

The Budweiser logo, featuring the brand name in a white, cursive script on a red, ribbon-like background.

BUDWEISER BREWING COMPANY APAC

百威亚太控股有限公司

Stock Code: 1876

SUSTAINABILITY REPORT 2023

WE DREAM BIG TO CREATE A FUTURE WITH MORE CHEERS



Table of Contents

About this Report	P.2	Empowering Our Value Chain Partners	
Co-Chairs' Statement	P.4	Our Suppliers	P.51
About Bud APAC	P.6	Our Customers	P.55
		Our Consumers	P.60
Sustainability Highlights	P.9	Thriving with Our People and Communities	
Materiality Assessment	P.12	Our Employees	P.66
		Our Community	P.79
Building Our Robust Governance Framework		Appendices	
Governance Structure	P.16	Reporting Methodology	P.81
Management Committees	P.19	Reporting Principles	P.82
Our Approach to Ethics and Transparency	P.22	Performance Tables	P.83
Our Approach to Data Governance	P.23	External Assurance Letter	P.86
		Industry Engagement	P.88
Working Towards Our Net Zero Ambition		Awards	P.89
Climate Action	P.25	External Initiatives and Memberships	P.90
Water Stewardship	P.34	Content Index for Reporting Guidelines	P.91
Circular Packaging	P.40	Glossary	P.97
Sustainable Agriculture	P.45		



About this Report

In Budweiser Brewing Company APAC's (the "Bud APAC") Sustainability Report 2023 (the "Report"), we aim to offer our stakeholders a deeper understanding of our commitment to creating a more sustainable future. This report presents our strategy for identifying and addressing the topics central to our operations. It highlights our achievements in 2023, detailing the governance and policies that shape our decision-making, and emphasizes our commitment to maintaining the utmost standards of ethical business conduct. The Sustainability Report 2023 aligns with our financial reporting across our primary markets: China, South Korea, India, and Vietnam.

In the Report, we integrate non-financial metrics and use guidelines from leading frameworks, including the HKEX Listing Rules Appendix C2 Environmental, Social and Governance Reporting Guide (the "HKEX C2"), Global Reporting Initiative (GRI) standards 2021, the UN Guiding Principles (UNGPs) reporting framework, CDP Water and Climate initiatives, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, International Sustainability Standards Board (ISSB) standards and the relevant United Nations Sustainable Development Goals (UN SDGs).

This Report also includes forward-looking statements which are based on the current insights and expectations of Bud APAC's management, are naturally subject to risks, uncertainties, and potential changes in circumstances. They are not historical facts but rather predictions about future outcomes.

Reporting Period, Scope and Boundary

The scope modification does not influence our 2025 Sustainability Goals, which remain steadfast and applicable. Details regarding the entities encompassed in this reporting scope can be found in the list of fully consolidated subsidiaries, as shown on pages 166 to 167 of the 2023 Annual Report.

The environmental data from newly acquired operations is not included in the running cycle and will be incorporated in future reports. However, safety data is an exception: it is immediately tracked, monitored, and included for all sites, unless specified otherwise in the text or footnotes. End-of-year incident data is collected in mid-January of the subsequent year and validated based on information from

that point in time, as injury statuses may change due to further medical evaluations or treatments. This can ensure a consistent and accurate year-over-year comparison. Any reclassification of injuries in subsequent years does not alter the current year's report or affect the comparative data of previous years.

Our Sustainability Goals, including metrics on water, energy, and greenhouse gas (GHG) emissions, cover both our beverage and vertical operations, unless stated otherwise. Energy usage figures reported exclude energy exported to third parties and some ongoing projects, not reflecting the total energy utilised in our beer production. In our beverage and vertical operations, including malting and packaging, we employ the Voyager Plant Optimisation (VPO) system. The key performance indicators – energy usage, water usage, and Scope 1 and 2 emissions per hectoliter of production – are reported exclusively for beverage operations, as per our annual CDP disclosure. Additional details and specifications are provided in footnotes accompanying specific data tables.



Operations classified as Special Operations, due to factors such as reduced volume, low full-time equivalent count, complexity of brand mix, or unique products and processes, are not included in the reporting scope. The assumptions for calculating environmental impact percentages include: 1) the country's average Scope 1 and 2 emissions per hectoliter, 2) average production volume per country, 3) for experimental centers, CO₂ tonnage applied akin to that of the smaller facilities, and 4) for standard operating procedures in verticalized operations, emission averages from larger sites are used.

Materiality and Reporting Structure

This Report delves into how Bud APAC manages and responds to sustainability-related matters critical to both our business and our stakeholders. The structure of the Report is designed to correspond with our strategic sustainability priorities, underpinning the reporting principles and criteria set by the previously mentioned guidelines and standards. A comprehensive materiality analysis was undertaken to pinpoint the sustainability issues of greatest significance to our stakeholders in various regions. This analysis was instrumental in shaping the Report's content.

To view our Materiality Assessment, please see page 12.

Our Reporting Content Index, which encompasses the GRI Index, the HKEX C2 and the UN Global Compact, can be found on pages 91 to 96.

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

The contents of this Report have received approval from our Sustainability Committee and were later approved by the Board on March 18th, 2024. Key data within this report has undergone limited assurance by KPMG to ensure its accuracy and reliability. Further insights into our sustainability initiatives, including past reports, performances, policies, and responses to the CDP Climate Change and Water Security Questionnaires, can be accessed on our official website.



We welcome your feedback

You can access our 2023 Annual Report, historical Sustainability Reports, policies and responses to CDP Questionnaires on our website (www.budweiserapac.com). Our website showcases our sustainability 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

Looking back on 2023, we have made significant strides towards achieving our 2025 Sustainability Goals through pioneering industry-first innovations. Our 2025 Sustainability Goals refer to climate action, water stewardship, circular packaging, and sustainable agriculture, which are interlinked and instrumental to our overall business strategy in achieving positive environmental impact and creating value for our communities. Encouraged by our sustainability progress, we deepened our commitment by sharing our ambition to achieve net zero across our value chain by 2040.

We believe **Sustainability** not only better aligns with our overarching purpose “**We dream big to create a future with more cheers**”, but also helps drive us from commitment to action, and from declaration to delivery. We enhanced our governance by assessing the resilience of our business through a comprehensive risk scenario analysis. Together, these efforts better enable us and our business partners to develop actionable transition plans.

The journey is best when it's shared

Recognizing our role as a catalyst for economic growth, job creation, and sustainable development as Asia's largest brewer, we understand that the beer sector plays a critical role in supporting local economies. The production, distribution, and consumption of beers are inherently local activities, making the industry integral to businesses and communities across the value chain. Oxford Economics' research on the beer industry's economic impact shows that 1 in every 110 jobs in the world is linked – through direct, indirect, or induced channel to the beer sector. Collaboration is paramount for sustainability – both within our organizational boundaries and beyond. We actively engage with our suppliers and the key stakeholders to generate positive impact in our community.



At Bud APAC, we believe that sustainability enables our commercial vision, unlocks long-term value, and fulfills our company purpose.

Michel Doukeris, Co-Chair of the Board



We have a large number of value chain partners who account for 94% of our total carbon emission profile. To jointly address this large part of our carbon footprint, we have designed a specialized program to support our partners in their transition towards low-carbon practices and improved water efficiency. We initiated a monthly carbon emission reporting system for all upstream and downstream suppliers, marking the first step towards accurate data collection. Collaborating closely with tier-one suppliers, we have supported the setting of targets that align with the Science Based Targets Initiative (SBTi) as well as aiding in the formulation of carbon emission reduction roadmaps

and the enhancement of water footprint management.

You might be curious about our choice of photograph this year featuring both of us with lime farmers. We take pride in sharing the remarkable journey of “Corona Extra Lime”, evolving from a rural revitalization initiative into a dynamic social enterprise business model. We support local farmers to cultivate premium quality limes and improve their livelihood. This initiative not only enhances the beer drinking experience for consumers by adding fresh lime to Corona beers but also contributes to the well-being of lime farmers in Sichuan, China. Furthermore, we extended our support by facilitating the sale of

these limes through our wholesaler and retailer networks, offering consumers the opportunity to purchase these premium limes.

Manifesting a more sustainable future

We extend our heartfelt gratitude to the driving forces behind our sustainability journey – our dedicated employees, our value chain partners, and all those who have steadfastly supported our endeavours. As we embark on the 2024 sustainability journey, our commitment deepens, and we persist in embracing three pivotal cross-cutting themes: inclusive, natural and local.

Thank you for being a crucial part of our journey, and we look forward to achieving more milestones together in the years to come.



Michel Doukeris
Co-Chair of the Board



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



“

I am proud that our team remains focused on what we do best: brewing high-quality beers, actively engaging with consumers, supporting our partners, and making a positive impact on the communities that we serve.

Jan Craps, Chief Executive Officer and Co-Chair of the Board

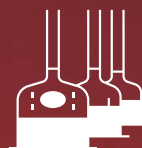
”

About Bud APAC

Bud APAC at a Glance



35+
Countries/territories



47
Breweries



50+
Brands



51
Distribution centers



41,450
hours of volunteering



29
Hope Schools in 14 provinces
supported financially



Distributed over **2.5** million
cans of emergency drinking
water to communities in need
since 2015



740,000 kg
of limes sold through the
"Corona Extra Lime" Project
by the end of 2023

Pan - Asian Brewing Champion

Stock Code

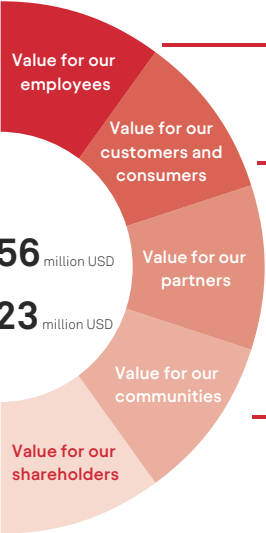
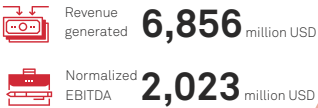
1876 The year
Budweiser
was first
brewed

We operate as Budweiser Brewing Company APAC Limited (the "Bud APAC"), a key subsidiary of Anheuser-Busch InBev SA/NV (the "ABI"), and are publicly listed on the Hong Kong stock exchange. Our portfolio of popular brands, combined with our skilled workforce, operational excellence, large-scale production, cutting-edge facilities and robust distribution channels, strategically positions us for sustained growth and competitiveness in the long run.



Our Economic Performance

Economic value generated



Our Passion for Beer

As dedicated brewers, we cater to the dynamic consumer preferences of the Asia Pacific region. Our beer portfolio spans across various segments – Super Premium, Premium, Core+, and Core & Value. Each beer in our portfolio is distinct, offering

consumers a variety of choices to suit different occasions and need states. Our commitment to innovation aligns with evolving tastes, while being attuned to the sustainability needs of our markets.

Our Product Portfolio

With a portfolio featuring more than 50

brands and a wide range of beer varieties, we are well-positioned to align with the diverse sustainability preferences of our customers and consumers across all our markets. Our portfolio includes global brands, like Budweiser, Corona, and Stella Artois, alongside popular regional brands such as Cass in South Korea, Haywards in

India, and Harbin in China. Our portfolio is continually evolving, featuring no-alcohol and low-alcohol beers (NABLAB), and other sustainability focused products, allowing us to advance our strategic sustainability objectives.



Our Purpose & Principles

Our Purpose

"We Dream Big to Create a Future With More Cheers."

For us, envisioning a future with more cheers means fostering shared prosperity for our communities, the planet, and our people.

We are striving for a path that leads to a future that is more sustainable, inclusive, and fulfilling.

Our 10 Principles

Our 10 Principles shape how we make decisions and guide how we do business. They are at the core of our culture and align closely to our company purpose and strategy:

Dream big



1

Lead by example and take accountability



2

Attract and develop great people



3

Build brands consumers love



4

Grow with customers and communities



5

Prioritize simple and scalable solutions



6

Manage costs tightly



7

Think long-term



8

Strive for superior results



9

Never take shortcuts



10



Sustainability 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.



Our Achievements:

- 23.8%**¹ reduction of carbon emission intensity across our value chain (Scope 1, 2 & 3) and a **64.3%**¹ decrease within our own operations (Scope 1 & 2) against the baseline year 2017.
- 3** carbon neutral breweries (Wuhan, Jinzhou and Jiamusi).
- 10** breweries in China achieved RE100.
- 21** breweries across APAC installed solar panels on site; we contracted **66.4%** of our electricity from renewable sources.
- Deployed **401** green trucks in our fleet, an increase of approximately **9%** compared to 2022.

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:

- 64.8%** of our total beer volume in returnable packaging or made from a majority of recycled content.
- 54.4%** of primary packaging made of recycled content.
- Reduced over **28,650** tons of packaging material usage.

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 **2.03** hl/hl across APAC, a **32.1%** decrease compared to the 2017 baseline.
- Nanning Brewery recorded **1.09** hl/hl water usage for beer production – the lowest among ABI breweries globally and a benchmark for the world's beer industry.
- India's operation reached a **199%**^{*} water replenishment rate in 3 breweries located in water-stress areas and returned **20** million hectoliters of water to the community.
- Replenished nearly **20** million hectoliters of water to our surrounding communities in China.

Sustainable Agriculture

2025 Sustainable 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 **2,605** farmers in India through our barley program.
- Increased local barley harvesting in China by **50%** to **60,000** tons, benefiting **5,000** farmers covering **8,000** hectares of land.

¹ Correction from 23.2% and 61.9% as disclosed in Final Results For The Year Ended 31 December 2023, Final Dividend Recommendation And Fourth Quarter 2023 Financial Information on 29 February 2024

Diversity and Inclusive Workplace

We are committed to consistency in executing our Diversity and Inclusive Workplace strategy and making progress across all platforms. We are committed to fostering an environment that promotes continuous learning, providing our employees with opportunities to stay informed about emerging trends, technologies, and innovations while ensuring their health and safety.



- Approximately **25,000** colleagues represent **25** nationalities across the company.
- **41%** of our colleagues are female.
- **28.6%** female representation among our managers.

Entrepreneurship & Innovation

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.



- Supported **5** startups through our 100+ Accelerator.
- Inspired **117** ventures through our 100+ Innovation Lab.
- Organized a University Hackathon with **400+** applicants from **62** universities, covering **22** provinces and cities in China.

