to improve year on year and establish a solid strategy to accomplish the goals we set. Our ambition is to be a benchmark for safety in the industry by integrating safety into every aspect of our operations and developing safety leaders at all levels of our organization and extend to our contractors.

Our Approach

We integrate safety considerations into every aspect of our operations and **require the same measures to be taken by our contractors**. To drive this, our safety approach is led from the top down, and we have assigned different roles at the zone level and brewery level to ensure a safe workplace for all. Safety management system can only be successful when there is enough contribution and participation from all the levels in the organization. The responsibility is clearly defined at each level in the organization hierarchy, from top executive to the operator level. Top management has issued safety policy, which is a recognized, written statement of its commitment to protect the health and safety of the employees as well as the surrounding community. To execute and comply with the safety policy, our zone and brewery safety committees ensure that the VPO tools are effectively implemented. Empowered frontline team members take the safety ownership for their own territory and participate in all the safety related activities i.e. hazard identification, follow up for reported incident, conducting the risk assessment, observing the safe/unsafe behaviors of the other employees with peer to peer coaching etc. We have clearly defined roles and responsibilities for our zone and brewery level H&S committees.



Our Health & Safety Committee

Roles	Responsibilities
Zone Level Health and Safety Committee	<ul style="list-style-type: none"> Oversee H&S strategies and initiatives internally and externally Implement actions to achieve H&S target Build safety culture with safety leadership Take promotion activities to improve safety awareness Review any updates on legal requirements related to health and safety Review best practices and strategize improvement plans
Brewery Level Health and Safety Committee	<ul style="list-style-type: none"> Provide guidance for relevant staff at the breweries to promote a safety culture Provide management with assistance in all areas of safety Review any occurred and potential safety incidents observed on-site Assist in identifying and eliminating unsafe actions or conditions Identify opportunities to improve working conditions Discuss all relevant safety issues including but not limited to safety incidents or emergency situations Follow local safety regulatory requirements

Organizational Structure of H&S Committee



Thriving with Our People and Communities

We follow the health and safety pillar of the Voyager Plant Optimization (VPO) system for routine management, which covers and exceeds all elements of OHSAS 18001/ISO 45001. The system is internally audited twice a year to ensure its effectiveness. In 2022, 100% of our breweries are covered by VPO, 59% of breweries are certified by third party or local work safety standardization and one additional brewery is certified for the ISO 45001 standard. We have operational procedures and safety standards for our production processes and contractors, including:


- Incident Reporting;
- High-Risk Process Management;
- Workplace Transport Safety;
- Material Handling and Ergonomics;
- Hazardous Substance;
- Confined Space;
- Violence Prevention;
- Road Driving Safety;
- Safety Monitoring & Coaching;
- Operational Safety Management;
- Occupational Health;
- Contractor & Service Provider Management; and
- Emergency Response, etc.

Contractor & Service Provider Management

Right from contractor company qualification to annual contractor safety performance evaluation, we have a very robust safety management for contractors and service provider. For the onboarding of the new contractors, we provide different levels of trainings, brewery level safety induction at main gate followed by department specific and job specific trainings. For expansion projects, past safety performance of the contractor is also considered for continual engagement.

We are committed to reduce our total Lost Time Injuries by more than 60% for supply employees* and all contractors by 2025. In 2022, this target has been exceeded and 80% reduction of LTI has been realized compared to the baseline year of 2017.

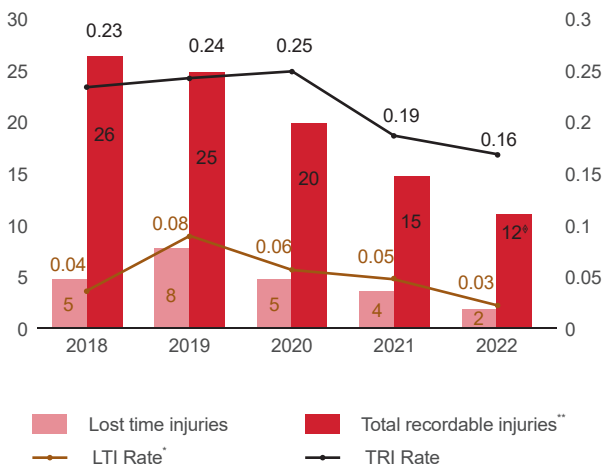
Our Target, KPI & Progress

UN SDGs	Our Goal	KPI Measurements	2017 Baseline	Progress in 2021	Progress in 2022	2025 Target
Goal 3: Good Health and Well-being 	To reduce total Lost time Injuries for Bud APAC's supply employees* and all contractors	% reduction of total Lost Time Injuries (LTI) for our supply employees and all contractors (Definition of LTI: cases involving days away from work and/or days of restricted work activity beyond the date of injury or onset of illness)	0% (Total LTI = 20)	Exceeded Target 75% (Total LTI=5)	Exceeded Target 80% (Total LTI=4)	>60%

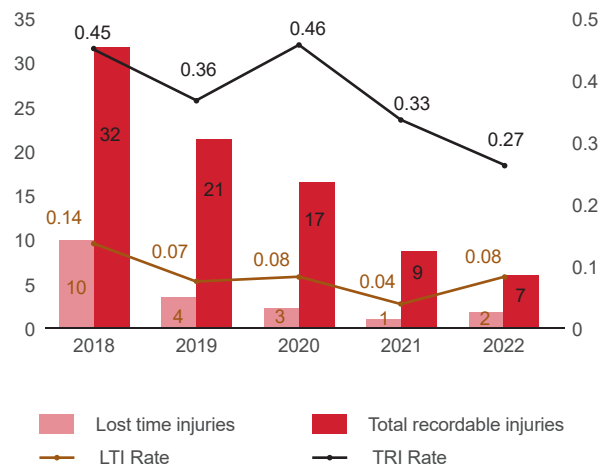
* Supply employees are involved in brewery operations and first tier logistics, representing approximately 1/3 of our total employees.

Our Safety Performance

Injury Rate of our Supply Employees* in Bud APAC**



Injury Rate of All our Contractors in Bud APAC



The total Lost Time Injuries recorded for all employees (Supply and Second-tier logistics/Sales Employees****) in Bud APAC is 12[§] and our LTI rate for all employees is 0.05 in 2022.

- * Lost Time Injuries (LTIs) – Occupational injury resulting in more than one-day absence from work.
- ** Total Recordable Injuries – LTIs + modified duty injuries + medical treatment injuries.
- *** Supply Employees – Brewery and manufacturing facility employees, including first-tier logistics.
- **** Second-tier logistics/Sales Employees– Second-tier logistics, sales, Zone and global corporate employees.

Thriving with Our People and Communities

Our Initiatives

Actions	Impacts
<p>Occupational Safety Control</p> <p>We have conducted a workplace hazard analysis for all high-risk processes in our operations. Based on the safety risk register, we conduct annual investigations and inspections to identify potential safety gaps. Our employees follow the Incident Reporting Policy to report potential safety risks and incidents.</p> <p>We do not penalize our employees for reporting high potential near miss incidents, instead, we reward them for encouraging our people to come forward and fearlessly share the concerns so that we can address them before they turn into real accidents. Every incident is deeply investigated for identifying the root cause. We then share the findings with our employees across the organization so as to prevent the reoccurrence of similar incidents.</p> 	<p>Nearly 98.8% of the 192,913 H&S feedbacks we received this year were followed up and completed with action taken. In 2022, ten breweries in China and two breweries in India received safety recognition from local government for good occupational safety and production safety control (please refer to Awards section on page 144-145 for more details). Ten employees of our breweries received individual safety awards for excellent safety performance.</p>
<p>Safety Audit Process</p> <p>We have an audit process in place to ensure the safety management system is being followed effectively. The audits are conducted by different people at different intervals. Monthly internal audit is conducted by the brewery and zone safety specialist to validate the brewery self-assessed scores. In case of any incidents, the respective procedure score could be reduced based on facts and findings from the incident investigation. Zone Level audit is conducted at least biannually to calibrate the assessment scores.</p>	<p>We are 100% compliant with VPO requirements.</p>

Actions

Impacts

Safety Awareness and Training

We provide safety training to our visitors, employees and contractors on workplace safety, occupational health and safety, operational safety, production safety and emergency response, etc. We ensure that all our employees and contractors fully understand our safety procedures and policies as described above. To address the unsafe behaviors, we have developed different safety leadership training modules for operators and leaders. To compliment the behavioral safety training, we have a reward and recognition policy for encouraging safe behavior and consequence management policy for addressing repeated unsafe behaviors. To understand more about employees' thoughts on the current management system, we conducted an annual safety culture survey in 2022. People can anonymously share their candid feedback through this survey. The survey results are analyzed, and effective actions were taken to address the gaps identified.

100% of our employees received safety trainings in 2022. Conducting annual safety culture survey and addressing the identified systematic gaps can further strengthen our management system.

Building Safety Culture

Every year, we celebrate World Safety Day and organize various activities to improve the safety awareness and knowledge of our employees and contractors. This year, Bud APAC expanded World Safety Day into World Safety Week. From April 25 to 29, 2022, all breweries organized various activities under the theme "Acting together to build a positive safety and health culture." We promoted safety awareness in road safety, fire safety, first aid skills and self-rescue, etc.

This year, all our breweries in the APAC region organized a total of 716 safety-related activities based on the five recommended themes of "Acting Together," "Building Trust," "SIF Management," "Onsite Check," and "Ability for Life." The number of participants in the activities reached more than 40,000, spreading safety knowledge and awareness along our value chain.



Thriving with Our People and Communities

CASE STUDY 1 – DIGITAL SAFETY TRANSFORMATION

This year, we digitized the safety management process so that performance indicators (PIs) for process control can be easily monitored. The digital transformation of safety helps us to accurately extract safety indicators (SIs) and create a set of safety risk prediction systems to enable a simplified, visualized, and real-time responsive management system. It promotes our safety culture through effective consequence management.

Standardization: we have 23 functions in the DST system, including all VPO-compliant safety management processes. For example, these include unsafe behavior and unsafe condition management, safety observation, high-risk management, S.A.F.E. application and safety information sharing, etc. All our breweries in APAC use the same safety risk management system.

Intelligence: hundreds of risk databases are embedded in the system to intelligently identify workplace-related risks and publish them in the APP and on the website.

Visibility: the multidimensional dashboard helps all levels better understand the situation on-site. We set up the dashboard for zone level, function level and brewery level to visualize the safety data on the dashboard.

Reward: our employees can earn safety points and medals when they report unsafe behavior. There are 21 types of medals in DST, mainly to encourage employees to report unsafe behaviors and conditions and to use SAFE to conduct risk assessments before non-routine work and to monitor high-risk activities.

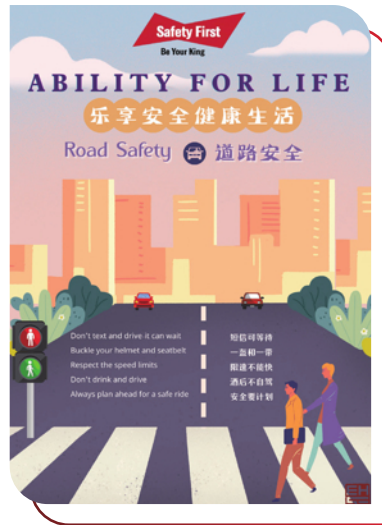
The DST system can be used by all employees and contractors. It has collected nearly 150,000 data points per day in China, and we use Power BI for data analysis. This can help our brewers focus on their vulnerabilities and improve safety management in the brewery. Given this success, we want to roll out the system in all other countries in the APAC region.



CASE STUDY 2 – ABILITY FOR LIFE

We put the health and safety of our employees in the first place with a sound occupational health and safety (OHS) management system. Our continuous effort in strengthening the OHS management system resulted in constant improvement in our health and safety performance, thus achieving our safety dream of “zero harm.”

To ensure our employees and their family can live a safer and healthier life anytime, anywhere with a “safety first” mindset, we have launched a series of activities, one of them being a theme-based project named “Ability for Life-Enjoy a safe and healthy life.” Through various communication channels like e-mail, posters, and screening in the common brewery areas, we want to share the best practices for leading a healthy and safe life. Furthermore, we hosted theme-based safety education activities that covered a broad range of safety topics, from family life and leisure travel to workplace disaster prevention, to spreading safety awareness beyond our workplace.



Thriving with Our People and Communities

Talent Development, Employee Engagement and Wellbeing

Disclosure Items: GRI 404 HKEX B1, B3

As a diverse and inclusive company, we recognize the key role that employee feedback plays and the importance of listening to and responding to different views and requests. We value promoting the well-being of all employees and improving job satisfaction in order to retain our talent. For us, it is of central importance that we foster an environment where employees are able to continuously educate themselves in order to stay up to date with new trends, technologies and innovations.

“

We invest in people, as we believe that's the best way for us to build capability for the future and maintain our leading position in the industry. We were recognized as a Top Employer in China, India and South Korea for the second year in a row. These awards are testament to our commitment to supporting our people to develop and grow themselves and unleash their potential at Bud APAC.

Laura Brady

Senior Director, People Continuity & Rewards



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Our Policies

Policy & Procedures	Expectations
Employee Handbook	The Handbook is used to communicate to employees the Company's policies, procedures, rules and regulations, compensation and benefits, training, codes of conduct, rewards and other matters.
Total Rewards Policy	Our comprehensive Total Rewards package combines compensation, career development, learning and growth, health and welfare, retirement benefits, and well-being programs and initiatives. Through our model, we have created compelling financial incentives to reward high individual and collective performance and encourage personal wealth creation. To ensure that our total compensation remains competitive and in line with market developments and practices, we review our framework with independent third parties each year.
Global Parental Standard Policy	<ul style="list-style-type: none"> • Maternity Leave – Female employees are eligible for 16 weeks 100% paid maternity leave • Parental Bonding Leave – Eight weeks of 100% payment for the primary caregiver with a new child through adoption or surrogacy, where applicable under local laws and 2 weeks of 100% payment for the birth father or the father with a new child who is one year old or younger through adoption or surrogacy • Pre-baby Support – four days of 100% paid leave for in vitro fertilization (IVF) (2 days per cycle, up to 2 cycles per year) to support employees undergoing fertility treatments • Return-to-Work Support – Private lactation room for new mothers who are breastfeeding

Policy & Procedures	Expectations
Flex Work Policy	The policy sets guidelines to give our employees the flexibility to decide when, where and how they do their work. There are two types of flexible work options – flex time and flex location. Flexible work schedules generally involve varying the start and end times of the workday around core business hours without changing the total number of agreed-upon work hours. Location flexibility is about working away from the office, and Bud APAC supports its employees to do this on an ad hoc basis.
Training Policy	The policy established guidelines to facilitate the implementation of the company's learning and development activities on a larger scale and to ensure that our colleagues have easy access to these opportunities, creating a better learning environment. It outlines the key operational steps and standard operating procedures in the delivery of APACU Training.
Internal Trainer Management Policy	The policy established guidelines to promote the quality and skills of internal trainers, effectively develop employees, and realize the mutual development of the company and employees.

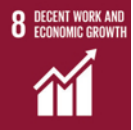
Our Ambition

The sustainable development of the company requires the commitment of every single employee, and we strive to provide them with the opportunities and an environment where they can unleash their potential. Our ambition to have a pipeline of top talent means that training and development are a central part of our people strategy. In a business where consumers are always evolving, and change is the only constant, we never stop learning along the way. We are committed to developing our employees by providing them with support and resources.

Our Approach

- We collect employee feedback through an annual employee engagement survey and a regular pulse survey that helps us continuously improve by providing quantitative and qualitative insights into building a strong and engaged workforce.
- We develop well-being programs and provide attentive support to promote the physical, social, mental and physical health of our employees.
- Our learning and development platform provides our employees with a resource for continuous learning.

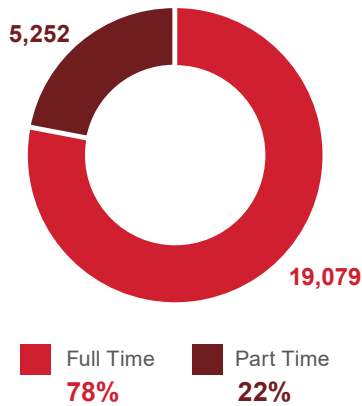
Our Target, KPI & Progress

UNSDGs	KPI Measurements	Progress in 2021	Progress in 2022
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	% of Internal Hires (open positions filled by internal candidates)	68%	62%
	Voluntary employee turnover rate	7.0%	6.6%
	% of full time employees received training	76%	91%
	Number of training hours an employee receives on average per year	5.3	6.8

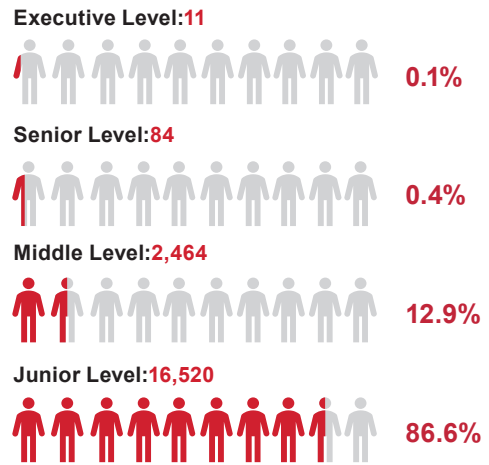
Thriving with Our People and Communities

Our Employee Statistics

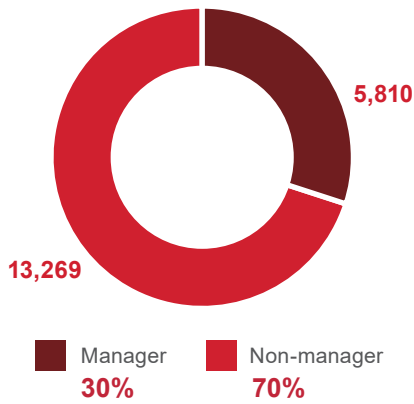
Employees by Employment Type



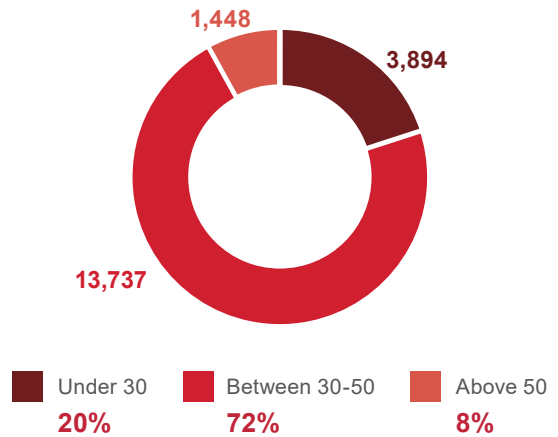
Full-time Employees by Level



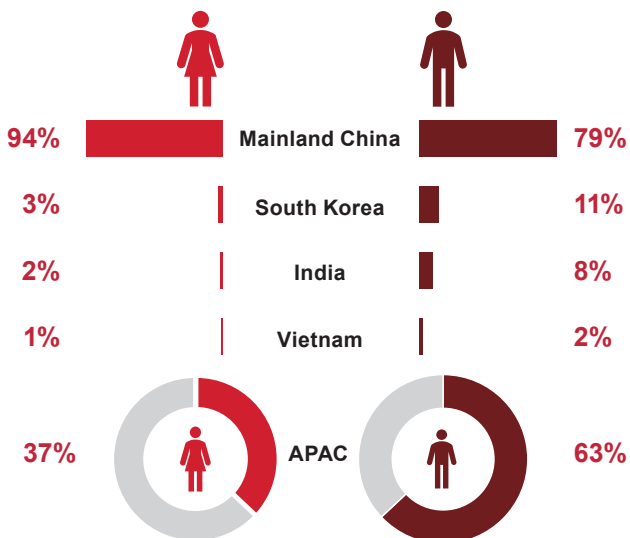
Number of Full-Time Employees by Employee Category



Full-time Employees by Age Group



Employees in the 4 Regions by Gender



Our Initiatives

Actions	Impacts
Engagement	
Annual Engagement Survey	
<p>We gather employee feedback through an annual engagement survey and a regular pulse survey that helps us continuously improve by providing quantitative and qualitative insights into building a strong and engaged workforce. The survey covers 11 categories including mission, DE&I, leadership, collaboration and well-being. In FY22, 97% of our colleagues participated in the annual engagement survey, which was conducted by a third-party vendor.</p>	<p>Each of our markets increased their engagement score, while scores improved across all 11 categories. Our employee engagement score is 95% (+3% compared to 2021), putting us in the top quartile of our peers. We are proud to outperform our peers in the Reward and Recognition Index with scores 20 percentage points above the industry norm.</p>
Wellbeing	
Wellbeing Leadership Program	
<p>We ran a Wellbeing Leadership for Performance Program this year for our Executive team in partnership with global Wellbeing experts, Hinsta Performance. The program included a self-assessment, mix of in-person training sessions and 1:1 coaching that covered nutrition, sleep and practical ways to incorporate wellbeing into daily life for leaders and their teams.</p>	<p>A new expanded strategy for wellbeing with two key pillars (Recovery and Purpose) beyond the previous four (Physical, Mental, Financial and Social) to address a broader range of our colleague's needs. Plan to "teach wellbeing as a skill" by expanding the content of the program to more levels in the organization.</p>
We've got you covered! Program in China	
<p>This program gives our colleagues the tools and resources to be healthy and resilient at work and at home. The program is based on four pillars of wellness – physical, behavioral, financial and social. For each pillar, we offer resources and initiatives to help our employees and their families be the best they can be.</p>	<p>Under this program, we offered 12 online training series covering health-related topics such as physical, mental, financial, and social health.</p>
<p>For example, the Employee Assistance Program offers employees professional counseling services that address family and elder care, stress and time management, and financial and legal issues. We have also enhanced life insurance and annual medical examinations to provide our colleagues with more comprehensive protection.</p>	

Thriving with Our People and Communities

Actions	Impacts
<p>Mental Wellbeing</p> <p>In an effort to promote the psychological well-being of our colleagues and create a workplace of mutual respect, presentations were given by professionals to help colleagues understand their own emotions and those of others, and to deal with others more empathetically.</p>	<p>We arranged four emotional intelligence consultancy talks.</p>
<p>Talent Development</p>	
<p>APAC University (APACU)</p> <p>Established in 2009, APACU is an internal learning platform that comprises six pillars and provides both leadership training and functional learning and development opportunities. This enables us to ensure that our employees develop the right skills to succeed in their careers and achieve results. In addition, we partner with leading global business and technical schools to provide programs, expert guidance and learning solutions that enhance our employees' capabilities, including their knowledge and skills.</p> <ul style="list-style-type: none"> • APACU analyzes training needs and develops annual training plans to address prioritized needs, with a focus on the business needs and challenges • Leadership and functional competency gaps • Talent programs • High business impact training projects (e.g. integration, technological reformation, etc.) 	<p>We delivered 115,339 interactive training courses tailored to the needs of 17,465 employees.</p> <div data-bbox="1053 927 1300 1218" data-label="Image"> </div> <div data-bbox="925 1261 1412 1584" data-label="Image"> </div>
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Actions

Impacts

China Commercial Life Long Talent Development System

We have implemented a lifelong talent development system for all our sales employees, aligned with business strategy, growth and expansion priorities, and talent management in China.