Smart Drinking and Community Contribution

Investing significantly in communities across our region is a strong testament to our belief in the vital role vibrant communities play in creating a future filled with joy and celebration. 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.



- Launched **20+** smart drinking and road safety initiatives across APAC with over **15** years of commitment.
- Accumulated **740,000** kg of limes sold through the “Corona Extra Lime” project.
- **2.5+** million cans of emergency drinking water distributed to communities in need since 2015.
- **41,450** hours of volunteering under various initiatives.

Sustainability Ratings, Key Awards & Certifications

As of 2023, Bud APAC received an MSCI Sustainability Rating of AA¹



Excellence in Diversity & Women Empowerment

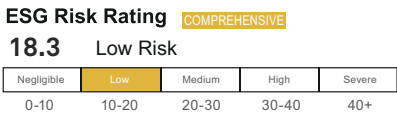


Top Employer Certification

China, South Korea, and India have been certified as Top Employer for the third consecutive year by the Top Employer Institute.



Morningstar Sustainability Sustainability Risk Rating



Constituent of Sustainability Indices
The Dow Jones Sustainability Indices
FTSE4Good Developed Index



The Hong Kong Corporate Governance and ESG Excellence Awards

Excellence in Corporate Governance
Excellence in ESG under the Hang Seng Index
Constituent Companies division



Standard Chartered Corporate Achievement Awards (Leadership)

Sustainable Corporate (Environmental)
Digital Transformation Corporate



FMCG Asia Awards
BEES platform was awarded

Digitalization Initiative of the Year – China



Corona Extra Lime Project won the first Titanium Lion for China across all industries at 2023 Cannes Lions of Creativity



Titanium Lion – Game-changing Creativity
Sliver Lion – Creative Business Transformation



Signatory of



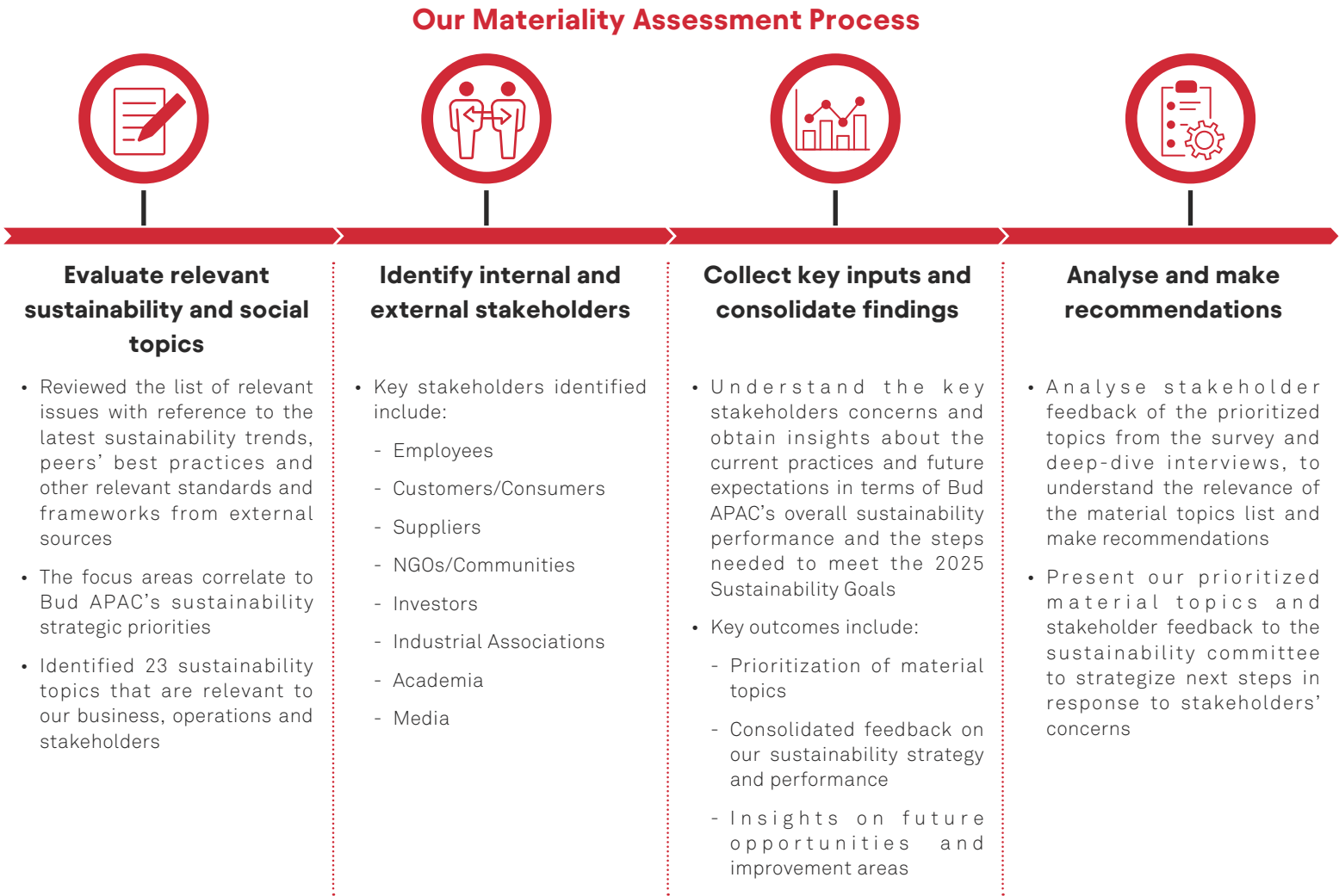
¹ The use by Bud APAC of any MSCI Sustainability RESEARCH LLC or its affiliates (MSCI) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of the Company by MSCI.

Materiality Assessment

Stakeholder Engagement Approach

In response to a dynamic market landscape and evolving stakeholder expectations, we want to future-proof our company by effectively identifying risks and opportunities, addressing stakeholder interests, and making well-informed decisions.

We engaged external consultants to conduct a thorough materiality assessment. This assessment enabled us to pinpoint the topics that hold significance for our organization, guide our prioritization of various sustainability aspects, and inform our strategic planning for the future. In 2023, a total of 184 stakeholders were engaged via the stakeholder engagement survey and 18 deep-dive interviews with internal and external stakeholders were conducted.



Materiality Matrix 2023

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

First-tier Sustainability topics

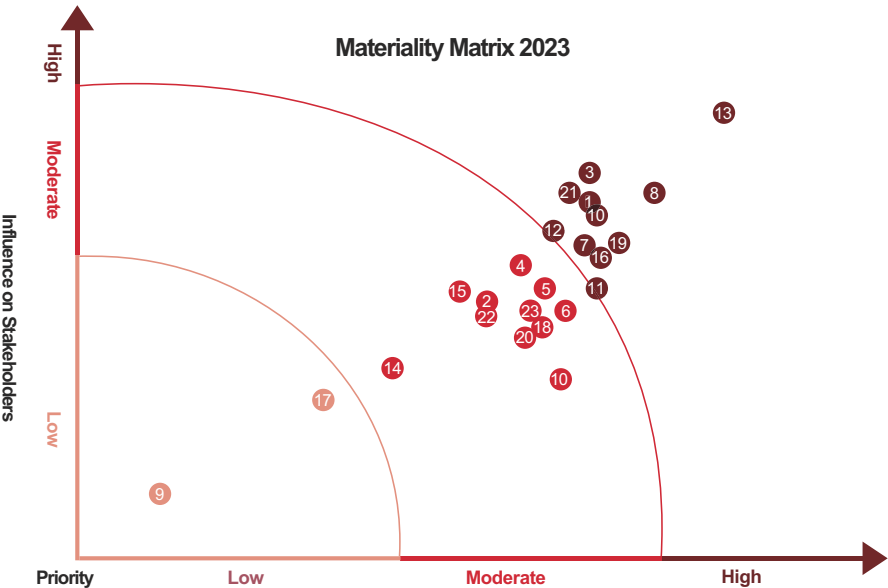
Topics with high priority for us to address and integrate into our sustainability strategy

Second tier Sustainability topics

Topics with moderate priority to address in the near future

Third tier Sustainability topics

Topics with relatively lower priority to keep in view and reassess



	Bud APAC: topics by tiers			Stakeholder Groups							
	Environmental	Social	Governance								
				Employee	ABI	Investors	Consumers	Suppliers	NGO	Academia	Media
Tier 1 – High Priority											
13	Food Safety & Product Quality			✓	✓	✓	✓	✓	✓		✓
8	Sustainable Agriculture			✓	✓	✓	✓		✓	✓	✓
3	Packaging Strategy			✓	✓	✓	✓	✓	✓	✓	✓
1	Carbon Emissions			✓	✓		✓	✓	✓		✓
21	Entrepreneurship & Innovation					✓	✓		✓		✓
10	Workplace Safety			✓	✓			✓		✓	
19	Business Conduct			✓		✓	✓	✓		✓	
7	Water Conservation			✓	✓	✓			✓	✓	✓
12	Human Rights & Labour Standards				✓	✓	✓	✓		✓	
16	Smart Drinking					✓					
11	Employee Wellbeing & Development								✓		
Tier 2 – Moderate Priority											
4	Waste Management			✓			✓			✓	✓
5	Watersheds Management			✓		✓				✓	✓
6	Effluents Management									✓	✓
23	Supply Chain Management					✓	✓	✓		✓	✓
18	Economic Impact & Tax				✓	✓		✓			
2	Climate						✓		✓	✓	
15	Responsible Marketing & Consumer Education				✓						
22	Responsible Sourcing						✓		✓		
20	Board & Management Effectiveness					✓		✓		✓	✓
14	Road Safety				✓						
Tier 3 – Low Priority											
17	Community Engagement										
9	Biodiversity Conservation									✓	

Food Safety and Product Quality

Our Initiatives to the Top Material Topics

- Bud APAC implements a Food Safety Policy to cultivate a robust food safety culture within its operations.
- Successfully organized the “World Food Safety Day” with over 6,000 participants in attendance.
- Hosted the 2023 APAC Food Safety Competition with the active participation of more than 2,000 staff members.
- Committed to delivering high-quality and safe products to consumers, 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 which cover whole process from seed to sip.
- Bud APAC’s quality and food safety management system were widely acknowledged by local governments, earning 30 national, provincial, municipal and district awards in China.
- Employed online instruments with intelligent sensors for real-time monitoring to ensure effective quality management throughout the production process.

Sustainable Agriculture

- Conducted comprehensive soil assessments to evaluate nature-related risks and understand the impacts and dependencies on natural resources.
- Avoided sourcing ingredients or operating in designated World Heritage Sites and protected areas.
- Promoted ecosystem restoration through local regenerative practices, farmer education, and operational optimization.
- Minimized habitat disturbance, degradation, and indirect impacts from operations and supply chain.
- Increased biodiversity awareness among stakeholders, including employees and local communities.

Packaging Strategy

- Assessed waste generation and landfill diversion to identify reduction opportunities and promote circularity.
- Invested in the circular packaging solutions and practiced green procurement to minimize waste by eliminating single-use supplies and collaborating with suppliers.
- Enhanced processes to maximize reuse and recycling of packaging and materials, aiming to reduce waste.
- Implemented “Zero Waste” strategies in China and India to treat and repurpose waste materials.

Carbon Emissions

- Made steady progress towards meeting our 2025 Climate Action goals, further reducing our scope 1 & 2 emissions.
- Implemented the Scope 3 reduction program among Supplier Strategic Alliance (SSA) to actively support our suppliers for their low carbon transition.
- Accelerated RE100 coverage and deployed sustainable innovations in our breweries and further developed green logistic solution.



Governance Structure

At Bud APAC, we have a robust governance structure to ensure proper oversight by the Board of Directors. As the ultimate strategic and decision-making body, the Board of Directors (Board), is responsible for harmonising the corporate ethos with the Company’s mission, values, and strategic direction, and ensuring a cohesive link between corporate governance and sustainability.

The Board Committees – which include the Nomination Committee, the Remuneration Committee, and the Audit and Risk Committee – are primarily composed of Independent Non-Executive Directors (INEDs). These committees supervise the business, operational, and financial aspects of Bud APAC with support from the Executive Committee. The Executive Committee handles Bud APAC’s everyday operations and puts the Board’s directives into action. It also steers the Management Committees, comprising Sustainability, Risk and Ethics and Compliance Committees, to adhere to the company’s values and Sustainability Goals. This well-structured governance framework allows for the formulation of initiatives and action plans at the management level, which are then communicated to our sustainability champions and target owners, and ultimately to all of our employees.

For more information on our corporate governance, please refer to the Corporate Governance Report on pages 23 to 59 of our Annual Report 2023.

The Independent Non-Executive Directors make up over one-third of the Board of Directors. Throughout the reporting period, apart from the professional relationships inherent to their roles, there are no significant connections (financial, business, familial or other relevant ties) among the Directors. Detailed biographies of the Directors can be found in the “Corporate Governance Report – Board of Directors” section of the Annual Report 2023 on pages 27 to 37.