We have enhanced our programs to develop the commercial skills of sales employees. New initiatives include:

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

Total 9 programs empowering the development of approximately 9,000 commercial team talents at all levels and roles. For 2022, based on business strategy and needs:

- 5 programs were initiated
- 3 programs were revamped/iterated.



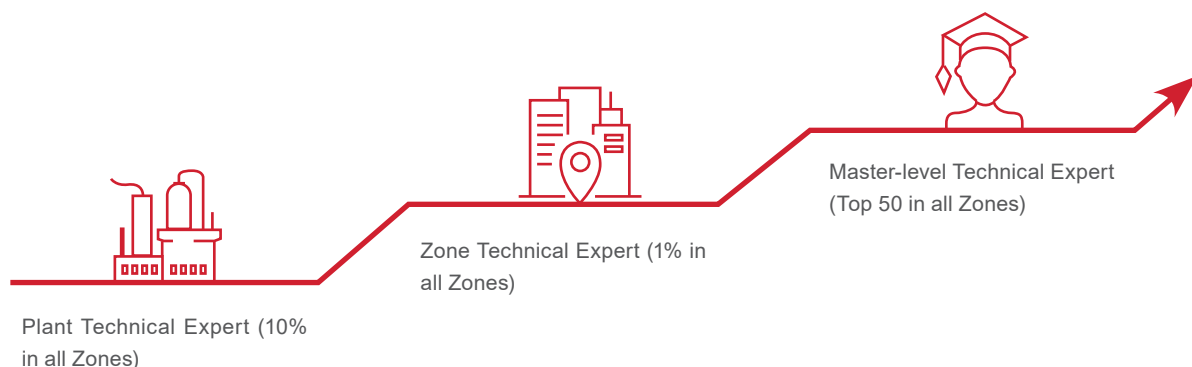
Performance Review and Career Management

We conduct regular appraisals of our employees' work performance, skills and daily work. This is supplemented by an organizational and personnel appraisal (OPR). The appraisal results are used for contract extensions, promotions, salary increases or job adjustments. We have created a guide for our supervisors on how to have an effective OPR feedback conversation to communicate about the performance appraisal.

100% of our eligible employees have received a performance review.

CASE STUDY - EXPERT DEVELOPMENT PROGRAM

We have launched an expert development program to promote the career advancement and technical training of our technical experts and turn them into technical masters. Potential candidates for the program are nominated based on their performance and goal achievement. Our candidates are also evaluated based on their overall skills and operational abilities. Selected candidates must complete a series of training courses to qualify for the promotion.



In 2022, 4,212 employees participated in our expert development program and accumulated 13,843 training hours. We invited 34 trainers for our 27 expert development courses offered to participants.

Thriving with Our People and Communities

Diversity, Equity & Inclusion

Disclosure Items: GRI 405 HKEX B1



Our greatest strength is our people, and we want to support every individual to excel. The diverse workforce that represents 25 nationalities across the region enables us to better understand and meet the needs of our customers, consumers, partners and communities. We strive to create a diversified and inclusive workplace with equal opportunity for all and will continue empower women and underrepresented groups across our different markets.

Linda Qian

Chief People Officer



We bring people together to create a more diversified, inclusive, empowered and equitable future where everyone is valued and celebrated as individuals just as they are. Diversity, Equity and Inclusion (DE&I) enables the diversity of thought necessary to make better decisions and achieve better results. Everyone should be treated fairly and equally – regardless of gender, ethnicity, sexual orientation, age, or any other characteristic that makes our colleagues unique. All of our employees deserve to feel like who they really are at work every day. Only then can we all give our best.



Our Policies

Policies	Expectations and Updates
Board Diversity Policy	Determine the approach to building a diverse team at the Board level.
Diversity and Inclusion Policy	Outline the approach, strategy, expectations and governance of how D&I is integrated into everything we do.
Anti-Harassment & Anti-Discrimination Policy	We actively work to create a discrimination-free environment and provide equal opportunities to all, regardless of gender, caste, race, religion, ethnicity, sexual orientation, gender identity, disability, or health condition. This year, we added bullying to the policy with a clear definition and examples.
Flex Work Policy	To further align our workplace with individual needs and commitments outside of work, we introduced the Flex Work Policy this year to allow colleagues more flex time & flex place.
Global Parental Standard Policy	To celebrate life and support new parents, the policy covers maternity leave, parental leave, pre-birth support and return to work. For example, female employees are entitled to 16 weeks of maternity leave with 100% pay, eight weeks of 100% pay for the primary caregiver with a new child, and 2 weeks of 100% pay for the father.

Our Approach

DE&I is at the core of what we do, and it's represented both in our Purpose and our Principles. We are committed to consistency in executing our DE&I strategy and making progress across all platforms.

We believe that our DE&I strategy is critical to driving business performance and innovation and creating a future with more cheers. We deliver on the DE&I mission that's built into our purpose through our DE&I Platforms: An Inclusive Future, An Empowered Future and An Equitable Future.

An Inclusive Future is one where everyone belongs – where we can all be our true, authentic selves at home, at work, or in our communities.

An Empowered Future is one of greater shared prosperity – one where more people have access to greater economic opportunity.

An Equitable Future is one where we work to ensure equity for all – one that includes opportunities for everyone.

These platforms serve as a vehicle to drive action, celebrate our successes, and amplify our DE&I efforts across our value chain: from our own employees to our suppliers, our customers, our consumers, and our communities.

Thriving with Our People and Communities



Signatory of the Women's Empowerment Principles

The Women's Empowerment Principles are a joint initiative of the UN Global Compact and UN Women. These principles underscore our commitment to empowering and inspiring women in the workplace and society and creating a business environment where women can work, lead and excel in their careers.

Training

More than 2,400 employees participated in the DE&I learning campaign this year. The learning campaign covered three main topics: Unconscious Bias, Psychological Safety, and Respectful Consumption of Alcohol. These topics are closely related to our daily lives and work and helped us minimize bias in ourselves and others, encouraged us to voice our opinions to improve team performance, and reminded us to be respectful and inclusive of those around us when drinking. The DE&I challenge game was also a great success with more than 300 participants.

Our Target, KPI & Progress

UN SDGs	KPI Measurements	2021	2022
 Goal 5: Gender Equality	Number of nationalities represented in our overall workforce	22	25
	Number of nationalities represented in our Zone Headquarters	15	13
	Percent of women representation on the Board level	43.0%	43.0%
 Goal 10: Reduced Inequalities	Percent of women in our overall workforce	41.1%	37.2%
	Percent of women in our salaried workforce	31.8%	33.7%
	Percent of women among our top five leadership levels	28.0%	28.3%
	Percent of women among our top three leadership levels	9.7%	9.4%
	Percent of newly hired employees who are women	35.3%	33.0%
	Percent change in D&I Index in annual employee engagement survey	0 (flat at 93%)	+2pp (93% to 95%)

Our Platform Initiatives

Activities	Actions
Inclusive Future	
Diversity & Inclusion Month	We declared Diversity and Inclusion Month in October, during which we conducted various activities, from hosting events to trainings, to reflecting on our D&I journey, celebrating our progress, and reaffirming our commitment to making Bud APAC a place where everyone can be their authentic selves. Starting with the launch of the Flex Work Policy and a refresher on the D&I Policy, we also celebrated World Mental Health Day and built more inclusive capabilities through a D&I Learning Week competition.
Mental Health Day and Wellbeing Learning Program	To mark World Mental Health Day on October 10, we engaged renowned experts to deliver two online courses on wellbeing – Mindfulness to Reduce Anxiety and Understand Your Mental Health. We also provided a mental health toolkit with eight practical tips and reminded colleagues about the Employee Assistance Program (EAP), which is available to help with well-being issues.
Empowered Future	
Women Leadership Development Program	In India, our nine-month development program for women in leadership positions aims to develop personal and professional skills. This program covered a range of topics including understanding basic accounting principles, agile manufacturing, and personal brand development by our female employees. A total of 135 female participants and 67 female mentors are involved.
Recognizing Female Leadership through Outstanding Women Leaders Awards	We recognize outstanding female role models who demonstrate remarkable resilience, strive for excellence and are passionate about meeting challenges. We have five award categories: Innovation, Lifelong Learning, Talent Development, Resilience and Excellence. 15 winners of five awards were selected from more than 2,200 nominations and 15 of them were recognized at the 2022 Mulan Day.
CEIBS Female Leadership Forum	CEIBS is a strategic partner of Bud APAC for leadership development and has been committed to nurturing and developing diverse industrial and organizational leaders for many years. The Female Leadership Forum, organized by CEIBS MBA Women's Leadership Network and Global Women Connect, is an annual event aiming to create an inclusive and diverse environment, bringing students and young professionals together with industry leaders to achieve their fullest potential. In the past two years, our Mulan Club members were invited to attend the forum to share and exchange ideas and successful stories with female leaders across various industries.

Thriving with Our People and Communities

Activities	Actions
Mulan Mentoring Program	The Mulan mentoring program aims to accelerate the career and personal growth of women, increase the readiness as successors for key leadership roles in order to build a more diverse and stronger talent pipeline. The first round of the program was open to all manager and above level women employees in China to self-enroll as a Mentor or Mentee. As part of the program, the women mentees and mentors participated in a series of trainings and exchange sessions along the journey.
Equitable Future	
Gender Pay Equity	We have established equitable pay processes. We work with an independent partner to conduct a comprehensive pay equity review annually. In 2022, we confirmed our gender pay equity (gender pay gap was less than 1%).

CASE STUDY 1 – MULAN INNOVATION CHALLENGE IN CHINA

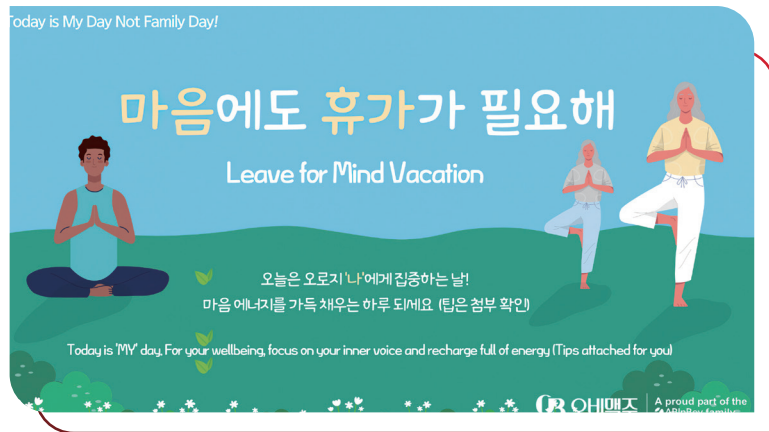
Since 2018, we have been running our Mulan Club to allow our female colleagues to develop professionally and unleash their full potential through the lens of inclusion, inspiration, innovation and self-expression. Mulan Day 2022 took place on November 2 in Shanghai and online. More than 1,000 female colleagues from across the country came together to spend the day sharing authentic stories of women’s career development and exploring the trend of female alcohol consumption.