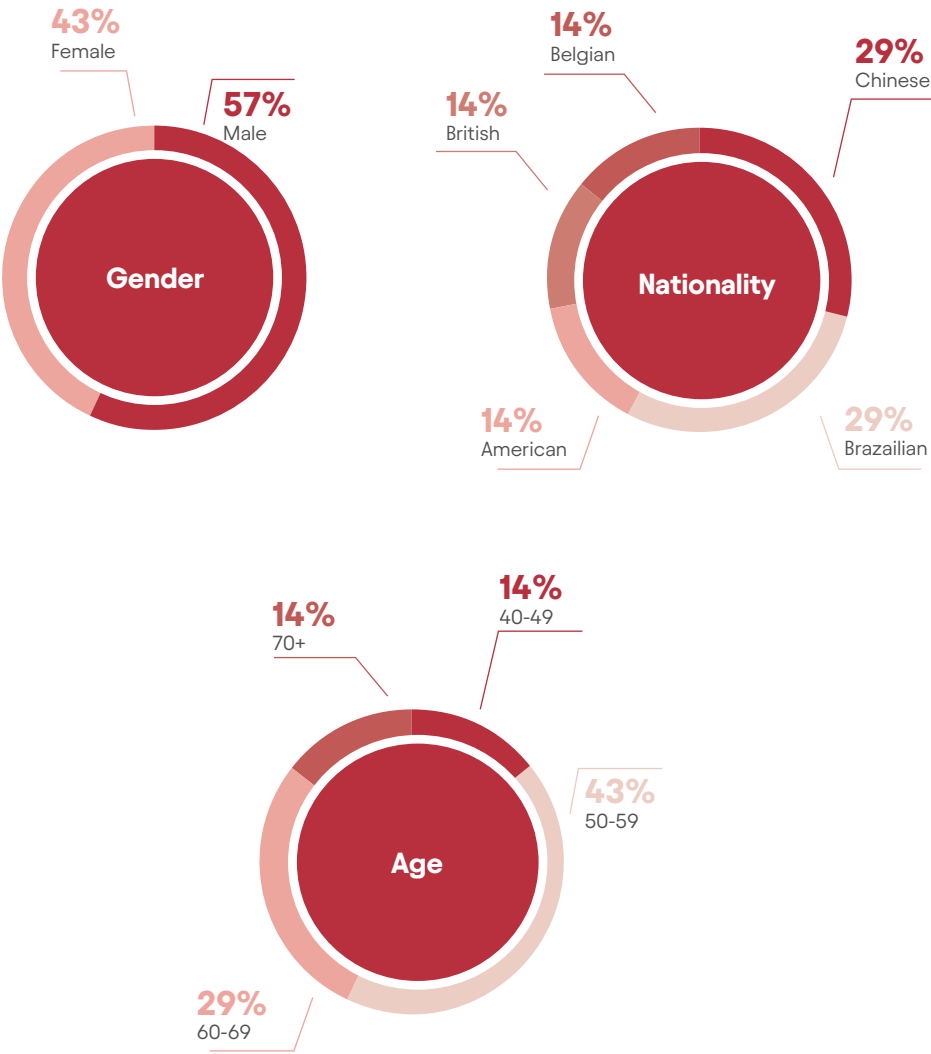
In the reporting period, Bud APAC held 4 Board meetings, 8 Board Committee meetings, and 1 Annual General Meeting (AGM). Each of the Board of Directors undertook over 15 hours of professional training, including those focused on sustainability. Details of the training and meeting attendance of the Directors are available on page 38 in the 2023 Annual Report.

A diverse and balanced Board which is rich in varied skills and experiences can bring multiple perspectives and enhance the Board’s ability to effectively fulfil its duties and responsibilities. Our [Board Diversity Policy](#) outlines our commitment to achieving diversity and balance on the Board. The Nomination Committee annually reviews the Board’s composition and also reviews measurable diversity objectives and targets when evaluating the Board’s effectiveness. Board appointment criteria

are based on [Terms of Reference of the Nomination Committee](#) and the Board Diversity Policy, candidates’ qualifications, and potential contributions.



Composition



Average board tenure

Board tenure reflects retention and continuity, as well as the refreshment of skills and perspectives together with independence.

Average tenure of board members in years:

3.9 years



Note: The Company was formed in 2019 and therefore the average Board tenure is low.

Skills and expertise

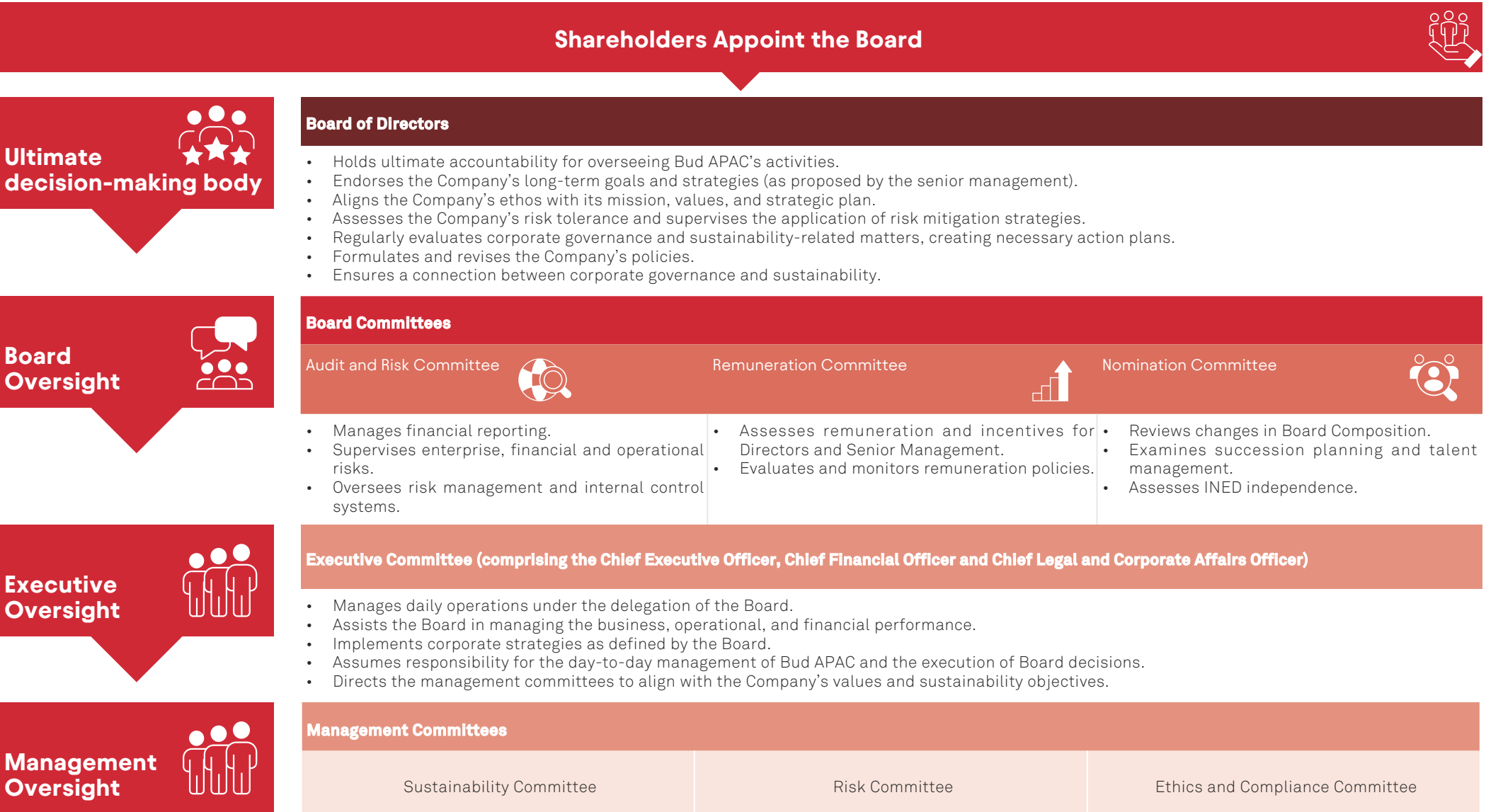
The Board and Board Committees have experienced and high caliber individuals, to ensure the balance of power and authority is balanced.



Board Oversight

The Board, comprising a balanced mix of Executive and Non-Executive Directors, currently includes seven members. Please find the details of our board composition on pages 27 to 32 in the 2023 Annual Report.

For board committee details, please refer to pages 42 to 45 of our Annual Report 2023.



Please refer to pages 23 to 46 of our 2023 Annual Report for more details on board governance. The following pages will mainly elaborate on the management committees, which are responsible to the board and crucial to the governance of sustainability and social impacts.

Management Committees

Sustainability Committee

The integration of sustainability at the highest level of management at Bud APAC enables strategic oversight of environmental and social issues for long-term value creation. The cross-departmental Sustainability Committee reports directly to the CEO and Co-Chair, which ultimately reports to the Board. It convenes meetings at least four times annually to discuss Bud APAC's sustainability plans and community initiatives and review its performance. Throughout the year, the Sustainability Working Group updates the Committee on Bud APAC's performance and gaps, as well as global and local sustainability trends.



The Duty

Our Board of Directors

- Oversees and approves overall sustainability strategies
- Reviews sustainability performance

Sustainability Committee

- Oversees sustainability initiatives internally and externally
- Implements actions to achieve sustainability 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

CEO and Co-Chair of the Board of Directors

- Oversees the Sustainability Committee and all departmental managers

Sustainability Working Group

- Supports the implementation of sustainability initiatives and data collection
- Provides timely sustainability updates for each department

The cross-functional Sustainability Committee has a minimum of four meetings per year facilitated by the CEO and Co-Chair of the Board to discuss Bud APAC's sustainability strategies and review performance in a timely manner.

In 2023, the committee spent its time roughly as

33% on Sustainability Governance

25% on Social topics related to employees, health & safety, and corporate social responsibility

42% on the 2025 Sustainability Goals



The committee presents its sustainability work to the full board members semi-annually and to the Audit and Risk Committee quarterly. To achieve effective integration of sustainability throughout Bud APAC, a Sustainability Working Group is comprised of members across all departments and operational units to update the Sustainability Committee with target delivery, challenges, risk, opportunities and local sustainability trends.



Risk Committee

Aiming to achieve our ambition to lead the industry, in Q1 2023, we evolved our Audit Committee to the Audit and Risk Committee, a leading measure for the Consumer-Packaged Goods (CPG) industry. We believe that increased focus on risk management will help us deliver more sustainable growth and support our strategy to lead and grow the category and optimize our business.

Sustainability issues, including climate-related topics, are considered in the risk management process by the Audit and Risk

Committee. Our Audit and Risk Committee chair is an Independent Non-executive Director with extensive experience in financial and corporate risk management who helps drive the board agenda for risk management and internal controls.

To support the Audit and Risk Committee's risk management efforts, a management-level Risk Committee was also introduced in Q1 2023. The Risk Committee adopts a cross functional approach to capture multiple views and expertise across key functions within Bud APAC. The Risk Committee is co-chaired by the Chief Financial Officer and the Chief Legal and

Corporate Affairs Officer and comprised of various functional heads.

The Risk Committee members meet as a group on a quarterly basis to synthesize and assess risks, as well as to make and implement risk related recommendations. As appropriate, the Co-Chairs will make recommendations to the CEO and Co-Chair of the Board and the Audit and Risk Committee on the risk appetite, profile and tolerance of Bud APAC.

At the working level, internal audit teams are assigned to perform selected audits of operations of each business unit based on the annual Enterprise Risk Management

(ERM) assessment results. We also undertook an independent appraisal of the effectiveness of the Company's risk management framework, including an extensive benchmarking exercise against the relevant peer groups.

Moreover, we invite an external third-party auditor to assure our carbon reduction, water footprint, packaging and health & safety data points annually with a standalone assurance report, please refer to the report on pages 86 to 87 in this Report. Further information on our risk management and internal control systems is available on pages 49 to 51 of our Annual Report 2023



Three Levels of Control of Risk Management and Internal Control

1st Level Control

Local Day to Day Operations

Identifying risks and execution of controls to mitigate risks in local BUs

2nd Level Control

Bud APAC-level Oversight from Risk Committee

Overseeing processes and controls from an overall company perspective

3rd Level Control

Independent Risk Management and Internal Audit

Reviewing the effectiveness of control systems and help to implement improvements



CEO & Co-Chair of the Board of Directors



Chief Legal and Corporate Affairs Officer

Chief People Officer

Chief Financial Officer

Internal Audit & Risk Management Senior Director

Compliance Director

- Formulate and update the Company's compliance policies and practices with prevailing statutory requirements, guidelines, regulations and best practices;
- Exercise general management oversight on compliance with the Company's internal policies;
- Investigate alleged cases (including whistleblower cases) and determine disciplinary actions if the cases are substantiated; and
- Develop and promote the Company's compliance values and culture with regular trainings, tone from the top messages and courses to raise the compliance awareness of employees and external parties.

Our Approach to Ethics and Transparency

Disclosure Items: GRI 205; HKEX B4, B7

Policy	Expectations
Code of Business Conduct	All employees are expected to consistently uphold the highest level of business integrity and ethical conduct.
Anti-Corruption Policy	All directors, employees, suppliers and business partners must comply with all laws concerning bribery, corruption, and conflicts of interest.
Anti-Money Laundering and International Trade Compliance Policy	All employees should be aware of the list of activities that require prior approval from the Legal team or the Compliance team and the required procedures consistent with the ethics and compliance guidelines.
Conflict of Interest Policy	All directors and employees must disclose any interests that might conflict, or appear to conflict, with the interests of Bud APAC.
Whistleblowing Policy	Employees and others are encouraged to report any suspicions of bribery or unethical business practices.
Responsible Marketing and Communications Code	To safeguard our consumers' well-being, uphold our company's reputation, and ensure our commercial communications are conducted responsibly.
Human Rights Policy	We acknowledge our obligation to provide a work environment that is safe, environmentally sound, and devoid of any harassment or discrimination for not only our employees but also for temporary workers and independent contractors.

Training

We conduct training sessions on various business ethics and compliance including human rights-related topics. These include sexual harassment prevention, disability awareness, workplace bullying prevention, personal data protection and safety enhancements.

In 2023, colleagues across all our markets have participated in our annual training. The training focused on topics such as conflict of interest, digital ethics, anti-harassment, and our Code of Business Conduct.



To ensure the highest levels of integrity and compliance, we utilize BrewRIGHT, a cutting-edge analytics platform. Our compliance data analytics and management platform, BrewRIGHT, works to aggregate, standardize and visualize

company systems to identify patterns in everyday operations to predict and attempt to identify any potential corruption risks within the company.

Grievance Mechanisms and Non-Retaliation

In line with our ethics values and compliance regulation, any violations must be reported through Bud APAC's compliance helpline. We strictly enforce a policy of zero tolerance towards any form of retaliation against individuals reporting violations.

External Audit for Anti-Corruption Policy and Business Ethics

We engaged an external auditor to perform a comprehensive sustainability compliance review for all Business Units (BUs) annually. The assessment specifically focused on evaluating the compliance status of our Anti-Corruption Policy within these BUs. Through a thorough examination of documents and interviews, it was confirmed that all BUs under Bud APAC diligently adhered to our Anti-Corruption policy and fully upheld our commitments to comply with our Sustainability Policies.