We leveraged the knowledge, intelligence and creativity of Bud APAC’s female colleagues to drive our business in female consumer segments. We are excited to share the results from the Mulan Innovation Challenge, where our female colleagues worked together to develop innovative ideas to grow our business with female consumers. The focus was on fostering business acumen, unleashing creativity and rewarding good teamwork. More than 200 female employees from different regions and functions took up the challenge and came up with 15 innovative ideas. Six proposals were shortlisted and then presented by the teams on Mulan Day. The teams presented their idea, market understanding and innovative product design, and won awards for best product, best innovation, best launch plan and best strategy.



CASE STUDY 2 – MENTAL HEALTH AND WELLBEING IN SOUTH KOREA

In South Korea, we held a mental health week to raise employees' awareness of their well-being and mental health – the first major mental health initiative in South Korea. The week included external courses such as “Resilience – We need a vacation for the mind,” upbeat communications such as “How to manage mental health and a designated lunchtime for meditation with healing music. At the same time, the “HEALING HOUR” initiative was launched in collaboration with Hoegaarden, providing employees with Hoegaarden brew with ICE (non-alcoholic), fruit and snacks, aromatherapy with an aromatic fragrance, a photo zone with Polaroid cameras, etc., We also expanded the concept of “Family’s Day” on Wednesday to be “My Day” to be more inclusive of everyone, regardless of family status.



Looking Ahead

As we look to the future, we are committed to advancing our DE&I mission to build an inclusive, empowered, and equitable future across our value chain, and accelerate our momentum.

Thriving with Our People and Communities

Human Rights

Disclosure Items: GRI 408, 409 HKEX B1, B4



At Bud APAC, we are committed to business practices that respect human rights, which is fundamental to creating healthy and thriving communities. We will continue to leverage our influence and enhance our efforts across our value chain to ensure a just transition as we are working towards achieving our 2025 Sustainability Goals and our 2040 net zero across our value chain targets.



Eulna Shin

Compliance Director

We recognize the business community’s responsibility to respect human rights and seek to promote human rights as we strive to make the world a better place. Bud APAC is a signatory to the UNGC, a staunch supporter and has committed to all ten principles since 2021. This reaffirms our commitment to labor standards and human rights, environmentally friendly operations, and zero tolerance for corruption.

Our Policies

Policy and Procedure	Expectations
Human Rights Policy	Bud APAC recognizes its responsibility to ensure safe, environmentally sound, harassment- and discrimination-free working conditions for its employees and, in many cases, temporary workers and independent contractors. We emphasize that engaging affected and potentially affected stakeholders is critical to building and maintaining a robust human rights approach.
Responsible Sourcing Policy	Business partners are prohibited from employing children and any form of forced or compulsory labor, and must respect the right of all workers to freedom of association. In addition, they are required to implement security measures that must not compromise the safety of local community members and other third parties or undermine respect for the human rights of workers and third parties. For example, when pursuing new business opportunities, due diligence regarding land rights and titles is a must. In the event of a violation of this policy, Bud APAC may terminate or restrict the business relationship with the business partner.

Our Approach

Training

Throughout the year, we provide training on human rights-related topics such as sexual harassment prevention, disability awareness, workplace bullying prevention, personal data protection, and safety improvement.

Recruitment Process

We screen each new employee's identification documents to verify their age and eligibility to work before we hire them. This step prevents any form of illegal and unethical labor, including child or forced labor, which could violate the fundamental rights of potential employers. In the event of confirmed illegal employment and exploitation of child or forced labor, we take immediate action to pay appropriate compensation.

Supporting Freedom of Association

We respect and support the right of all employees and other workers to form or join legitimate unions and other professional organizations of their choice and to bargain collectively in support of their common interests.

Grievance Mechanisms and Non-Retaliation

Consistent with our commitment to ethics and transparency, we require that all human rights violations be reported through Bud APAC's compliance helpline. In addition, we have a zero-tolerance policy toward any threatened or actual retaliation against any individual.

Looking ahead

We will continue to strengthen and expand our human rights due diligence in our value chains and further leverage our influence to share information on human rights and environmental risks with our suppliers to ensure a just transition toward achieving our 2025 Sustainability Goals and our ambition to achieve net zero across our value chain by 2040.

Thriving with Our People and Communities

Data Security & Privacy

Disclosure Items: GRI 418 HKEX B6



Stringent data security and privacy policies form a core part of our corporate governance regime. We commit to provide great protections towards the privacy of our customers and the data we store.

Wouter Peeters

Vice President of Technology and Analytics



We strive for excellence in everything we do. This includes ensuring data security and protecting the privacy of our customers.





Our Policies

Policy and Procedure	Expectations
Privacy Policy	It applies to all forms of customer data, and colleagues who violate the data security policy face disciplinary action. In addition, performance in relation to data security is assessed in employee performance appraisals.
Bud APAC Information & Cyber Security Incident Response Plan	To deal with Information & Cyber Security Incidents affecting personal data, this procedure sets out the process to ensure that such Information & Cyber Security Incidents are detected and managed consistently and ensures that improvements and remediation actions are implemented to prevent a recurrence.
Data Breach Incident Management Standard	This Standard provides guidance and management basis for Budweiser China data breach incidents. It is created and updated by the Personal Information Protection Group and should be reviewed annually or in case of any significant changes. The Data Breach Response Team is driven by the Personal Information Protection Group upon identification of the data breach incident, which will be responsible for identifying the cause of the incident and implementing immediate action; the Data Breach Response Team member including the relevant business and data owners, the relevant IT owners, and the Personal Information Protection Group (by the Bud APAC Legal and Compliance Department, the Bud APAC Technology and Analysis Department). The Data Breach Response Team is responsible for identifying, responding, processing, recovering, reporting during the whole data breach incident response activities.

Policy and Procedure	Expectations
<p>Personal Information Security Impact Assessment Standard</p>	<p>This Standard is established on the basis of China's personal information protection compliance and is intended to provide guidance for Budweiser China in implementing personal information impact assessment (PIA) and risk management. It should be reviewed annually or in case of any significant changes. According to the assessment results, the Personal Information Protection Group will put forward risk disposal suggestions according to different levels of risks, and the risk remediation methods include but are not limited to immediate remediation, time-limited remediation, remediation after evaluating impact and cost. The Product Owner implements the necessary measures to comply with the requirements of Budweiser China and relevant laws and regulations in accordance with the remediation procedure.</p>

Our Approach

Data governance aims to ensure high data accuracy, including checking and correcting inaccurate data in the system, ensuring data security, and data consistency across multiple systems. By defining the rules for data quality management in this data governance portal, the reliability of data quality is ensured. The Data Governance Implementation Framework defines how we monitor, control, document, and protect data:

<p>Data Compliance</p> 	<p>Platform Guidance</p> 	<p>Data Access Control</p> 	<p>Data Quality Monitoring</p> 
<p>Ensure data is fully protected from unauthorized access and use, malware, and other cybersecurity threats.</p>	<p>Through the documentation, users can get an overview of the current data and find suitable tables for analysis.</p>	<p>After the data is documented in the system, we need to ensure that a reliable and useful data access flow is executed to ensure data security.</p>	<p>If users have permission to access this data, it is essential to monitor data duality, as good data can reduce risk and lead to useful business insights.</p>

We have a Director on the Board with relevant background in IT engaged on the cybersecurity strategy process. Our Vice President Technology and Analytics, Director of Technology and Analytics and APAC InfoSecurity & Compliance Lead are in charge of overseeing and managing Bud APAC's cybersecurity strategy, plans and implementation.

Data Management

As part of our data governance project, routine tracking via the dashboard on our data management platform was implemented to monitor the quality of direct sourcing data in real-time to visually support data quality management. Through the data quality management process, changes are made when discrepancies are identified, which can help ensure the data accuracy of direct sourcing data.

Data Security Training

We conduct data protection and information security training through the Workday platform to push to all employees, send regular data security updates and phishing emails to all APAC employees, and promote security awareness knowledge by changing the screensaver wallpaper for employee computers.

Thriving with Our People and Communities

Smart Drinking and Moderation

Disclosure Items: GRI 416, 417 HKEX B6



As a pioneer in advocating for reducing and preventing harmful use of alcohol for over 15 years in the region, we have been actively promoting smart drinking and road safety together with our local partners, with the belief that drinking beer should be a positive experience.

Matt Che

Chief Marketing Officer



Every experience with beer should be a positive one. Bud APAC actively takes responsibility to reduce and prevent the harmful consumption of alcohol in our markets. We are committed to promoting a smart and responsible drinking culture by supporting the World Health Organization's (WHO) goal to reduce harmful alcohol consumption in every country by at least 10% by 2025, as well as target 3.5 of the United Nations Sustainable Development Goals (UN SDGs) to strengthen the prevention of harmful alcohol consumption in the APAC region. We aim to achieve our Smart Drinking Goals by providing consumers with transparent information and choice.

Our Policies

Our **Code of Responsible Marketing and Communication** provides guidelines for communicating about responsible alcohol consumption, such as not presenting intoxication as acceptable and always respecting the individual's choice to drink or not. We have established the Responsible Drinking Policy on drinking at work. There is a "no drinking at work" rule; only moderate consumption in the work context can apply.

Our Ambition

Our ambition is to foster a culture of smart drinking globally. As such, we are dedicated to promoting smart consumption and reducing the harmful use of alcohol, which ties to how we market and communicate about our products. As we care about the well-being of people as well as the reputation of our company and our brands, we are committed to marketing and promoting all of our products responsibly.

Our Approach

To develop a smart and responsible drinking culture, we have been working closely with multiple stakeholders such as public health experts and local authorities and developed programs tailored to different local contexts across the region since 2008. About 40% of our managers in Bud APAC received training on responsible marketing and advertising practices.

We have engaged with multiple stakeholders to support the achievement of our Smart Drinking Goals and developed programs tailored to different local contexts across APAC since 2008.



Influence social norms through behavior change campaign

We aim to influence social norms, nurture smart drinking culture and enhance awareness on road safety across the region. Leveraging our brand influence and working closely with different stakeholders, we continue to implement responsible marketing campaigns and cultivate behavior changes of our consumers.



Expand product portfolio by providing lower-alcohol/non-alcohol alternatives

We continue to expand our portfolio and providing lower-alcohol alternatives to consumers in the region as the consumers seek to make better, more responsible choices. We aim to ensure no- or lower-alcohol beer products represent at least 20% of Bud APAC's beer volume by the end of 2025.



Enhancing product labelling to support consumers making informed choices

We provide clear product information that allows consumers to make informed choices about how to enjoy alcohol safely and in moderation. In addition, we work closely with public health experts, governments and other partners on improving product information and enhancing alcohol literacy.

Progress

Leveraging our brand influences and partnered with local transportation authorities, we launched over 30 campaigns that promote smart drinking and safe driving across our principal markets in APAC, reached nearly 19 million people.

Progress

We aim to achieve our ambition of having 20% no- or lower-alcohol beer in our product portfolio by 2025.

Progress

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.



Thriving with Our People and Communities

Actions	Impact
<p>Social Norm Marketing</p> <p>Social norm marketing campaigns promote positive behavioral change; all our brands share the same purpose and develop powerful campaigns to share our Smart Drinking ethos.</p> <p>China</p> <p>To celebrate 15th anniversary of the smart drinking campaign in China, during the FIFA World Cup 2022, we partnered with the Shanghai Traffic Police to launch the “DA YE Goalkeeper Pop Group” to integrate smart drinking messages into a hip-hop rap-themed music video, including an eye-catching dance and preachy lyrics. We also applied a goalkeeper recruitment applet online, through which we engaged citizens from 100+ cities to participate in the activity under the support of all stakeholders and crossover cooperation with many brands. Employees from 28 cities launched relevant activities to create “zero drink-driving” communities in a fancy way, including promoting the first Community Public Rap Hip-hop.</p> 	<ul style="list-style-type: none"> • Cooperated with 213 traffic police accounts to promote Smart Drinking • 20 + Brands crossover cooperation to show attitude towards drink-driving in an engaging way • Created “zero drink-driving” communities in 28 cities

Expanding Consumer Access to No- and Low-Alcohol Beer (NABLAB) Alternatives

<p>Meeting the emerging trend in non-alcoholic beverages, we offer more than 80 NABLAB products to support consumer choice. In China, India and South Korea, we offer alcohol-free brews such as Budweiser 0.0, Cass 0.0 and Hoegaarden 0.0, allowing beer lovers 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 has 3.5% or less. We also offer a selection of light beers that are low in calories.</p> 	<p>Offered more than 80 NABLAB products</p> 
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Actions

Impact

Road Safety Initiatives

We are committed to road safety through numerous initiatives to protect our consumers and communities. As we also operate a significant fleet of vehicles, we promote road safety in our communities. Working with local partners helps us identify and implement programs where they are most effective.

Engaged a diverse group of stakeholders such as truck drivers, Gen Z, university students, and industry partners on the importance of road safety.

To promote road traffic safety globally, we have been working with the United Nations Institute for Training and Research (UNITAR) to enhance and upgrade shared efforts in improving road traffic safety. Over the past four years, we have made sound and effective progress on the Ten-Year Action Plan, using innovative approaches such as digitalization to reshape road safety efforts. The focus areas include:

- Advocating responsible drinking.
- Empowering female entrepreneurs and improving water management.
- Seeking to explore more innovative and pragmatic solutions.

South Korea

With support from the Korea Road Traffic Authority (KoROAD), we became the first private company to introduce the 'Ignition Interlock Device (IID)' project to raise awareness of drunk driving prevention in South Korea. Wired to the vehicle's ignition, IID requires drivers to provide a breath sample before starting the engine. The devices have been installed in selected trucks of our logistic fleet with educational workshops for road safety delivered to truck drivers.

We plan to reduce accidents and fatalities caused by drunk truck drivers by installing IID and increased road safety awareness by demonstrating the effectiveness of precautionary measures. As part of our long-standing partnership with the Korea Road Traffic Authority (KoROAD) for six consecutive years, we have extended cooperation with the IID company and a logistics company to pilot the installation of IID in trucks as a precautionary measure.



Thriving with Our People and Communities

Actions

Vietnam

Universities Tour: Please Be a Responsible Person because Someone Needs You –



After the successful launch of four short comedy stories in collaboration with Saigon Teu – a comedy group, to share and raise awareness to our Gen Z audience on the message “Don’t drink and drive because someone needs you,” which reached more than 1.1 million views on YouTube and one million views on social media. We shared the message and spread the spirit of Enjoying a beer with global responsibility, raising awareness when drinking beer among the students at four universities: Foreign Trade University, Ton Duc Thang University, Physical and Sports University, and Hoa Sen

university. Through joining the tour, the students understood and learned about Smart Drinking, to not drink and drive, about the legal drinking age, and enjoying a beer on its way. More than 7,000 teachers and students at universities have signed and committed that they will always pioneer responsible beer consumption, not driving after drinking beer. For media communication, we got more than 60 newspapers, getting over 350,000 reaches offline and online.

Collaborated with National Traffic Safety Committee (NTSC) to Enhance the Global Smart Drinking Culture for Thousands of Tesselation’s Employees –

To continue promoting propaganda and raising awareness of more than 3,000 employees at Tesselation Co., Ltd. (VSIP I), the National Traffic Safety Committee (NTSC), our local team organized the Global Smart Drinking “Drink beer, don’t drive – Because someone needs you” campaign starting this December, with activities such as interactive displays and sharing sessions on smart drinking stories.

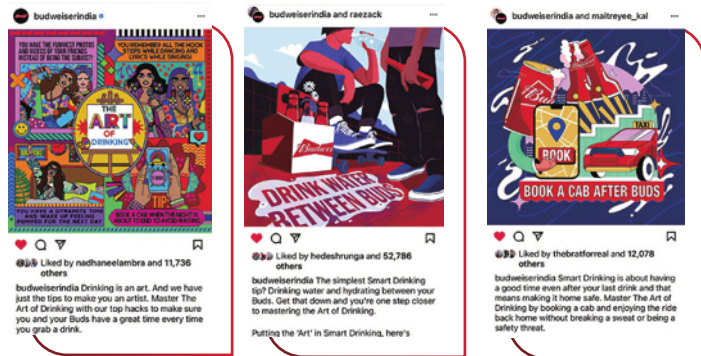


CASE STUDY: GLOBAL SMART DRINKING WEEK – THE ART OF DRINKING CAMPAIGN IN INDIA

As part of our annual Global Smart Drinking Week, which starts in December, we engage internal and external stakeholders through activities in all the markets we operate in. In total, we reached over 200 outlets and 75,000+ consumers via our trade partners externally and internally 500+ colleagues participated in our engagement activities and Smart Drinking Games.

Through “The Art of Drinking” campaign in India, we aim to convey the message that the art of drinking goes beyond responsible consumption, as smart drinking is not a compromise, but a way of life that enables consumers to enjoy life to the fullest.

We are committed to equipping consumers with tips that can unlock memorable experiences. Be it hydrating, eating, or pacing consumption – there are numerous ways to practice moderation and reduce harmful consumption. To celebrate smart drinking, we expanded our non-alcoholic offerings such as Budweiser 0.0 and partnered with a mix of 15 macro and micro-influencers who posted reels, carousel posts and stories and collaborated with 5 illustrator- influencers to drive conversation across social media.



The multi-faceted campaign also involved a spray-painting event that evolved around the initiative’s core principle to inculcate Smart Drinking behaviors and normalize responsible consumption in Mumbai with top multidisciplinary visual artists Santanu Hazarika and Zake. Over 200+ trade outlets in selected cities supported the cause – encouraging citizens to hydrate, eat and pace their consumption. The campaign reached 3.2 million people.



Thriving with Our People and Communities

Our Community

Disclosure Items: GRI 413 HKEX B5, B8

Community Engagement



We invest heavily in our communities across the region, in ways that leverage our unique brand and capacity strengths to benefit our communities, as making positive impacts in the communities where we operate is a core value for us. When our customers and communities grow, we grow.



Konnie Zhu

Vice President of Corporate Affairs, BU China



Vibrant communities are the key to a future with more cheers. In the event of natural disasters, we provide drinking water for emergencies. We work tirelessly to promote youth education, environmental protection and sustainable innovation in the communities where we operate.

Our Target, KPI & Progress




UN SDGs	Progress in 2021	Progress in 2022
Goal 8: Decent Work and Economic Growth 	Community investment* > Two million USD 735,000 + volunteer hours over 171 events Held 33 events across 29 Hope Schools in China	Community investment > 593,600 USD 95,391 + volunteer hours over 184 events Held 56 events across 28 Hope Schools in China

Note

*: COVID prevention and community donation in APAC.

Our Approach

In reviewing our strategic priorities and leveraging our resources, we identified five priority areas for action through in-kind donations, skills-based volunteering, and creating a better world with more cheers.

Smart Drinking 	Emergency Relief 	Youth Education 	Environmental Conservation 	Sustainable innovation 
Smart Drinking is one of our strategic priorities. We intend to work closely with key stakeholders such as governments and industry associations to launch a series of awareness campaigns.	Water is a critical resource for the well-being of our communities. In the markets where we operate, we provide essential tools such as clean drinking water.	Our focus on education includes donations and building schools as we encourage students to be ambitious and build a sustainable future with us.	As part of our green management, we are committed to implementing various internal and external campaigns that positively impact our local environment, ecosystem and communities.	We leverage our resources and share them with our value chain partners to empower them and provide them with more financial opportunities to achieve shared prosperity.



Thriving with Our People and Communities

Our Initiatives

Action	Impact
<h3>Emergency Drinking Water</h3>	
<p>Emergency drinking water is our main focus in emergency relief. We bring people together and work with governments, non-governmental organizations and communities to provide efficient and timely assistance.</p> <p>South Korea Since 2016, we have donated 563,240 bottles and 150,000 cans of water to vulnerable populations suffering from extreme heat during the summer and to communities in disaster areas across the country.</p> <p>In addition, we set up a disaster relief system with our long-term partner, the Korea Disaster Relief Association. As part of the relief system, our water canisters were delivered to the Korea Disaster Relief Association and enables us to provide water canisters promptly in the event of a disaster.</p> <p>A promotional video for drinking water in emergencies supports our efforts in this field. The video is shared on different social media channels to raise awareness. The success story of the water donation program with emergency drinking water will continue next year.</p>	<p>Bud APAC has provided approximately 2.45 million cans and over 563,240 bottles of drinking water to disaster-stricken areas through our work with social organizations and distributors since we began this program in 2015.</p> 
<p>China The Emergency Drinking Water Program is a global charity project launched in China in 2015 to provide clean and safe drinking water as quickly as possible to local disaster areas, water-scarce regions, and the heroes working on the frontline of disaster relief. A total of 2.3 million cans of drinking water have been provided to people in need since 2015.</p> <p>During the pandemic, the task of pandemic control and prevention required enormous efforts. Each and every medical staff and volunteer was fighting tirelessly against COVID. Budweiser China would like to show high respect to frontliners who have been holding fast to their posts: during the citywide static management period in Shanghai in April, Budweiser China teamed up with Commission of Commerce of Shanghai Huangpu District, and Shanghai Committee of the China National Democratic Construction Association and its charity foundation to deliver 108,000 cans of emergency drinking water to the frontliners, making a tangible contribution to the fight against the pandemic.</p>	 

Action

Impact

Youth Education

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

Hope School in China

Sharing the Joy of Reading Through Book Donations

In September, our volunteers delivered 11,200 copies of The Four Great Books of China (Children's Edition) to 28 Budweiser Hope schools in 15 provinces to create a reading atmosphere throughout the country. As a result, 9,447 students at these schools read the classic works of Chinese literature with their teachers in a different environment, and some students shared their thoughts about these books in words, pictures, videos, and other forms. In addition, we collected 171 reading reports nationwide. We awarded ten students from Budweiser Hope schools in Fujian, Guangxi, Yunnan, Hebei, Henan, Guangdong, and Liaoning the honorary title of Budweiser China 2022 Top Ten "Joyful" Readers through school recommendation and online voting.



Donated a total of RMB200,000 (approximately USD29,010), of which RMB150,000 (approximately USD21,758) will be used for teacher training, which is expected to benefit 100-200 local teachers; RMB50,000 (approximately USD7,253) will be used to build three local well-being huts to create a well-being haven for schools in underdeveloped areas.

Teacher Training

In November, we held a donation ceremony for building libraries under the "Light up the Dreams - Hope School Teacher Training" program and an opening ceremony for the Hope School Teacher Training. Under the motto "We dream big to create a future with more cheers," Budweiser China is committed to a shared future that everyone can celebrate.

Celebrated the 72nd International Children's Day

In June, to celebrate Children's day for students affected by the epidemic. We have prepared sports equipment, school supplies, and competition supplies for 9,256 students in 28 Budweiser Hope Schools in China to enrich their extracurricular life during the closed period. Meanwhile, Budweiser China has also prepared 462,800 epidemic prevention masks for students at one time to ensure their healthy campus life during this period.



International Children's Day events and book donations total cost: RMB1,737,342 (approximately USD252,004)

Thriving with Our People and Communities

Action

Happy Library for South Korea

We opened the 10th Happy Library. We have started a local community project to renovate learning facilities and provide free educational materials and books for underprivileged children since 2016. This year, we selected this community child center as the 10th Happy Library to support.