Our Approach to Data Governance

Disclosure Items: GRI 418; HKEX B6

Policy and Procedure	Expectations
Privacy Policy	This policy governs all types of customer data. Adherence to data security is a key component in evaluating employee performance. Employees who breached data security protocols are subject to disciplinary measures.
Information & Cyber Security Incident Response Plan	To address information and cyber security incidents particularly on personal data, this plan outlines procedures for consistent detection and management of such incidents. It also ensures that enhancements and corrective measures are executed to prevent future occurrences.
Data Breach Incident Management Standards	Developed and periodically updated by the Personal Information Protection Group, this set of Standards guides the management of data breach incidents. A Data Breach Response Team is formed by business and data owners, IT heads, and the Personal Information Protection Group. Their responsibilities include identifying, responding to, processing, recovering from, and reporting on data breaches.
Personal Information Security Impact Assessment Standards	Based on China's personal information protection compliance requirements, this set of Standards assists Bud China in conducting personal information impact assessments and risk management. The Personal Information Protection Group advises on risk mitigation strategies varying from immediate to time-bound remediation, or remediation after evaluating impact and costs. The project owner is responsible for implementing measures in line with these recommendations and complying with Bud China's requirements and relevant legal regulations.
Masking Requirements of Personal Information Display in Application Development	Introduced in 2023, the standard mandates the appropriate masking (de-identification) of personal information displayed in application development, aligning with the relevant laws and regulations in Mainland China.

Data Management

A director with IT expertise is on our Board, contributing to the cybersecurity strategy. Additionally, our Vice President of Technology and Analytics, the Director of Technology and Analytics, and the APAC InfoSecurity & Compliance Lead oversee and manage the cybersecurity strategy and implementation.

We have implemented routine monitoring through a dashboard on our data management platform. This allows for real-time tracking of direct sourcing data quality, facilitating data accuracy corrections as needed. Changes are made when discrepancies are identified, enhancing the accuracy of our direct sourcing data. We established the Personal Information Protection Group (PIPG) to further enhance our data protection strategies. The group is comprised of members from security, legal, and compliance. It is responsible for implementing data security processes and training, regularly reviewing national regulations and taking appropriate actions. Recognising the critical importance of data security and privacy, we have also revised and enhanced our policy framework to ensure robust personal information protection and effective management of cybersecurity risks.

Data Compliance	Platform Guidance	Data Access Control	Data Quality Monitoring	Data Security Training
Safeguarding data against unauthorised access, malware, and cyber threats.	Providing documentation for users to understand current data and identify suitable data sets for analysis.	Ensuring a robust and secure data access flow following documentation.	For authorised users, continuous monitoring of data quality is crucial for reducing risks and gaining valuable business insights.	We deliver data protection and information security training via the internal platform to all employees, circulate regular data security updates, and send phishing test emails, to raise awareness.



Climate Action



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

Environmental Management

We have established comprehensive policies including our [Environmental Policy](#), [Packaging & Waste Policy](#), [Water Policy](#) and [Climate Policy](#), each of which is regularly reviewed and updated. All policies are available on our website.

We have implemented the Operations Management Systems (OMS), Voyager Plant Optimisation (VPO) and Distribution Process Optimisation (DPO) across our APAC operations. The Environment pillar of VPO aligns our environmental management with Bud APAC’s environmental policy and strategy, as well as the ISO 14001 standards. All business units (BUs), suppliers, contractors and business partners working with Bud APAC must strictly adhere to these standards.

In 2023, 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 material environment-related fines or penalties.

Climate Action

Our KPIs, Progresses, Goals and Targets

UN SDGs	Our Goal	KPI Measurements	2017 Baseline	Progress in 2022	Progress in 2023	2025 Target
Goal 7: Affordable and Clean Energy 	To increase purchased electricity from renewable sources	% of purchased electricity from renewable sources	0.1%	36.1%	66.4%	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%	19.7%	23.8%	25%
Goal 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%	45.9%	60.8%	35%
	To reduce the energy intensity of our own operations	% reduction of energy intensity [megajoules/hectoliter] of production of our own operations	0%	26.6%	30.9%	36%

Our Risks and Opportunities

With increasing global temperatures and a rise in extreme weather events, climate change may have diverse impacts on our business, value chain, and communities. The natural environment, which plays a vital role in our operations, may be significantly affected particularly in terms of agricultural productivity and water

availability. As water becomes scarcer in various regions, we may face risks in sourcing other critical natural ingredients.

Our reliance on agricultural commodities such as barley, hops, rice, corn, wheat and various fruits makes us susceptible to weather fluctuations, droughts, and plant diseases.

Our Policy

Please refer to our publicly available [Climate Policy](#) for more information about our position and strategies regarding climate action.

Our Vision and Ambition

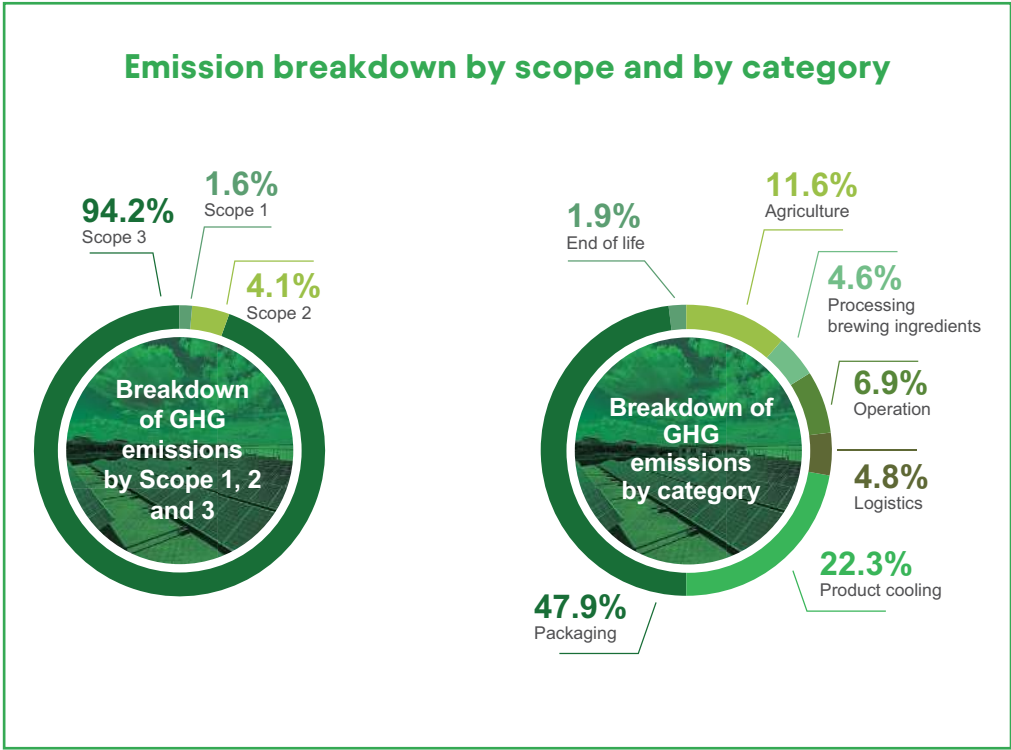
We have the ambition to reach net zero across our value chain by 2040, with

an interim target of achieving 100% renewable electricity within operation and reducing GHG emission intensity by 25% across our value chain by 2025, aligned with our Science-Based Target. This ambition prioritizes the reduction of GHG emissions from our operations as well as across our value chain and allows us to prioritize climate-related risks and identify opportunities that are significant to us.

Our Approach

Equipped with a comprehensive understanding of our GHG emissions throughout the value chain, we have developed a decarbonization plan that identifies key reduction opportunities, including:

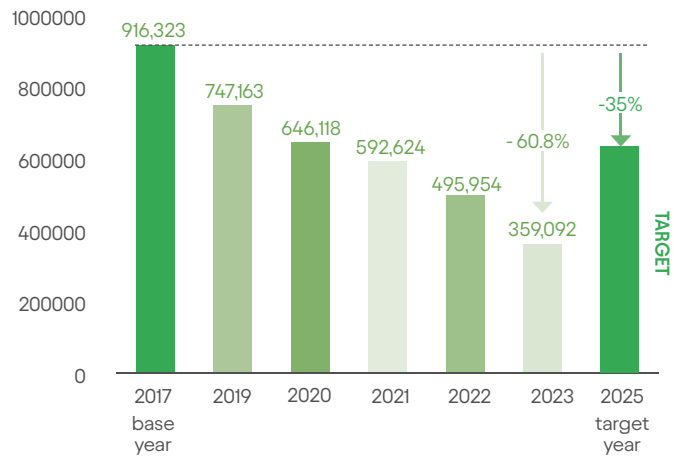
- Enhancing operational and energy efficiency at the brewery level through the adoption of advanced technologies to minimize GHG emissions;
- Incorporating low-carbon energy sources throughout our operations and value chain;
- Encouraging energy-efficient and low-emission practices among our value chain partners, particularly strategic suppliers for packaging and raw materials, as well as logistic partners;
- Supporting our suppliers to build their carbon baseline and decarbonization roadmap, we facilitated carbon footprint mapping for 40 suppliers and 90 sites.
- Promoting circularity initiatives to mitigate GHG emissions originating from packaging and waste;
- Pioneering innovative cooling solutions as alternatives to conventional refrigerants;
- Exploring nature-based solutions to eliminate any remaining GHG emissions; and
- Collaborating with industry stakeholders, policymakers, non-governmental organizations (NGOs), and other key actors to foster innovation and drive progress.



Bud APAC's Carbon Reduction Progress

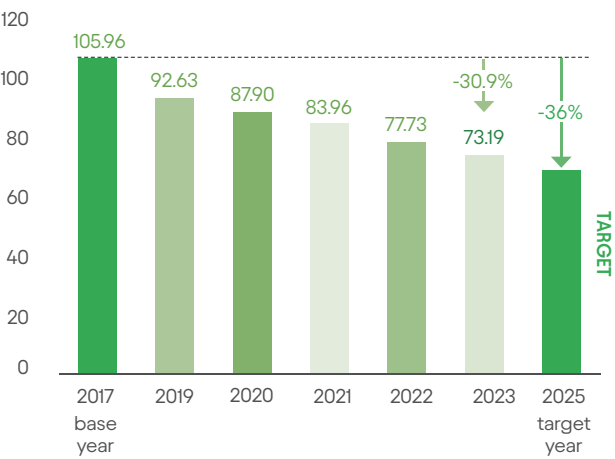
Absolute Emissions from Own Operations (Scope 1 and 2)

Market-based
Unit: tons of CO₂



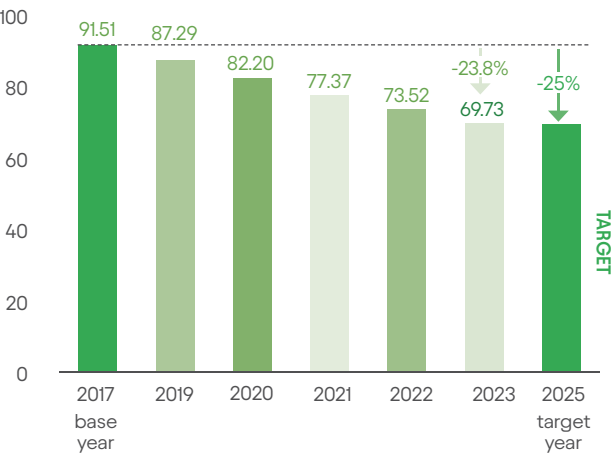
Energy Intensity of Own Operations

Unit: Megajoules / hl of production



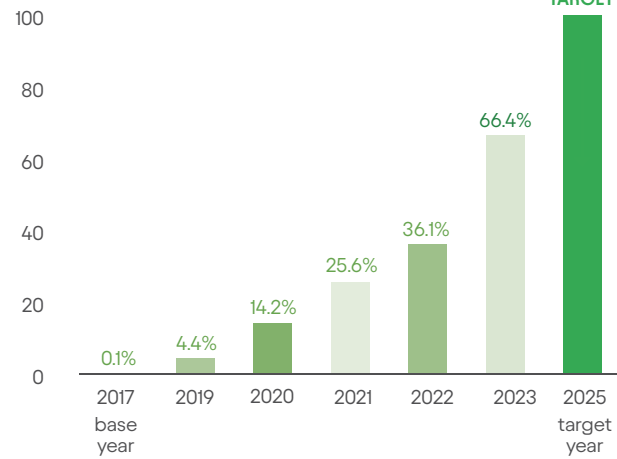
Emissions across the Value Chain (Scope 1, 2 and 3)

Unit: tons of CO₂ / hl of production



Percentage of Electricity from Renewable Sources

Unit: %



Task Force on Climate-related Financial Disclosures

We have assessed our business operations using the guidelines set forth by the Task Force on Climate-related Financial Disclosures (TCFD) to communicate climate change-related risks and opportunities for 2023. We have included our assets in the assessment of both physical and transition risks and aligned our decarbonization targets with a 1.5°C emission reduction pathway. We are also looking to turn our climate-related risks into opportunities through risk adaptation and mitigation. With the IFRS Foundation taking over the TCFD’s monitoring responsibilities as of January 2024, we acknowledged the ISSB standards continue to pave the way for global sustainability reporting, we will adapt the newest available standard for our future reporting.

With our detailed climate risk assessment, we want to highlight our efforts to reduce our contribution to climate change, our initial analysis of the relationship between climate impact and our business; and our actions when responding to identifying risks and opportunities arising from a changing climate.

The climate risk assessment follows the four elements of the TCFD framework whereas in this section we focus on the risk management element, with the additional elements covered in other sections of this report.

Transition Risks and Opportunities

As part of the climate risk assessment, we have identified a number of material risks and opportunities within our key assets (breweries and distribution centers in APAC) that may arise from changes in policy and legislation, technological advances, changing consumer attitudes or market conditions.