This center suffered from difficulties due to the large-scale forest fire in Uljin last March. We provided education on children's rights with the International Child Right Center and operated a drawing workshop for underprivileged children.



Impact

We donated 181 books, and employees also gathered an additional 100 books. Over the past six years, we have donated 4,000 books to Happy Libraries.

Supporting Local Communities

Addressing Energy Poverty in South Korea

Our volunteer team conducted a briquette-sharing volunteer activity in Guryong Village, Gangnam-gu, in Seoul. As a result, about 30 volunteer team members donated 12,500 briquettes to the Seoul Briquette Bank, and 2,000 briquettes were delivered directly to 10 energy-vulnerable households, including seniors living alone and recipients of basic livelihood security living in Guryong Village.



OBC donates 12,500 coal briquettes to energy-vulnerable communities.

Through OBC hometown scholarships (a fund for underprivileged students in three brewery towns at Gwangju, Icheon, and Cheongju to support local talent since 2003), we supported underprivileged students in their education in 2022.

Appendix

Reporting Methodology

Environmental data

- Environmental data from newly acquired operations are excluded from the running cycle. These facilities will be included in future reporting.
- 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.
- We report our use of renewable electricity as contracted renewable electricity. The contracted electricity metric tracks the commitments we have already made to our 100% renewable electricity goal.
- For recycled content calculation, a weighted average of recycled content is calculated based on purchases for each supplier and recycled content in the material. Our packaging goal applies to our primary packaging which represents more than 83% 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 percentage is provided by suppliers and tracked on a regular basis. Packaging purchases are derived from our own procurement system. In 2019, we started with suppliers’ audits to further assess reliability of the recycled content data. We were not able to complete planned visits due to COVID, but we engaged with suppliers virtually to discuss their KPIs, measurements and main projects to enable improving recycled content.

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 current year’s reporting purposes nor in the comparative data of prior years.
- Workforce and diversity data are recorded by the end of FY22 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 	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 relates to our operations.
<ul style="list-style-type: none"> • Balance • Clarity 	We appointed an external consultant to prepare 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.
<ul style="list-style-type: none"> • Accuracy • Comparability • Completeness • Consistency • Reliability • Quantitative 	We have internal processes and procedures in place to review the quantitative and qualitative data disclosed in this Report. We also appointed a third-party to provide limited assurance of certain data points within the Report, in order to externally assure the accuracy, completeness, consistency, reliability and quality of our disclosures. In addition, we disclose historical data, including those from the base year of 2017, to compare our performance and present our progress over time.

Appendix

Performance Tables

Environmental Performance¹

Metrics	Unit	2022	2021	2020	2019	2018
GHG Emissions						
Total GHG Emissions	tCO ₂ e	6,446,190	6,595,909	6,518,208	7,602,891	7,024,676
Scope 1 Emissions ²	tCO ₂ e	137,529*	158,733	183,980	257,845	287,350
Scope 2 Emissions ³	tCO ₂ e	358,425*	433,891	462,137	489,318	658,381
Scope 3 Emissions ⁴	tCO ₂ e	5,950,236*	6,003,286	5,872,092	6,855,728	6,078,945
GHG Emissions Intensity (Scope 1 and 2)	kgCO ₂ e/hl	5.66*	6.95	8.15	8.58	10.53
GHG Emissions Intensity (Scope 1, 2 and 3)	kgCO ₂ e/hl	73.52*	77.37	82.20	87.29	78.18
Energy Consumption						
Total Energy Consumption	Million GJ	6.44	6.99	7.0	8.3	9.2
Direct Energy Consumption – Non-renewable energy sources	GJ	2,159,004	2,401,959	2,453,610	3,507,609	4,320,335
Direct Energy Consumption – Renewable energy sources	GJ	394,019	345,296	588,580	735,469	606,166
Indirect Energy Consumption – Electricity purchased from non-renewable energy sources	GJ	1,443,890	1,867,438	1,953,917	2,324,383	2,470,587
Indirect Energy Consumption – Electricity purchased from renewable energy sources	GJ	747,061	410,423	219,884	114,247	68,544
Indirect Energy Consumption – Imported Steam	GJ	1,692,320	1,963,702	1,782,398	1,578,423	1,716,073
Energy usage per hectoliter of production	MJ/hl	77.73	83.96	87.90	92.63	100.03
Energy purchased per hectoliter of production	MJ/hl	73.67*	80.06	84.40	89.66	97.95
Percentage of renewable electricity	%	36.1*	25.6	14.2	4.4	2.8
Water						
Total water usage	khl	193,386*	204,487	196,004	232,552	262,283
Total water consumption	khl	86,281	82,483	84,308	94,093	91,376
Percentage of water consumption from alternative water sources (i.e. greywater, rainwater, sewage)	%	20	15	8	9	5
Water use by hectoliter of production	hl/hl	2.2*	2.34	2.47	2.60	2.85
Waste						
Total non-hazardous waste produced	tons	1,400,310	1,426,617	1,292,757	1,488,634	1,605,389
Total hazardous waste produced	tons	457	986	2,427	1,879	397
Packaging						
Total packaging materials used for finished products	tons	1,900,725*	1,992,035	1,395,296	1,963,815	1,911,809
Products in packaging that was returnable or made from majority (> 50%) recycled content	%	63.2	65.1	53.3	56.1	53.8
Percentage of recycled content used in primary packaging	%	51.3*	50.1	46.3	46	N/A
Percentage of recycled content in packaging – Glass	%	53.7*	52.4	48.6	47.2	45.3
Percentage of recycled content in packaging – Cans	%	22.2*	18.3	19.5	23.5	8.3
Air Emissions						
Particulate Matter (PM)	tons	138	114	107	171	168
Sulphur Dioxide (SO _x)	tons	114	115	56	97	186
Nitrogen Oxide (NO _x)	tons	368	358	281	365	490

* 2022 data assured by KPMG (please refer to External Assurance Report on page 139-142).

Social Performance

Metrics	Unit	2022	2021	2020	2019	2018
Employment						
Total Employees	No.	24,331	26,363	26,489	28,546	30,085
Number of employees by employment type						
Full-time		19,079	21,059	22,004	22,935	25,123
Male	No.	14,163	15,524	16,260	16,899	18,085
Female	No.	4,916	5,535	5,744	6,036	7,038
Part-time		5,252	5,304	4,485	5,611	4,962
Male	No.	1,105	0	0	0	0
Female	No.	4,147	5,304	4,485	5,611	4,962
Number of employees by employment contract						
Permanent	No.	18,994	19,814	20,747	21,499	23,259
Temporary	No.	5,337	6,549	5,742	7,047	6,826
Number of full-time employees by age group						
Under 30	No.	3,894	4,108	4,751	4,947	5,317
Between 30 and 50	No.	13,737	15,020	15,174	15,814	17,287
Above 50	No.	1,448	1,931	2,079	2,174	2,519
Number of full-time employees by employee category						
Managers	No.	5,810	5,434	5,572	5,952	4,804
Non-managers	No.	13,269	15,625	16,432	16,983	20,319
Number of full-time employees by geographical region						
Mainland China	No.	15,392	17,381	18,047	18,942	21,163
South Korea	No.	1,939	1,915	1,939	1,952	1,973
India	No.	1,415	1,348	1,593	1,643	1,615
Vietnam	No.	333	343	355	335	303
Employee Turnover Rate						
Turnover rate	%	6.6	6.8	6.45	7.69	8.18
Turnover rate by gender						
Male	%	6.7	6.9	6.39	7.38	8.33
Female	%	8.1	8.4	6.63	8.64	7.74
Turnover rate by employee category						
Managers	%	10.7	10.6	7.86	8.95	8.54
Non-managers	%	6.5	5.9	5.91	7.19	8.08
Turnover rate by age group						
Under 30	%	15.2	12.2	11.35	12.84	12.13
Between 30 and 50	%	5.8	5.9	5.2	6.58	7.16
Above 50	%	1.0	1.1	2.11	1.18	0.81
Percentage of Employees Trained						
Percentage of employees trained by gender						
Male	%	93	89	90	79	54
Female	%	86	93	90	80	54

Appendix

Metrics	Unit	2022	2021	2020	2019	2018
Percentage of employees trained by employee category						
Managers	%	94	99	97	87	88
Non-managers	%	85	89	88	77	46
Average Training Hours						
Average training hours by gender						
Male	Hours	67	26	11	6	7
Female	Hours	71	27	11	6	6
Average training hours by employee category						
Managers	Hours	65	36	11	7	10
Non-managers	Hours	70	23	10	6	6
Health and Safety⁵						
Number of work-related fatalities for employees	No.	0 ⁶	1	0	1	1
Rate of work-related fatalities for employees	/	0	0.013	0	0.010	0.009
Number of work-related fatalities for non-employees ⁷	No.	1 ⁶	0	0	0	1
Lost days due to work injury for employees	days	339	619	383	561	450
Number of high consequences work related injuries ⁸ (excluding fatalities) for employees	No.	0	2	1	1	1
Rate of high-consequence work-related injuries for employees (based on 200,000 hours worked)	/	0	0.026	0.01	0.01	0.01
Number of high consequences work related injuries (excluding fatalities) for non-employees	No.	0	0	1	2	3
Number of recordable work-related injuries (excluding fatalities) for employees	No.	23	15	20	25	26
Rate of recordable work-related injuries for employees (based on 200,000 hours worked)	/	0.09	0.19	0.25	0.24	0.23
Number of recordable work-related injuries (excluding fatalities) for non-employees	No.	8	9	17	21	32
Others						
Number of sites certified by ISO 45001 or work safety standardization ⁹	No.	23	22	21	20	20
Percentage of sites certified by ISO 45001 or work safety standardization	%	59	52	46	41	39
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	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. The scope of H&S data in this performance table covers all employees in 2022, while 2018 to 2021 data only covers supply employees.
6. One fatality case of contractor is recorded in Vietnam.
7. Non-employees include contractors/sub-contractors/service-providers.
8. 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.
9. The work safety standardization certification is awarded by a third party or recognized by national/local safety authority.

External Assurance Letter



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Independent Practitioner's Limited Assurance Report to the Board of Directors of Budweiser Brewing Company APAC Limited

We have undertaken a limited assurance engagement of the selected sustainability information of Budweiser Brewing Company APAC Limited ("the Company") listed below and identified with the symbol (in the Company's environmental, social and governance report for the year ended 31 December 2022 ("the 2022 ESG Report") ("the Selected Sustainability Information").

Selected Sustainability Information

The Selected Sustainability Information for the year ended 31 December 2022 is summarised below:

Greenhouse Gas (GHG) Emissions

- Scope 1 emissions (in tCO₂e)
- Scope 2 emissions (in tCO₂e)
- Scope 3 GHG emissions (in tCO₂e)
- Total GHG emissions, per category
- GHG emissions intensity (Scope 1 and 2) (in kgCO₂e/hl)
- GHG emissions intensity (Scope 1, 2 and 3) (in kgCO₂e/hl)

Energy Consumption

- Energy purchased per hectoliter of production (in MJ/hl)
- Percentage of renewable electricity (in %)

Water

- Total water usage (in khl)
- Total water withdrawal in khl, per source
- Water use by hectoliter of production (in hl/hl)

Appendix

Packaging

- Total packaging materials used for finished products (in tons)
- Percentage of products in returnable packaging (in %)
- Percentage of recycled content used in primary packaging (in %)
- Percentage of recycled content in packaging – Glass (in %)
- Percentage of recycled content in packaging – Cans (in %)

Health and Safety

- Number of work-related fatalities for employees
- Number of work-related fatalities for non-employees
- Lost Time Injuries (LTI) – Supply Employees, Second-tier logistics/Sales Employees
- Total Recordable Injuries (TRI) – Supply Employees

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2022 ESG Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Selected Sustainability Information is set out in the “Reporting Methodology” section on page 135 of the 2022 ESG Report (the “Criteria”).