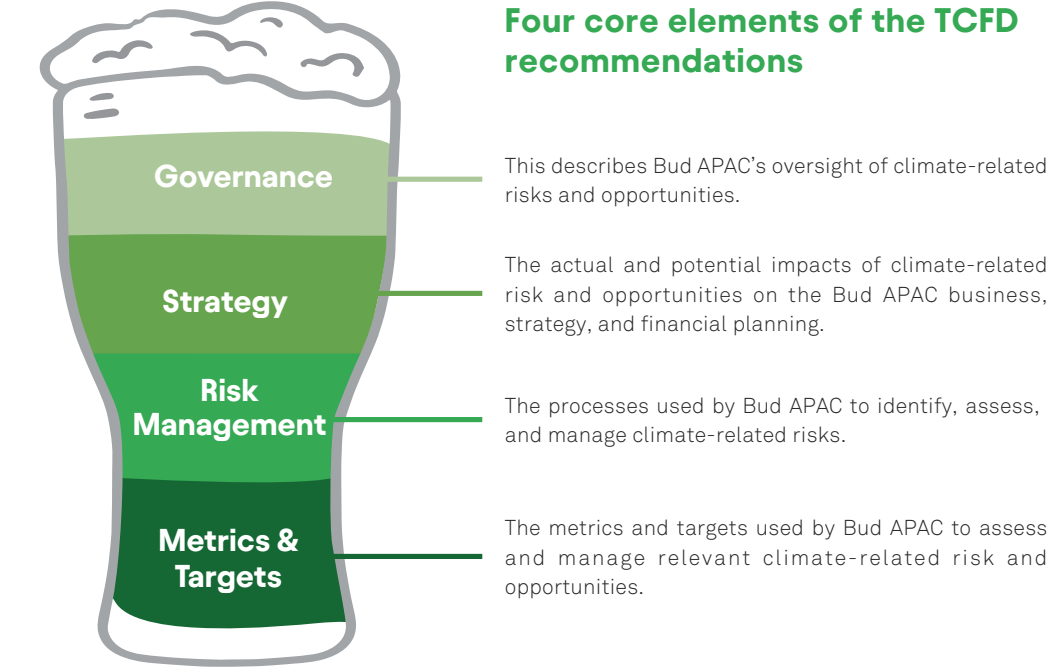
Transition Risks and Opportunities, Categories and Potential Relevance to Bud APAC

Policy and Legal

- Potential carbon pricing, including carbon taxes or cap and trade systems, in the jurisdictions where we operate
- Comprehensive product-level environmental information, covering Scope 3 emissions and carbon sequestration

Market

- Shifts in consumer preferences towards brands offering low carbon products
- Volatility in natural gas, aluminum, and glass prices
- Rise in the use of recycled packaging for cost savings and to align with growing consumer demand for low-carbon materials



Technology

- Advancement of low carbon refrigerants for carbon emission reduction
- Technological enhancements for energy-efficient equipment, involving capital and operating expenditures
- Adoption of low carbon transportation, such as electric vehicles (EVs), with associated CAPEX and OPEX
- Decreased reliance on fossil fuels for heating through the promotion of electric power and the integration of renewable energy sources

Reputation

- Heightened customer and societal demands
- Decrease in brand value resulting from insufficient transformation initiatives and ineffective communication

Key transition risks and initial mitigation

Transition Risks	Risk Adaptation and Mitigation
Carbon pricing	- Mitigate greenhouse gas emissions across Scope 1, 2 and 3 operations. - Transition to energy-efficient facilities and machinery. - Enhance the proportion of renewable energy in our energy portfolio. - Collaborate with value chain partners to collectively reduce greenhouse gas emissions.
Low carbon transportation	- Incorporate Electric Vehicles (EVs) into our fleet through investments. - Collaborate with logistics companies that have committed to transitioning to EVs. - Streamline product distribution planning to minimize unnecessary transportation. - Implement energy-saving measures in distribution centers, such as upgrading the lighting system. - Forge strategic logistic alliances with service providers to promote decarbonization.
Low carbon heating	- Invest in low carbon heating systems that are not dependent on fossil fuels (e.g., biomass, solar, electric). - Improve heating efficiency ratio and heating recovery methods. - Sponsor the innovative pilot study in 100+ Accelerator & 100+ Innovation Lab.
Recycled packaging	- Employ advanced technologies like Narrow Neck Press & Blow to decrease packaging weights. - Allocate resources to packaging methods and processes that are energy efficient. - Enhance the utilization of recycled packaging materials such as glass, paper and aluminum. - Invest in biodegradable packaging solutions. - Collaborate with packaging and materials associations to adopt industry-leading practices.



Physical Risks and Opportunities

We acknowledge that a shifting climate will amplify the physical risks faced by our assets throughout the APAC region and global value chain. These risks stem from shifting weather patterns, heightened occurrence of extreme weather events and changes in water availability. It is essential to consistently assess our potential physical climate risks. The physical risk assessment included potential impacts on our business associated with our mitigation plan.

Possible impacts on business operations due to physical risks and risk adaption and mitigation

Physical Risk	Potential Impacts on Business Operations of Bud APAC (unmitigated impacts)	Risk Adaptation and Mitigation
Extreme heat Extreme cold	- Higher energy consumption for indoor climate control, whether for personnel or temperature-sensitive equipment, can result in increased operational expenses. - Decreased availability of raw materials (e.g. reduced crop yields at supplier locations) and efficiency of temperature-sensitive equipment can lead to an increase in the cost of sales, a decrease in beverage production and a decline in revenue.	For Assets: - Develop contingency plans to ensure uninterrupted business operations, including measures like adjusted work schedules and stop work procedures. For Supplier Sites: - Collaborate with academic institutions and local farmers to implement low carbon and heat-tolerant breeding practices.
Flooding, including coastal flooding, extreme rainfall flooding and river flooding Tropical cyclones	- Higher capital expenditures may be necessary to address repairs or equipment and infrastructure replacement. - Production and supply chain disruptions can result in decreased revenue. - Additional operational expenses may be incurred for debris cleanup on critical access routes or rerouting product deliveries.	- Establish an emergency mechanism and procure necessary flood control materials to ensure preparedness. - Maintain the drainage channel by dredging it and regularly clearing debris from the outlet. - Enhance drainage capacity by expanding the network of drainage channels and outlets. Conduct routine inspections of the rainwater pipe network. - Elevate electrical equipment above the designated emergency water level. - Develop comprehensive risk management plans to address extreme wind speeds and flooding, including evacuation protocols and identifying alternative storage facilities for products and valuables. - Incorporate building design regulations that incorporate measures to protect against high winds. - Establish a business continuity plan to ensure uninterrupted operations during adverse events.
Water stress and drought	- Impacted by this chronic risk, increased operational expenses can arise from elevated water costs during periods of water scarcity. Additional expenses may be incurred in procuring alternative water sources. - Decreased operational capacity of water-intensive processes can result in reduced beverage production and revenue decline.	- Construct water storage tanks to store and conserve water resources. - Develop multiple water supply networks, including municipal water supply, groundwater, and reservoir water sources. - Ensure adequate water replenishment to enhance water availability in surrounding watersheds. - Implement an internal closed-loop water treatment system within the factory premises to reduce reliance on external freshwater supply. - Constantly improve water efficiency for beer brewing.

Our initiatives

Further Decarbonization

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

Scope 1 and Scope 2	
Actions	
Electricity from renewable sources	
China 10 breweries achieved RE100. 14 breweries in China have in place to implement solar panels, with totally 36 million kWh of electricity generated in 2023. - Our Jinzhou brewery in China became the first in APAC to pilot Carbon Capture Utilization and Storage (CCUS) technology within the beer industry. By capturing carbon dioxide (CO₂) generated during the fermentation process, we have been able to transfer CO₂ surplus at a high (99.99%) purity level to facilitate natural energy resource recovery at a nearby partner site. Impact Sourced 72.70% of our electricity from renewable sources, reducing 45.22% of emissions within our own operations (Scope 1 & 2) in 2023. South Korea OBC has pioneered the installation of solar panels in the South Korean liquor industry, starting with their Gwangju brewery. Furthermore, solar panels will be installed at the Icheon and Cheongju breweries by 2024. Once all installations are completed, the combined solar panels at the three breweries will generate around 12 million kWh of renewable electricity per year. Impact Sourced 11.72% of our electricity from renewable sources, reducing 7.15% of emissions within our own operations [Scope 1 & 2].	India 6 breweries in India have in place or are contracted to implement solar panels for the on-site generation of renewable electricity. The solar panels installed in breweries generated in total 13.09 million kWh of electricity in 2023. Our Mysore 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 energy ratio to 92% in the brewery. Impact Sourced 23.52% of our electricity from renewable sources. Vietnam The solar panels installed in the 2 breweries generated in total 1.2 million kWh of electricity in 2023. Impact Sourced 14.58% of our electricity from renewable sources. 

Case Study: Further Decarbonization in Our Brewery with Industry-first Electric Boiler Installation

Our Ziyang Brewery in Sichuan, China became the China beer industry's first to install electric boilers using hydropower in 2023. The electric boilers replaced the natural gas ones to generate steam with a newly constructed power generation and storage system. Leveraging the peak-valley power pricing to achieve cost-effectiveness, the system generates and stores the heat by the off-peak hours electricity (the price is 72% lower than peak hours) to meet the brewery's steam production needs throughout the day.

In addition to the power cost-effectiveness, we strategically took a sustainable project model, "Energy as a Service (EaaS)", to capture the transition opportunity with financial benefits. We have formed a partnership with the selected service provider for a 20-year procurement contract who invested approximately RMB40 million in the infrastructure and equipment for the whole system, with a building area of around 3,000 square meters within Ziyang Brewery.

The project includes the construction of a new 25 MW electric steam boiler, two 1,000 m³ high-pressure energy storage tanks with a daily steam supply capacity of 250 tons, a new 25.5 MW high-voltage distribution system, a new purified water system, and an intelligent energy management platform. The project is expected to realise a reduction of approximately 7,000 tons of CO₂ emissions.



Scope 3

Actions

Agriculture

Exploring Carbon Capture through Agriculture

By the end of 2023, we have identified three farms with large-scale production, high yield and high production value for calculating carbon emission intensity in China. We investigated the impact of different fertilizer management practices on barley's soil, organic carbon and greenhouse gas emissions. Through developing a practical and efficient model for carbon sequestration and emission reduction, we aim to increase productivity while reducing carbon emissions. In 2024, the project will conduct field test demonstrations, analyze and provide feedback on the field experiment results. It will also outline Budweiser's "Low-Carbon Barley" Transformation Roadmap.

Impact

- Mitigating climate-related risks to barley cultivation.
- Investigated fertilizer management's impact on carbon emissions.
- Developing a model for carbon sequestration and emission reduction.

Green Logistics

Bud China and Air Products Sign Strategic Cooperation Agreement to Jointly Drive Green Logistics Development

During the 6th China International Import Expo, Bud China and Air Products entered into a strategic cooperation agreement. The agreement aims to explore opportunities for deeper collaboration in hydrogen supply services and the deployment and demonstration of hydrogen fuel cell vehicles. The objective is to drive the development of green logistics across various sectors and practical application scenarios.

Impact

- Reduced carbon emissions in logistics operations.
- Increased adoption of low-carbon practices in transportation and logistics.
- Support our ambition to achieve net zero across our value chain by 2040.

End of life

Scrap Cooler Recycling

In 2023, we established a partnership with Haier, a leading cooler manufacturer, to launch a pilot program specifically designed for Bud APAC's commercial cooler cycle process. Under our guidance, Haier successfully recycled 7 commercial coolers that were previously used by Bud APAC. These coolers were carefully dismantled, and their components, such as glass, metal, and plastics, were sorted for reuse in manufacturing. This pilot initiative resulted in a significant reduction of 45.69kg in carbon emissions, highlighting the feasibility and benefits of commercial cooler recycling and paving the way for future scalability. In 2024, we will continue collaborating with our partners to define comprehensive cooler recycling plans and implement corresponding actions.

Impact

- Successful commercial cooler recycling pilot project.
- Setting precedent for scalable recycling model for future expansion.



Water Stewardship



Disclosure Items: GRI 303; HKEX A2, A3

Our KPI, Progress, Goals and Targets

UN SDGs	Our Goal	KPI Measurements	2017 Baseline	Progress in 2022	Progress in 2023	2025 Target
Goal 6: Clean Water and Sanitation 	To improve water availability and quality in our communities in high-stress areas	% of our breweries in APAC have conducted local activities, identified water issues specific to their community and found appropriate solutions	0%	100%	100%	100%
	To achieve water usage intensity of 2.0hl/hl in all areas including 100% of high-water stress areas	% reduction [hl/hl] of water usage intensity since 2017	0%	26%	32%	33%
	Promote water reduction program among our suppliers, encouraging them to reduce water usage throughout their operations	% of operation facilities that applied water reduction program	100%	100%	100%	100%

Our Risks and Opportunities

We often say “No water, No Beer.” The concurrent consequences of population growth, economic development and climate change have played a significant role in the escalation of water stress worldwide. The persistent rise in demand and pollution, coupled with the fluctuating patterns of weather and water cycles, will continue to exert an influence on water availability. Our sourcing of agricultural commodities hinges upon the provision of a reliable and superior water supply.

Our Policy

Please refer to our publicly available [Water Policy](#) for more information about our dedication to minimizing water discharges, reducing water usage intensity and enhancing water availability and quality.

Our Vision and Ambition

Five of our breweries are situated near three watersheds that have been identified as experiencing “high water stress” in India. We have reaffirmed our objective to attain an average water usage rate of 2.0hl/hl in the APAC region, encompassing areas with high water stress by 2025.

Our Approach

Water aspects	Our process	Relevant water users	Our management
Water Withdrawals	To produce our beverages, our breweries source water from various providers, including third-party water utilities, groundwater, and surface water. However, water withdrawal for the purpose of exporting to third parties is not included in our reporting scope, as it is not utilized by our own operations within the breweries under consideration.	- Local communities - Water utilities	Water withdrawal is quantified and documented on a monthly basis for all sites, irrespective of the water source. This measurement and reporting process is aligned with crucial production levels and conducted on an eight-hour per shift basis, allowing for continuous benchmarking and necessary corrective actions. Additionally, water withdrawals are reported for each individual site based on the specific water sources utilized.

Water Consumption¹/
Water Usage²

Agriculture (Supply Chain):

Water is utilized in agricultural processes for the agricultural products we procure, however, it is not included in our water consumption or usage data as it falls outside the reporting scope for brewery operations.

Conversion of Brewing Ingredients (Supply Chain):

Our suppliers require water to convert raw materials and agricultural produce into ingredients for our products. For instance, the conversion of barley into malt necessitates water. Nevertheless, this particular process is not accounted for in our water consumption or usage data as it lies beyond the reporting scope for brewery operations.

Brewing Operations (Our Operation):

Water is consumed in our breweries for production and operational purposes.

Sanitary Water Use (Our Operation):

Within our breweries, we provide clean water for workers' handwashing, toilet flushing and showering.

End of Life (Our Operation):

As part of the water treatment process, some wastewater is evaporated into the atmosphere before entering the biological treatment system. During this phase, water is lost and considered as part of our consumption.

- Our farmers [supply chain] We perform water risk assessments at all of our breweries including the ones in water-stressed regions.
 - Our production and operations Our objective is to decrease overall water consumption by implementing enhancements in water usage efficiency. Annually, we expand the number of facilities that reuse reclaimed water. Furthermore, newly established beverage operations adhere to strict guidelines for increased levels of reclaimed water reuse.
- We ensure the provision of fully operational and secure WASH (Water, Sanitation and Hygiene) services to all workers.



¹ Water consumption includes water contained in our final product and water loss from evaporation before treatment.

² Water usage includes water consumption (see the footnote above) and water being reused in operation.

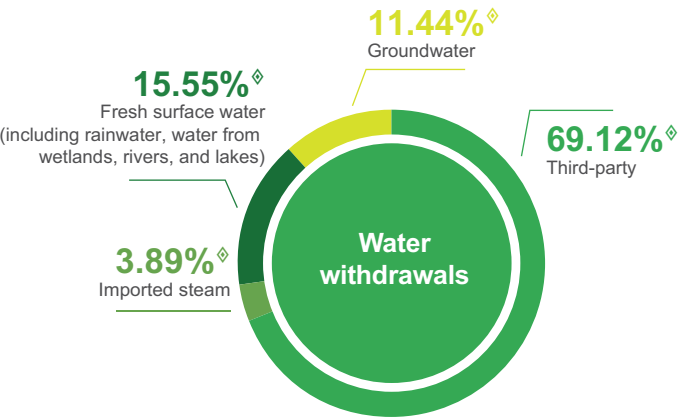
Water aspects	Our process	Relevant water users	Our management
Water Discharges	The majority of effluent from our breweries is directed to registered third-party treatment facilities, while a smaller portion of treated effluent is discharged into surface water.	Local communities	We subject all wastewater from our breweries to treatment through an internal biological treatment plant before appropriately discharging it into surface waters or municipal wastewater treatment plants. The daily recording of wastewater discharge volume and location is managed in our VPO data management system. Our objective is to progressively decrease discharge quantities by implementing recycling and reuse practices for the treated wastewater.
Water Intake Quality	Conversion of Brewing Ingredients and Brewing Operations Ensuring compliance with food safety standards and adherence to relevant limits is crucial, particularly when it comes to the water utilized in the production of our beverages.	Our production and operations	We have established standardized procedures and protocols to measure and monitor the quality of water withdrawals. Water quality data is diligently recorded and tracked using our VPO data management system. Any discrepancies between the incoming water quality and internal specifications are promptly addressed for each water intake. Certain parameters, such as pH value, are regularly checked for every brewery.

Our Water Footprint

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

Water withdrawals

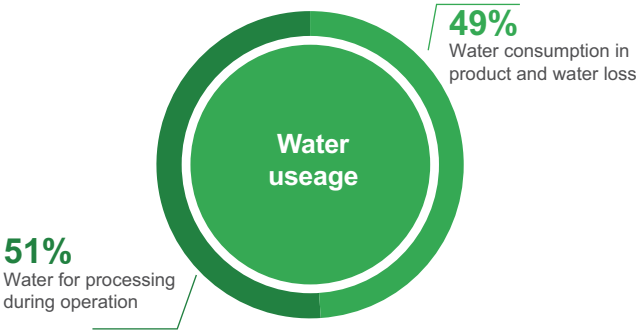
Brewery water withdrawal by source:



We do not withdraw from brackish surface water/ seawater or produced/entrained water.

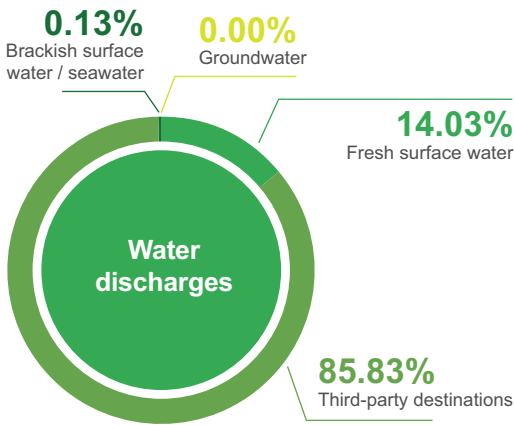
Water usage

Brewery water usage by purpose:



Water discharges

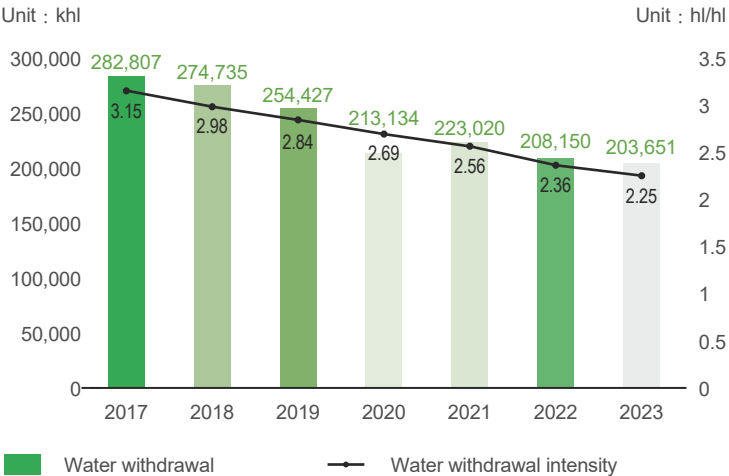
Brewery water discharge by destination:



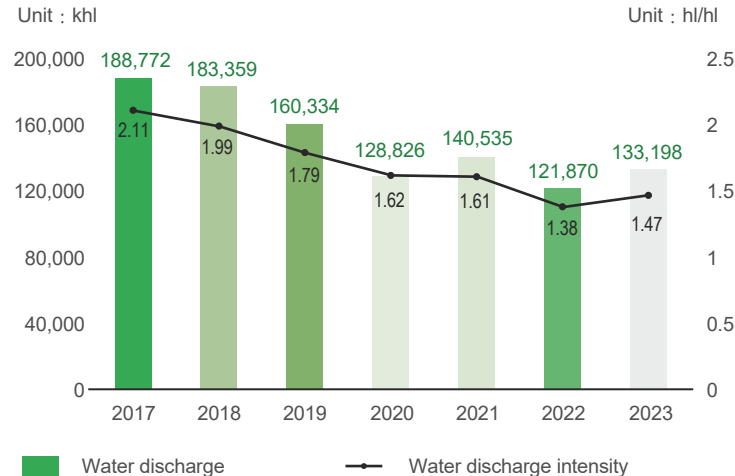
Details of our water management and engagement with water users can be found on our website, where you can also view our responses to the [CDP](#) Water Security Questionnaire 2023.

Water breakdown:

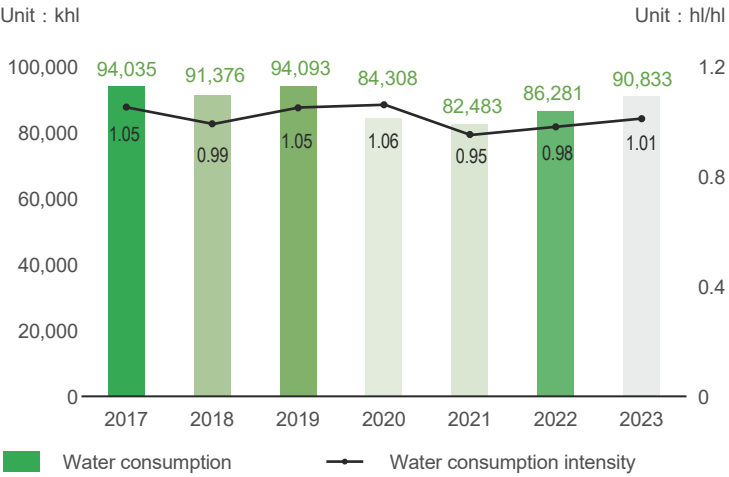
Water withdrawal



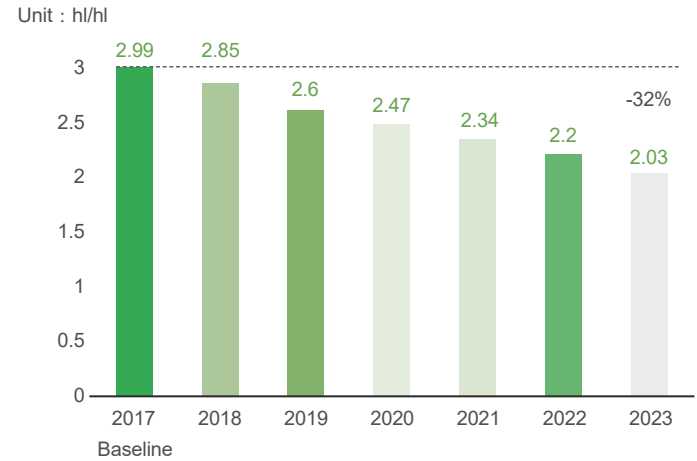
Water discharge



Water consumption



Water use intensity



Our Initiatives

Actions

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.

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.

Impact

Update water risk mapping among our breweries. Five of our breweries in India are located in three high water stress areas, this represents 3.8% of total volume of company-wide breweries across APAC.

Water Consumption/Usage

Water Management Due Diligence on Suppliers

To assess the water stewardship practices of our suppliers and gather valuable insights for designing a comprehensive water value chain engagement program, we have implemented a structured working procedure. This procedure involves evaluating 14 supplier sites through various measures. Firstly, we conduct Water Risk Assessments using Aqueduct to identify potential risks and vulnerabilities. Additionally, we evaluate the Water Consumption Rate through Water Balance calculations to gain a better understanding of water usage patterns. To further enhance our evaluation process, we benchmark the suppliers’ practices against industry best practices using a Scorecard approach. To improve awareness and knowledge, we have launched online webinars focusing on water risk assessment and emergency response planning. We encourage the development of robust water strategies and management plans, including initiatives for water reuse and recycling. In line with our commitment to sustainable water management, we expect all suppliers to establish effective water targets, which we will diligently track on an annual basis.

Impact

Raise water efficiency awareness among suppliers with improved value chain water management.

Water Discharge

Monitoring of Quality and Quantity of Wastewater Discharge in India

We have implemented various methods to enhance water efficiency within our breweries through a rigorous water management program. This program includes the adoption of advanced technologies such as Electro Dialysis Reversal, Multi-Effect Evaporators, and Wastewater recovery plants, which enable us to achieve Zero Liquid Discharge (ZLD). At two of our breweries in India, we have successfully implemented ZLD strategies, incorporating cutting-edge water treatment facilities with Reverse Osmosis (RO) systems. These installations allow for efficient water recycling and on-site utilization for various purposes. Notably, these two breweries have achieved 100% ZLD and one of them is in high water risk area. In addition, we have implemented VPO to drive efficiencies at our plants. This continuous audit process enables us to improve the water discharge in all our plant operations, ensuring optimal performance and resource utilization.

Impact

Two breweries in India have achieved 100% Zero Liquid Discharge in their brewing operations.

Creating Water Recharge Capacities for Water-Stressed Areas in India

We replenished approximately two times (199%*) of the water to the water-stressed areas in India, which is very close to our target “replenished two time water in the high water-stressed areas compared to our consumption” by 2025. To improve water use efficiency, we collaborate with farmers and employ technologies such as low-elevation sprinklers, drip irrigation and precision and variable rate irrigation systems. These efforts benefit both the watershed and the farmers, leading to improved crop yield and quality, optimized land use and reduced risks in crop investments. In partnership with organizations such as Water Aid and Samhita, we work towards water conservation and enhancing water access and security in water stressed villages near our operational areas. In 2023, we worked with our partners on water-demand management through training and awareness sessions. These activities aim to improve water availability and accessibility for the communities we serve. We will continue with our efforts to support the water-stressed areas with more investment and tailored solutions to align with our water stewardship strategy.

Impact

Water replenishment rate reached 199% in water-stressed areas in India.

Case Study: Water Supply Chain Management – Improving Water Efficiency and Quality within and beyond Our Brewery Operations

In our water stewardship initiatives, we have undertaken diverse projects to improve water management and sustainability, especially in the high-water risk areas in India. These efforts include commissioning and installing an ultrafiltration system, alongside implementing a Reverse Osmosis (RO) system for further treatment. Progress has also been made in improving weak wort recovery and achieving stability at the biological treatment system (BTS) facility. To optimize resource use, we have successfully integrated hot water recovery from the brewhouse and adjusted bottle washer nozzle sizes to enhance water efficiency. Furthermore, automation of the brewhouse Cleaning-In-Place (CIP) process using a conductivity meter ensures precise and efficient cleaning. Waste reduction and resource conservation efforts include trub recovery and water push techniques. Additionally, a system has been implemented to enable flushing water recovery for reuse in our belt press operations. These initiatives collectively underscore our commitment to sustainable water management, resulting in significant reductions in water consumption across various operational domains. It is notable that we have five breweries in three high water risk areas and one of them achieved 2.0 hl/hl water usage for beer brewing in 2023.

Beyond operational enhancement, Bud APAC, in collaboration with WaterAid India, has extended its focus to community water access as part of a holistic water supply chain management approach. Our partnership revolves around implementing our 7-step Watershed Management Process and our innovative solution - constructing soak pits surrounding borewells. These pits efficiently collect surface run-off water, replenishing groundwater and mitigating water scarcity challenges. Consequently, farmers benefit from preserved farmland, alleviating the burden of inadequate water supply. Additionally, WaterAid India and Bud APAC are assisting farmers in installing sprinklers to promote efficient crop irrigation, minimizing water wastage and fostering sustainable farming practices. This holistic approach to water supply chain management underscores our dedication to enhancing water efficiency and quality both within and beyond our brewery operations.