The Company’s Responsibility for the Selected Sustainability Information

The Company is responsible for the preparation of the Selected Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Selected 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 Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESAB Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The 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 Selected Sustainability Information based on the procedures we have performed and the evidence we have obtained. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 Selected Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use the Criteria as the basis for the preparation of the Selected Sustainability Information, assessing the risks of material misstatement of the Selected 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 Selected 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.

The procedures we performed were based on our professional judgement 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 relevant staff responsible for the Selected Sustainability Information;
- Understood the process for collecting and reporting the Selected Sustainability Information;
- Compared the Selected Sustainability to underlying information sources on a sample basis;
- Performed analytical procedures over the Selected Sustainability Information; and
- Considered the disclosure and presentation of the Selected 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 Selected Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Appendix

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 Selected Sustainability Information for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the Criteria.



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 March 2023

Industry Engagement

To strengthen our collaborative approach to sustainable development, we participate in organizations and industry associations such as:

NGOs	Industry associations
The Nature Conservancy	China Alcoholic Drinks Association
United Nations Development Program	China National Research Institute of Food & Fermentation Industries Corporation Limited
World Resources Institute	Confederation of Indian Industry
World Wildlife Fund	Federation of Indian Chambers of Commerce and Industry
Rocky Mountain Institute	Guangzhou Association of Enterprises with Foreign Investment
Narwhal Ocean Research Center	Standardization Administration of China (National Committee 471 on Brewing)
Chinese Renewable Energy Industries Association	Korea Alcohol and Liquor Industry Association
Climate Disclosure Project	Korea Wine and Spirits Importers Association
Red Cross	Korea Packaging Recycling Cooperative
Woman Union	Container Deposit System Management Organization
National Traffic and Safety Committee	Korea Resource Circulation Service Agency
Green Asia Network	Korea Liquor Safety Association
International Center for the Rights of the Child	Korea Chamber of Commerce and Industry
International Child Right Center	Korea Food Industry Association
Happy Alliance	Vietnam Beverage Association
The Briquet Bank	
Korea Disaster Relief Association	
Child Fund Korea	
National Skill Foundation of India (NFSI) for Women Entrepreneurship in India	
Water Aid India for Water Programs	
Let's Endorse	
FORCE	

Appendix

Awards

Awards	Organization
2022 Green Point CSR Award	CBN
2022 Leadership in CSR and Sustainable Growth	European Union Chamber of Commerce in China
Annual High-quality Rural Vitalization Project	2022 Dream Building Summit by Southern Weekly
Baoding brewery: Baoding Occupational Health Company	Baoding Health Commission
Best ESG #1	Institutional Investor
Best ESG Report (Large-cap) – Grand Award	Hong Kong ESG Reporting Awards Limited
Best Social Contribution Award	CSR China Education Award
CSR China Top 100 Rank	CSR China Education Award
CSR Role Model Company of the Year	Southern Weekly
Excellence in Environmental Positive Impact – Grand Award	Hong Kong ESG Reporting Awards Limited
Harbin Brewery: Heilongjiang Provincial Green Supply Chain Management Enterprise	Department of Industry and Information Technology of Heilongjiang Province
Jiamusi Brewery: Heilongjiang Provincial Green Factory	Department of Industry and Information Technology of Heilongjiang Province
Jinzhou Brewery: Jinzhou Safe Production Excellent Company	Jinzhou Safe Production Committee
Jinzhou Brewery: Jinzhou High-tech Zone Zero-covid Factory	Jinzhou High-tech Zone Epidemic Prevention and Control Department
Jinshibai Brewery: Siping Safe Production and Fire Prevention Excellent Company	Siping Safe Production Committee
Kunming Brewery: 2nd Place in Kunming Ammonia Leakage Emergency Response Skill Competition	Emergency Management Bureau of Jinning District, Kunming
Mudanjiang Brewery Heilongjiang Provincial Green Factory	Department of Industry and Information Technology of Heilongjiang Province
Nanning Brewery: Nanning Excellent Traffic Volunteer Service Station	The Eleventh Brigade of Nanning Traffic Police Detachment
Ningbo Brewery: Ningbo Safe Production Excellent Company	CPC Yinjiang Committee
Putian Brewery: Winner of Safety Competition	The Chinese General Chamber of Commerce
Ram Charan Management Practice Award: Corporate ESG Practice Award	Harvard Business Review China

Awards	Organization
Responsible Enterprise of the Year 2022	China News Service and China Newsweek
Suqian Brewery: Suqian Mayor Quality Award	Siqian People's Government
Wuhan Brewery: Wuhan Safe Production Excellent Company	Wuhan Safe Production Committee
Xinyang Brewery: Xinyang Safe Production Excellent Company	Xinyang Safe Production Committee
Ziyang Brewery: 3rd place in Ziyang Firefighting Skill Competition	Ziyang High-tech Industrial Park Federation of Trade Unions
Grand Prize at the KCCI • Forbes CSR Awards in CSR category	Korea Chamber of Commerce and Industry (KCCI)/ Ministry of Trade, Industry and Energy (MOTIE)/ Ministry of Health and Welfare (MOHW)
Aurangabad-PALS Brewery: Meritorious Performance in Industrial Safety	National Safety Council
Best Sustainability Practices in Procurement	Institute of Supply Chain Management
Sonipat-HBL Brewery: Platinum Award for Occupational Health and Safety	Grow Care India
Silver Award in Women Empowerment	CSR Times

External Initiatives and Memberships

Organization	Status
United Nations Global Compact	Signatory
United Nations Women's Empowerment Principles	Signatory
Task Force on Climate-Related Financial Disclosures	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

Appendix

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	Description	Remarks, References and Page No.
GRI 2: General Disclosures 2021	2-1		-	Organizational details	ESG REPORT P.7-10
	2-2		-	Entities included in the organization's sustainability reporting	ESG REPORT P.2, 135
	2-3		-	Reporting period, frequency and contact point	Bud APAC's 2022 ESEG Report was published on 24 March, 2023 1 January to 31 December in 2022 IR@budweiserapac.com
	2-4		-	Restatements of information	There is no restatement of information this year.
	2-5		Overall approach: Para 9	External assurance	Appendix – Assurance Letter ESG REPORT P.139-142
	2-6		KPI B5.1; KPI B5.2; KPI B5.3	Activities, value chain and other business relationships	ESG REPORT P.16, 18
	2-7		B1.1	Employees	ESG REPORT P.137
	2-8		-	Workers who are not employees	ESG REPORT P.16
	2-9		-	Governance structure and composition	ESG REPORT P.22
	2-10		-	Nomination and selection of the highest governance body	ESG REPORT P.23-25
	2-11	7	-	Chair of the highest governance body	ESG REPORT P.23
	2-12		Overall approach: para 10 Governance structure 13	Role of the highest governance body in overseeing the management of impacts	ESG REPORT P.22-25
	2-13	1,8	-	Delegation of responsibility for managing impacts	ESG REPORT P.23
	2-14		Overall approach: para 10	Role of the highest governance body in sustainability reporting	ESG REPORT P.22-23, 28
	2-15		-	Conflicts of interest	ESG REPORT P.34-35
	2-16		-	Communication of critical concerns	ESG REPORT P.24 Top five material topics were presented to the ESG Committee.
	2-17	1,2,10	-	Collective knowledge of the highest governance body	ESG REPORT P.25
	2-18		-	Evaluation of the performance of the highest governance body	ESG REPORT P.24
	2-19		-	Remuneration policies	ESG REPORT P.5, 28

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
	2-20		-	Process to determine remuneration	ESG REPORT P.32
	2-21		-	Annual total compensation ratio	Bud APAC currently does not have complete information on this ratio.
	2-22		Governance structure 13	Statement on sustainable development strategy	ESG REPORT P.4-6, 11-14
	2-23		-	Policy commitments	ESG REPORT P.34-35,120
	2-24		-	Embedding policy commitments	ESG REPORT P.23, 24,28-35
	2-25		-	Processes to remediate negative impacts	ESG REPORT P.25, 122-123
	2-26		KPI B7.2	Mechanisms for seeking advice and raising concerns	ESG REPORT P.35-36
	2-27		KPI B7.1	Compliance with laws and regulations	This year, we received 153 reports, of which 58% are related to potential/actual conflict of interest concerns, 7% related to violation of policies and procedures, 15% related to dishonest behavior, 12% related to HR-related issues, and 8% related to other issues such as health and safety, environment and data protection. As of 31 December 2022, 72 cases remained to be substantiated, 11 cases resulted in dismissals or resignations and 61 cases resulted in other types of disciplinary actions such as suspensions or warnings. There are 0 substantiated legal cases related to anti-competitive behavior, anti-trust, and monopoly practices and 0 cases of bribery and corruption.
	2-28		-	Membership associations	Appendix – ESG REPORT P.145
	2-29		Overall approach: para 7; Reporting Principle 14; KPI B6.2	Approach to stakeholder engagement	ESG REPORT P.17-21
	2-30		-	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.
Material Topic					
GRI 3: Material Topics 2021	3-1		-	Process to determine material topics	ESG REPORT P.17
	3-2		-	List of material topics	ESG REPORT P.20

Appendix

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Economic					
Economic performance					
GRI 3: Material Topics 2021	3-3			Management of material topics	ESG REPORT P.16
GRI 201: Economic Performance 2016	201-1		B8.2	Direct economic value generated and distributed	ESG REPORT P.16,130
	201-2		A4.1	Financial implications and other risks and opportunities due to climate change	ESG REPORT P.27, 41-44
Indirect Economic Impact					
GRI 3: Material Topics 2021	3-3			Management of material topics	ESG REPORT P.16, 90-91, 130-131
GRI 203: Indirect Economic Impacts 2016	203-1			Infrastructure investments and services supported	ESG REPORT P.130-134
	203-2			Significant indirect economic impacts	ESG REPORT P.12, 16, 91-98
Anti-corruption					
GRI 3: Material Topics 2021	3-3	10	Aspect B7	Management of material topics	ESG REPORT P.34-36, 77, 120-121
GRI 205: Anti-corruption 2016	205-1		-	Operations assessed for risks related to corruption	ESG REPORT P.36
	205-2		B7.3	Communication and training about anti-corruption policies and procedures	ESG REPORT P.36
	205-3		B7; B7.1	Confirmed incidents of corruption and actions taken	In FY22, there were no legal cases regarding corrupt practices brought against Bud APAC or its employees.
Environment					
Materials					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A2; Aspect A3	Management of material topics	ESG REPORT P.60-66
GRI 301: Materials 2016	301-1		KPI A2.5	Materials used by weight or volume	ESG REPORT P.62
	301-2		-	Recycled input materials used	ESG REPORT P.62-66
Energy					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A2; Aspect A3	Management of material topics	ESG REPORT P.12, 38-39
GRI 302: Energy 2016	302-1		A2.1	Energy consumption within the organization	ESG REPORT P.39-41, 136
	302-2		-	Energy consumption outside of the organization	ESG REPORT P.39-41, 136
	302-3		KPI A2.3	Energy intensity	ESG REPORT P.39
	302-4		KPI A2.3	Reduction of energy consumption	ESG REPORT P.39
Water and Effluents					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A2; Aspect A3	Management of material topics	ESG REPORT P.6, 50