7-step Watershed Management Process



Circular Packaging



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

Our KPIs, Progresses, Goals and Targets

UN SDGs	Our Goal	KPI Measurements	Progress in 2022	Progress in 2023	2025 Target
Goal 12: Responsible Consumption and Production 	100% of our products 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	63.2%	64.8%	100%
	To increase products in returnable packaging	% of products in returnable packaging	50.2%	49.4% [§]	100%
	To increase products in one-way packaging made from >50% recycled content	% of products in one-way packaging made from >50% recycled content	13%	15.4%	
	To increase % of primary packaging made of recycled content	% of primary packaging made of recycled content	51.4%	54.4%	>50%
	To increase recovery volume of our primary packaging materials	Weight in tons	147,528	111,398	120,000
	To increase recycling of by-products and waste	% recycling of by-products and waste	99.96%	99.87%	No target

Our Risks and Opportunities

We are dedicated to enhancing the circularity of our packaging materials and minimizing the impact to the environment. By embracing circular packaging, we not only reduce our impact on limited global resources but also reap long-term financial advantages. This circular approach is crucial in addressing climate change since packaging contributes significantly (47.9%) to our overall GHG emissions. To effectively tackle packaging and waste issues, such as

China’s landfill problem and environmental pollution in India, it is essential to foster innovation, collaboration, and education across boundaries and sectors.

Our Policy

We strive to minimize waste throughout our packaging life cycle by implementing various measures. Our publicly available [Packaging and Waste Policy](#) serves as a guide for our operations. It helps us avoid unnecessary consumption, choose

sustainable alternatives, and appropriately reuse and dispose of materials.

Our Vision and Ambition

At Bud APAC, we understand the importance of promoting circularity and waste reduction. As part of our commitment, we aim to ensure that 100% of our products are either packaged in returnable containers or made from materials with a majority composition (>50%) by 2025.

Our Approach

Waste Management in Our Operation

- Evaluate waste generation and landfill diversion within our operations and throughout the value chain to identify areas for reduction and promote circularity.
- Implement green procurement practices to minimize waste at the source by eliminating single-use supplies and collaborating with suppliers in accordance with our [Responsible Sourcing Policy](#).

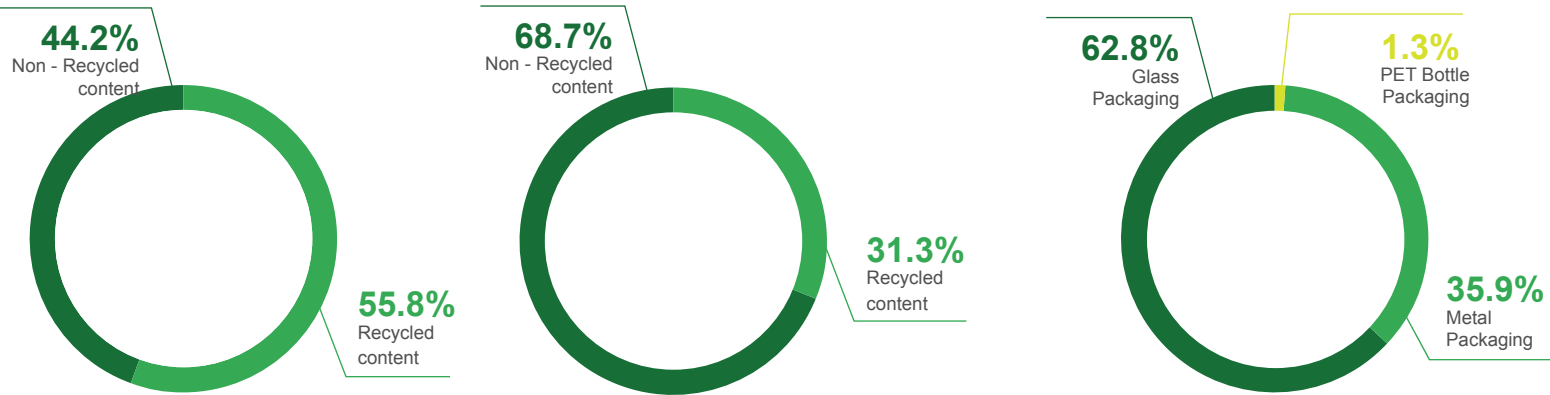
Circular Packaging

We are on a mission to create a more sustainable and circular future. By focusing on innovative packaging solutions, we drive progress in our industry and beyond.

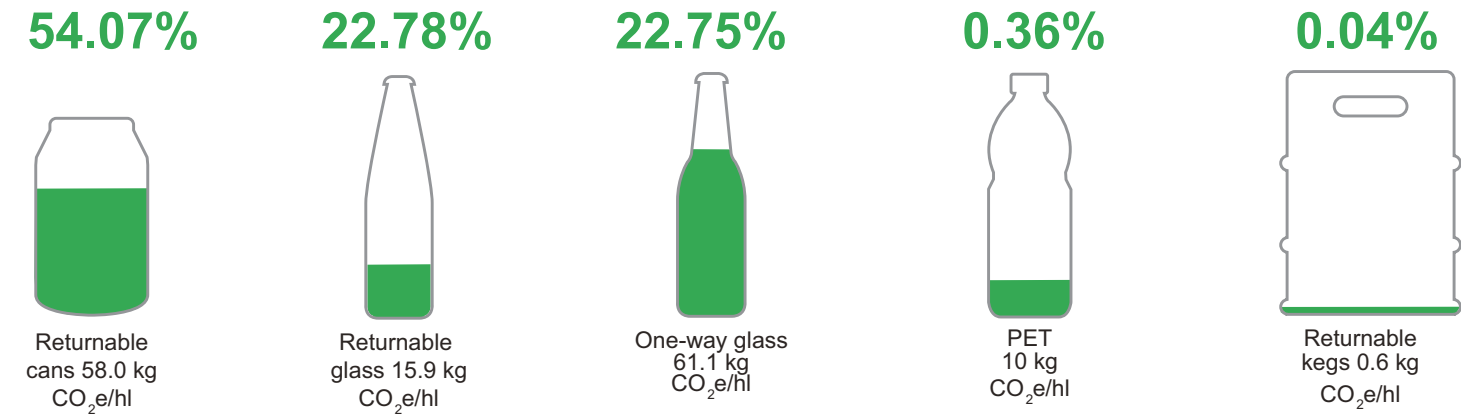
- Innovate** – Foster collaboration with start-ups that drive advancements in packaging innovations through our 100+ Accelerator platform and our APAC Sustainability and Procurement Innovation Lab.
- Reduce** – Utilise technological advancements (e.g., lightweighting) and redesign our packaging to minimize material consumption across all packaging types.
- Reuse** – Enhance the reusability of our packaging to extend its lifespan.
- Recycle** – Incorporate recycled and/or recyclable materials into our packaging to promote a circular economy.
- Recover** – Work in partnership with local communities and governments to improve the recovery rate of used packaging.

Our Footprint

Primary packaging portfolio

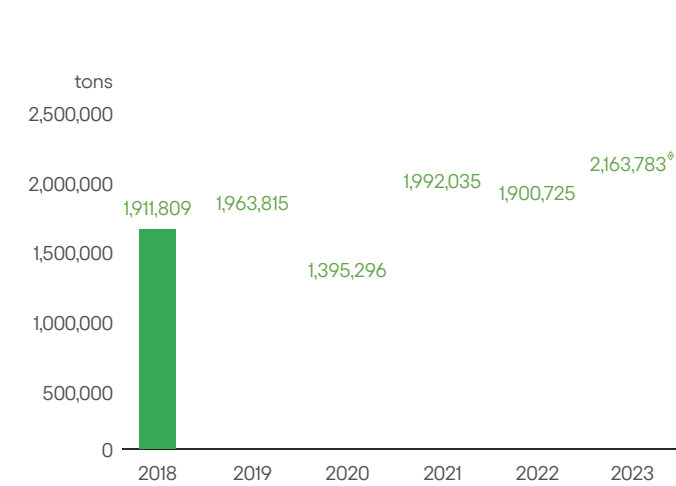


GHG Emissions By Packaging Type

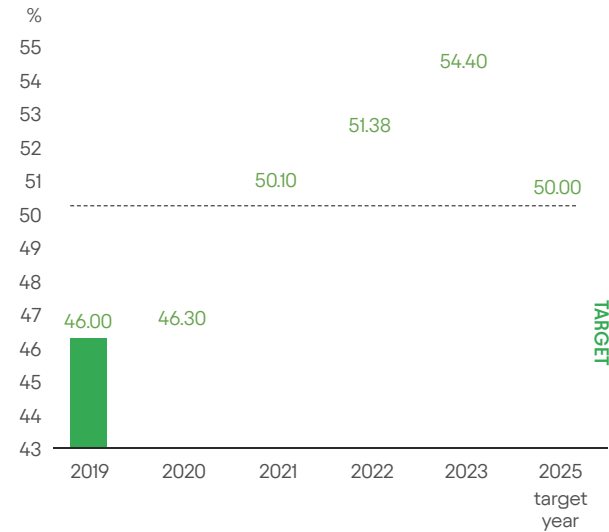


Overall packaging by packaging materials

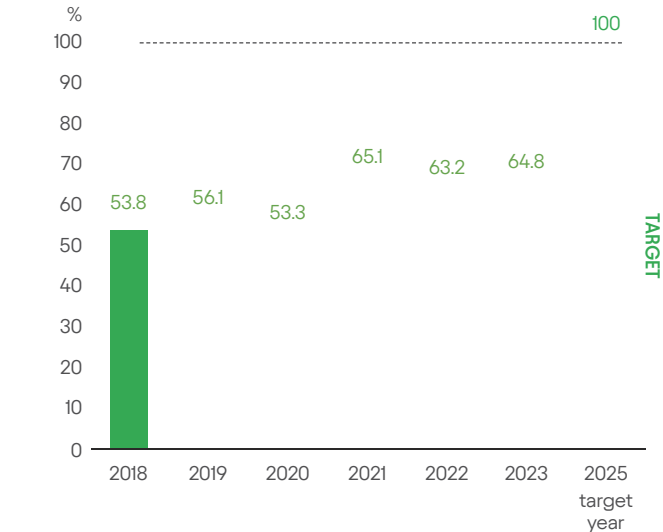
Total packaging materials used for finished products



Percentage of recycled content used in primary packaging

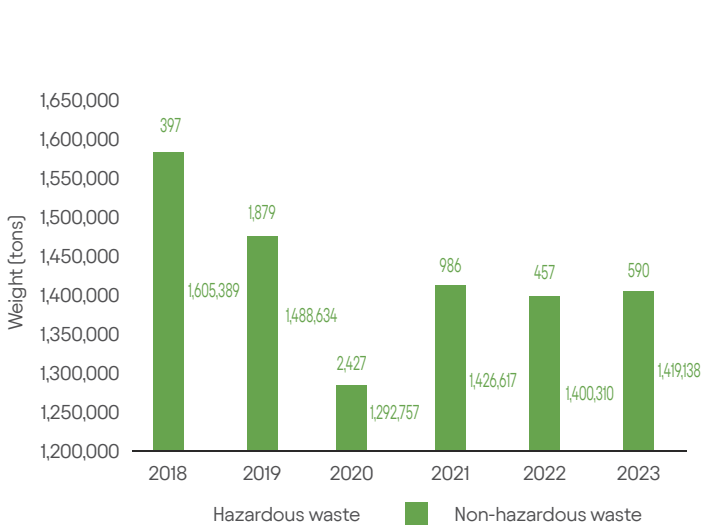


Percentage of returnable & majority recycled content

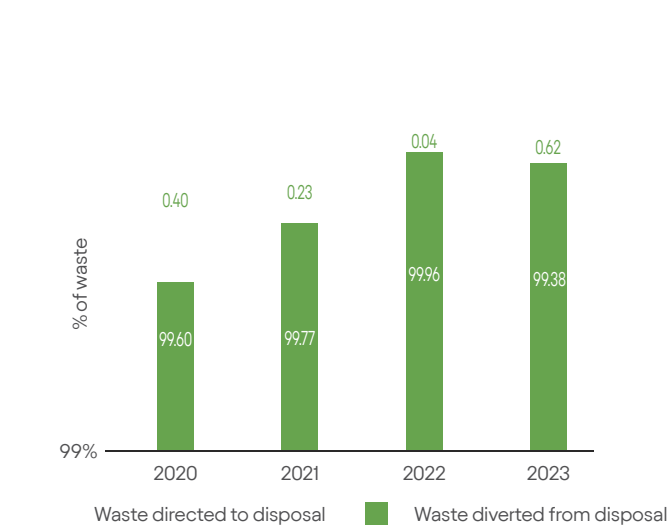


Waste footprint

Waste type



Waste route



Initiatives

Waste Reduction Opportunities in Packaging Design

Returnable Packaging

We adopt circular packaging design, such as returnable bottles, to reduce GHG emissions and drive more sustainable consumer behavior. Going forward, we remain committed to enhancing returnable rate across all markets, aiming for continuous improvement in our sustainability efforts.

Impact

We have achieved a collection and refill rate of over 80% of our returnable bottles, which are strictly sanitized and reused to package beer in APAC. Vietnam leads in bottle returnable rate with over 100%, South Korea is around 99.5%. while China exceed 81%, and India surpasses 48%. (Bottle returnable rate = Returned bottles/Beer sold in bottle of the year)

Recycled Contents in Packaging

To minimize the reliance on new materials and promote the use of recycled content, we have dedicated our efforts to developing a new technology in China. This innovation enables us to achieve 90% recycled content in our glass bottles.

Impact

Our primary packaging contains 54.4% recycled content.

Waste Reduction Opportunities in Manufacturing

Green Procurement and Repurposing

We have implemented green procurement practices to tackle waste reduction at its source by eliminating the use of single-use materials and supplies. By actively seeking environmentally friendly alternatives, we aim to minimize waste generation throughout our operations. Additionally, we strive to maximize opportunities for repurposing waste, ensuring that valuable resources are not wasted and can be utilized in other productive ways.

Impact

In line with the success of our initial Zero Waste Brewery in Taizhou, 5 of our breweries in China have begun adopting the Zero Waste Strategy.

Waste Reduction Opportunities in Logistic and Retailing

Sustainable Packaging Advances Distribution

We have employed advanced secondary and tertiary packaging solutions to support the handling, logistics and distribution of our beverages. These include recyclable shrink film, paperboard and reusable wooden pallets. Additionally, we prioritize the use of cartons made from 90% waste pulp for distributing our products in our breweries in China.

Impact

These measures enable us to optimize operations while minimizing environmental impact and promoting sustainability throughout the distribution process.