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
GRI 303: Water and Effluents 2018	303-1		A2.4	Interactions with water as a shared resource	ESG REPORT P.50-59
	303-2		-	Management of water discharge-related impacts	ESG REPORT P.50, 52
	303-3		A2.2	Water withdrawal	ESG REPORT P.53-55
	303-4			Water discharge	ESG REPORT P.52
	303-5		KPI A2.2	Water consumption	ESG REPORT P.51, 53-55, 58, 136
Emissions					
GRI 3: Material Topics 2021	3-3	7,8,9	A1; A3	Management of material topics	ESG REPORT P.29-30, 38-39, 67-73
GRI 305: Emissions 2016	305-1		A1.1;A1.2;A3.1	Direct (Scope 1) GHG emissions	ESG REPORT P.40, 136
	305-2		A1.1; A1.2	Energy indirect (Scope 2) GHG emissions	ESG REPORT P.40, 136
	305-3		A1.1	Other indirect (Scope 3) GHG emissions	ESG REPORT P.40, 136
	305-4		A1.2	GHG emissions intensity	ESG REPORT P.136
	305-5		A1.5	Reduction of GHG emissions	ESG REPORT P.5, 12, 39
	305-7		A1.1	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG REPORT P.136
Waste					
GRI 3: Material Topics 2021	3-3	7,8,9	Aspect A1 GD; Aspect A3 GD KPI A1.6 KPI A3.1	Management of material topics	ESG REPORT P.60-64
GRI 306: Waste 2020	306-1		-	Waste generation and significant waste-related impacts	ESG REPORT P.60, 63-64
	306-2		A1.6	Management of significant waste-related impacts	ESG REPORT P.60-66
	306-3		A1.3, A1.4	Waste generated	ESG REPORT P.63
	306-4		A1.3, A1.4	Waste diverted from disposal	ESG REPORT P.63
	306-5		A1.3, A1.4	Waste directed to disposal	ESG REPORT P.63
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A1 GD	Management of material topics	ESG REPORT P.79-83
GRI 308: Supplier Environmental Assessment 2016	308-1		KPI B5.2	New suppliers that were screened using environmental criteria	ESG REPORT P.79,82
Social					
Employment					
GRI 3: Material Topics 2021	3-3	6	Aspect B1 GD	Management of material topics	ESG REPORT P.32-33 In FY22, 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.

Appendix

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
GRI 401: Employment 2016	401-1		B1.2	New employee hires and employee turnover	ESG REPORT P.137 Due to the sensitive nature of the information, Bud APAC does not currently disclose employee turnover rate by region at this time.
	401-3			Parental leave	ESG REPORT P.115
Occupational health and safety					
GRI 3: Material Topics 2021	3-3	1	Aspect B2 GD	Management of material topics	ESG REPORT P.100-107 In FY22, 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.
GRI 403: Occupational Health and Safety 2018	403-1		Aspect B2; KPI B2.3	Occupational health and safety management system	ESG REPORT P.100-107
	403-2		-	Hazard identification, risk assessment, and incident investigation	ESG REPORT P.100-102
	403-3		KPI B2.3	Occupational health services	ESG REPORT P.100-107
	403-4		-	Worker participation, consultation, and communication on occupational health and safety	ESG REPORT P.107
	403-5		KPI B2.3	Worker training on occupational health and safety	ESG REPORT P.105
	403-6		-	Promotion of worker health	ESG REPORT P.105
	403-7		KPI B2.3	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG REPORT P.105
	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		B2.1	Work-related injuries	ESG REPORT P.102-103
Training and education					
GRI 3: Material Topics 2021	3-3	6	Aspect B3 GD	Management of material topics	ESG REPORT P.108
GRI 404: Training and Education 2016	404-1		KPI B3.2	Average hours of training per year per employee	ESG REPORT P.109
	404-2		Aspect B3 GD	Programs for upgrading employee skills and transition assistance programs	ESG REPORT P.112-113
	404-3		KPI 3.1	Percentage of employees receiving regular performance and career development reviews	ESG REPORT P.113
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3	6	Aspect B1 GD	Management of material topics	ESG REPORT P.114-119
GRI 405: Diversity and Equal Opportunity 2016	405-1		-	Diversity of governance bodies and employees	ESG REPORT P.115-116

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Non-discrimination					
GRI 3: Material Topics 2021	3-3	6	Aspect B1 GD	Management of material topics	ESG REPORT P.115
GRI 406: Non-discrimination 2016	406-1		–	Incidents of discrimination and corrective actions taken	In FY22, there were no substantial reported incidents of discrimination.
Child labor					
GRI 3: Material Topics 2021	3-3	4,5	B4	Management of material topics	ESG REPORT P.82, 120-121
GRI 408: Child Labor 2016	408-1		B4.1; B4.2	Operations and suppliers at significant risk for incidents of child labor	ESG REPORT P.82, 111 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.
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3	4,5	B4	Management of material topics	ESG REPORT P.82, 120-121
GRI 409: Forced or Compulsory Labor 2016	409-1			Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESG REPORT P.82, 120
Local communities					
GRI 3: Material Topics 2021	3-3	7,8	B8	Management of material topics	ESG REPORT P.90-98, 124-134
GRI 413: Local Communities 2016	413-1		KPI B8.1; KPI B8.2	Operations with local community engagement, impact assessments, and development programs	ESG REPORT P.120, 125-134
Supplier social assessment					
GRI 3: Material Topics 2021	3-3	1-6,10	Aspect B5 GD	Management of material topics	
GRI 414: Supplier Social Assessment 2016	414-1		KPI B5.1; KPI B5.2; KPI B5.3; KPI B5.4	New suppliers that were screened using social criteria	ESG REPORT P.82 Bud APAC requires 100% of its suppliers and business partners to follow our Responsible Sourcing Policy. In FY22, we worked with 6,238 suppliers, of which around 74.8% were based in China, 7.6% in India, 15.5% in South Korea, 1.5% in Vietnam and 0.6% in other regions.
Customer health and safety					
GRI 3: Material Topics 2021	3-3		Aspect B6 GD	Management of material topics	ESG REPORT P.85-89

Appendix

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
GRI 416: Customer Health and Safety 2016	416-1		-	Assessment of the health and safety impacts of product and service categories	ESG REPORT P.85, 125-126
	416-2		Aspect B6 GD; KPI B6.1 KPI B6.4	Incidents of non-compliance concerning the health and safety impacts of products and services	ESG REPORT P.85, 138 In FY22, 0% of total products sold or shipped were subject to recall for safety and health reasons. 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					
GRI 3: Material Topics 2021	3-3		-	Management of material topics	ESG REPORT P.125
	417-2			Incidents of non-compliance concerning product and service information and labeling	In FY22, there were no reported incidents of non-compliance in relation to laws or regulations on advertising and labelling relating to products and methods of redress which had a material impact on Bud APAC.
	417-3			Incidents of non-compliance concerning marketing communications	
Customer privacy					
GRI 3: Material Topics 2021	3-3		Aspect B6 KPI B6.5	Management of material topics	ESG REPORT P.27, 35, 122-123
GRI 418: Customer Privacy 2016	418-1		Aspect B6	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In FY22, 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.
Product Responsibility/Intellectual Property Rights					
-	-	-	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	ESG REPORT P.34
			KPI B6.2	Number of products and service related complaints received and how they are dealt with.	In FY22, Bud APAC received 608 quality complaints from consumers and has followed the recall procedure as stated in the VPO quality pillar to resolve them.

Glossary

“3R+A”	Responsibility, Resource, Reward and Action
“90025”	90 MJ/hl total purchased energy, 0 CO ₂ purchases and 2.5 hl/hl water usage
“AB InBev”	Anheuser-Busch InBev SA/NV
“ABV”	Alcohol by Volume
“AGM”	Annual General Meeting
“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
“BRC”	British Retail Consortium
“BSG”	Barley Saved Grain
“BTS”	Biological Treatment System
“Board”	The Board of Directors
“Bud APAC”, “Company”	Budweiser Brewing Company APAC Limited
“BUs”	Business Units
“CCAFIP”	joined Climate Change Agriculture & Food Industry Partnership
“CDP”	Carbon Disclosure Project/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
“CIP”	Cleaning in place
“CSR”	Corporate Social Responsibility
“CO ₂ ”	Carbon Dioxide
“COP15”	Conference of the Parties to the Convention on Biological Diversity

Appendix

“COP27”	The 27th United Nations Climate Change Conference
“COVID”	Coronavirus Disease 2019
“DAC”	Development Assistance Committee
“DE&I”	Diversity, Equity & Inclusion
“DJSI”	Dow Jones Sustainability Index
“DPO”	Distribution Process Optimization
“EAP”	Employee Assistance Program
“EMS”	Energy Management System
“ESG”	Environmental, Social and Governance
“EV”	Electric Vehicles
“FY”	The financial year ended or ending 31 December
“FY20”	The financial year ended 31 December 2020
“FY21”	The financial year ended 31 December 2021
“FY22” or “reporting period”	The financial year ended 31 December 2022
“GFSI”	Global Food Safety Index
“GDP”	Gross Domestic Product
“GHG”	Greenhouse Gas
“GMBA”	Global Management Business Administration
“GMT”	Global Management Trainee
“GP”	Gram Panchayats
“GRI”	The Global Reporting Initiative
“Guide”	The ESG Reporting Guide located in Appendix 27 to the Listing Rules on The Stock Exchange of Hong Kong Limited
“HKEX”	The Stock Exchange of Hong Kong Limited
“hl”	Hectoliter
“HRIS”	Human Resource Information System
“IID”	Ignition Interlock Device

“IIWBR”	Indian Institute of Wheat and Barley Research
“INEDs”	Independent Non-executive Directors
“ISO”	International Organization for Standardization
“IUCN”	International Union for Conservation of Nature
“IVF”	In Vitro Fertilization
“JAR”	Jiangsu Provincial Agricultural Reclamation and Development Company
“JSNK”	Jiangsu Nongken Group, a local barley supplier in China and our strategic partner
“KoROAD”	Korea Road Traffic Authority
“KRW”	South Korean won, the lawful currency of South Korea
“kwh”	Kilowatt-hour
“L&D”	Learning and Development
“LCAs”	Life Cycle Assessments
“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
“MDM”	Master Data Management
“NABLAB”	No-Alcohol Beer and Low-Alcohol Beer
“NGOs”	Non-governmental Organization
“NSFI”	National Skill Foundation of India
“OBC”	Oriental Brewery Co., Ltd
“OECD”	Organization for Economic Co-operation and Development
“OHS”	Occupational Health and safety
“OMS”	Operations Management System
“OPR”	Organizational and Personnel Appraisal
“PPA”	Power Purchase Agreement
“R&D”	Research and Development

Appendix

“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“RO”	Reverse Osmosis
“RSP”	Responsible Sourcing Practices
“SJTU”	Shanghai Jiao Tong University
“SSA”	Supplier Strategic Alliance
“TCFD”	Task Force on Climate-related Financial Disclosure
“TNFD”	Task Force on Nature-related Disclosures
“UBC”	Used Beverage Cans
“USD”	Dollars, the lawful currency of the US
“UN”	United Nations
“UN SDGs”	The United Nations’ Sustainable Development Goals
“UNITAR”	United Nations Institute for Training and Research
“VPO”	Voyager Plant Optimization
“VSA”	Vendor Strategic Alliance
“WFC”	World Forestry Congress
“WHO”	World Health Organization
“WRI”	World resources Institutes
“ZED”	Zero Effluent Discharge
“ZLD”	Zero Liquid Discharge



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