Post-Consumer Recovery Opportunities

Glass Bottle Recycling

In collaboration with our wholesalers, we have established a system for collecting cullet and disposable bottles. In China, we have streamlined the return process for glass bottles, enabling us to directly return the bottles to our glass supplier. This approach offers multiple benefits, including a stable and consistent source of recycled glass for our suppliers and the creation of a closed-loop recycling system that promotes sustainability.

Impact

Our suppliers collected 7,877 tons of cullet for recycling in 2023.

Can-to-can Recycling

In 2022, we forged partnerships with value chain partners to enable the recycling of used beverage cans (UBC).This innovative model has already been successfully implemented in our Putian, Foshan and Wuhan breweries in China.

In China, although used beverage cans are recycled and reused, which will be normally downgraded for construction materials and manufacturing. They are not ready to be transformed into Bud APAC cans. To enhance the amount of recycled content in our cans, we collaborate with industry partners in the collection and recycling chain. Together, we aim to establish a closed-loop solution for UBC, enabling a can-to-can recycling process.

Impact

Over 246 tons of waste cans have been collected in the China market.

Case Study: The Lightest Beer Can in China

Bud APAC has developed unique packaging solutions, from packaging design and post-consumer recovery to public education and awareness building. In 2023, Bud APAC launched its lightest aluminum can for beer in China, with its 330ml can weighing only 9.57g, 4% lighter than the industry average. The average carbon footprint per can is only 185g, nearly 100g lower compared to the 2017 baseline. Bud APAC's aluminum packaging has helped to reduce more than 40,000 tons of carbon emissions, compared to the 2017 baseline, through continuous efforts, with carbon emissions per can down by over 30%.

To increase awareness about aluminum can recycling and foster collaboration among value chain partners, Bud APAC hosted a can-to-can event at the Putian Brewery in 2023 with APAC executives and employees, China Alcoholic Drinks Association, China National Institution of Food & Fermentation Industries, value chain partners, local government and media. The event allowed to demonstrate the results of Budweiser APAC's pursuit of "Can-to-Can" closed-loop recycling and carbon emissions reduction through various aluminum-related approaches.



Sustainable Agriculture



Disclosure Items: HKEX A3

Our KPIs, Progresses, Goals and Targets

UN SDGs	Our Goal	KPI Measurements	Progress in 2022	Progress in 2023	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	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	100% of our direct farmers are skilled, 100% are connected and 100% are financially empowered
Goal 15: Life on Land 					

Our Risks and Opportunities

Preserving a diverse and healthy ecosystem is vital as it provides essential services for environmental health, water quality, agricultural practices, and overall human well-being. Biodiversity loss is now recognized as one of the top global risks in the next decade. To address this urgent issue, it is crucial for us to champion sustainable agricultural practices among our suppliers. By doing so, we can support the maintenance of healthy ecosystems and establish a self-sufficient agricultural

supply chain. With our farmer-centric approach and extensive experience in breeding, we aim to educate and provide financial support to farmers, fostering improvements in agriculture on a large scale. We are navigating our journey and plan to use the framework of the Taskforce on Nature-related Financial Disclosures (TNFD) to align our already extensive work on nature and biodiversity with these leading guidelines.

Our Policy

Please refer to our publicly available [Biodiversity Policy](#) for more information on our commitment and actions to minimizing our environmental footprint and maximizing opportunities for biodiversity and ecosystem conservation.

Our Vision and 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 such as barley, hops and water, as our production and operations are highly dependent on them.

Our Approach

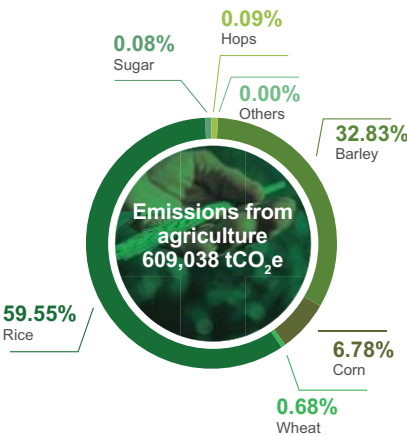
Our ambition to achieve net zero across our value chain in 2040 encompasses a range of strategies aimed at safeguarding biodiversity, mitigating greenhouse gas emissions, and promoting restoration efforts. Drawing from the insights gained through our regenerative agriculture program, sustainable sourcing practices, and water stewardship initiatives, we are actively integrating biodiversity considerations into our operations. We have a specific focus on identifying, measuring, and monitoring the impacts on biodiversity throughout our value chain. We are actively developing a comprehensive soil health framework to assist our farmers and encourage biodiversity, enhance water quality, and sequester greenhouse gas emissions. By equipping our farmers with the necessary practices and tools to assess and enhance soil quality, we aim to foster a stronger connection with them, enabling us to gather valuable insights and provide personalized

recommendations. Action items of our soil management are as follows:

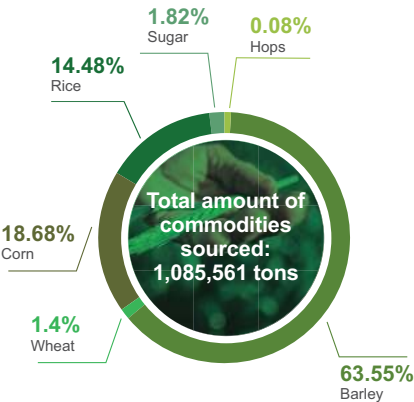
- Conduct comprehensive soil assessments to evaluate nature-related risks and understand the impacts and dependencies on natural resources that are significant to Bud APAC’s operations and supply chain.
- Refrain from sourcing ingredients or operating in areas designated as World Heritage Sites and International Union for Conservation of Nature (IUCN) Category I-IV Protected Areas.
- Promote ecosystem restoration by implementing local regenerative practices, providing education to farmers in our supply chain, and optimizing our operations to minimize adverse effects on the environment and biodiversity.
- Minimize habitat disturbance, degradation, and indirect impacts such as pollution and atmospheric emissions from our operations and supply chain.
- Enhance awareness of biodiversity among stakeholders, especially employees and local communities.

Our Carbon Footprint by Commodities

Emissions by agricultural commodities



Amount of agricultural commodities sourced



Our Initiatives

Actions	
Biodiversity Opportunities 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. Impact We have expanded coverage of the Soil Health Framework to 86% of our farmers in India.	Smart Agriculture Opportunities Digitalization and Agricultural Technology 100% of our direct farmers in India 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. Impact In 2023, 100% of the barley procured from our farmers met the quality specifications.
Resource Efficient and Low Carbon Farming Opportunities Regenerative Barley Farming We collaborated with Jiangsu Provincial Agricultural Reclamation and Development to revitalize domestic barley cultivation in 2023. Using a patented technology on low-carbon regenerative barley farming, we aimed to enhance soil carbon sequestration and achieve sustainable agriculture. The technology transforms food processing by-products into biodegradable agricultural materials which could potentially improve soil quality and facilitate carbon sequestration. Impact This project enhances soil carbon sequestration capacity and achieves sustainable agricultural development through soil health management and reducing the use of fertilizer and pesticide.	Indoor Hops Farming Project To reduce costs, and our carbon footprint, and streamline our supply chain, we have begun cultivating Cascade hops indoors in China. By growing hops indoors, we can maintain consistent quality and have greater control over the cultivation process. Furthermore, we aim to develop large-scale, sustainable initiatives for long-term production. Our hop cultivation in a Chinese greenhouse has yielded positive outcomes. By utilizing this method, we have achieved resource savings, including an 80% reduction in water usage, a 90% reduction in land requirements, and a 95% reduction in fuel consumption for transportation. Moving forward, we plan to expand this program and venturing into innovative concepts such as utilizing soils derived from spent grains, as well as conducting flavor experiments. Impact In 2023, we achieved a yield of 1,000 kg/ha of Cascade hop.



Case Study: South Korean “Cass Forest of Hope” Project and Low Carbon Barley Pilot in China

Our South Korean team has been running the “Cass Forest of Hope” for 14 years, partnering with the international environmental NGO “Green Asia Network” since 2010. As our signature biodiversity initiative, “Cass Forest of Hope” is a large-scale environmental improvement project to preserve forestation in Mongolia to prevent desertification due to climate change. We joined with the local Mongolian public to form volunteer groups to plant 46,200 trees over the past 14 years to restore soil in areas where land has been degraded due to desertification. This project has been awarded with recognitions such as UNCCD’s Land for Life Award.

We collaborated with the China Agriculture Academy in a **low carbon barley program** in 2023. The project aims to discover the carbon emission hotspots in the barley production chain and create an action plan to achieve low carbon barley production. A Life Cycle Assessment of local barley agriculture has been completed in phase one of the project. The research team is currently conducting experiments on barley cultivation developed under regenerative agriculture practices.



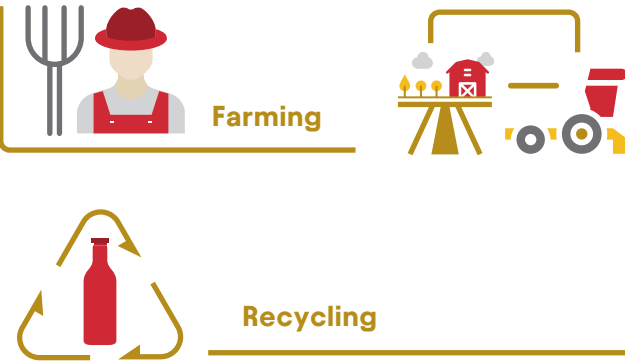


Our Value Chain

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.

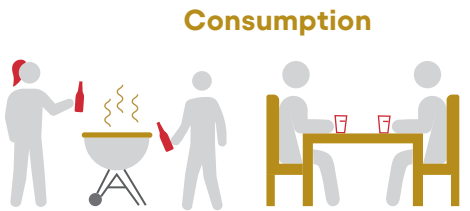
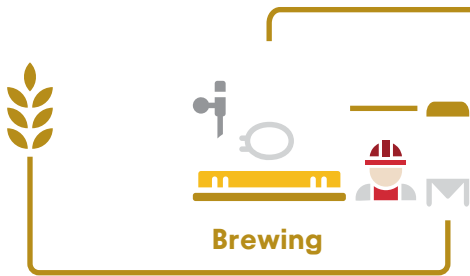


Recycle Collectors

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.

Suppliers

We source from 164 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.

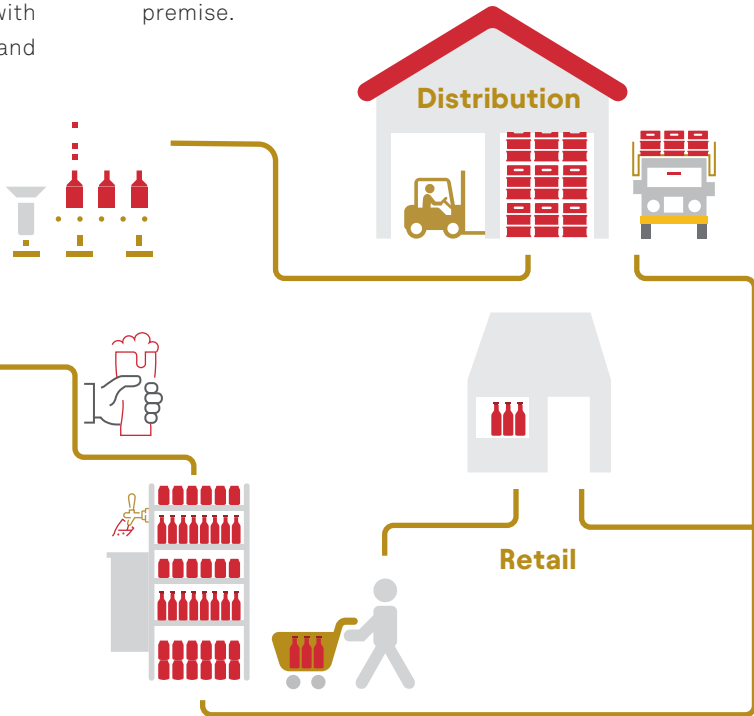


Communities

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, Smart Drinking, road safety and post-consumer recycling programs.

Customers

We partner with retailers, restaurants and 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 pursuing extraordinary execution of our brands on- and off-premise.



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 Suppliers

Disclosure Items: GRI 308, 414; HKEX A3, B5

Our KPIs, Progresses, Goals and Targets

In the APAC region, we collaborate with up to 164 tier 1 (direct) suppliers to source and distribute the beverages cherished by our consumers.

UN SDGs	KPI Measurement	Progress in 2022	Progress in 2023
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%

Our Risks and Opportunities

The production and distribution of our beer depends on a supply chain comprising top-notch agricultural raw materials, ingredients, and packaging materials. With climate change concerns gaining prominence, our intricate value chain faces growing pressure. Consequently, we are collaborating closely with our value chain partners to tackle these emerging challenges and uphold a sustainable and socially responsible value chain.

Our Policy

Please refer to our publicly available [Responsible Sourcing Policy](#) for more information on our expectation on business partners in alignment to human rights, labor standards, health and safety, environmental management, and business integrity. We expect our suppliers and business partners to pledge their commitment to establishing measurable targets, including carbon emissions, recycled content, and water consumption. Our business partners are also responsible for ensuring that their directors, officers, employees, and agents adhere to our anti-corruption policies and practices.

Our Vision and Ambition

We seek to promote environmental stewardship, human rights protection and economic stability through active engagement with our suppliers and business partners. We aim to share our sustainability values and principles with our own supply chain.

Our Approach

- All suppliers, service providers, contractors, and business partners involved in our value chain operations are required to adhere to our responsible sourcing, human rights and anti-corruption policies.
- We conduct sustainability risk assessments for both new and existing suppliers, service providers, and business partners.
- Sustainability trainings are provided to our suppliers, service providers, and business partners.
- We collaborate with our business partners to develop innovative and sustainable products.
- Sustainability considerations are integrated into our procurement process, giving preference to materials with higher recycled content, such as packaging materials.
- We conduct annual reviews of contract terms and service agreements with our existing suppliers, service providers, contractors and business partners. Contracts will be terminated for those posing high sustainability risks, unwilling to engage in climate risk mitigation actions, or failing to comply with our policies.

SSA Program



Our innovative SSA platform has successfully engaged with upstream suppliers of malt, rice, and packaging materials. This collaboration has not only facilitated their sales, revenue, and profitability but has also contributed to high-quality manufacturing.

VSA Program

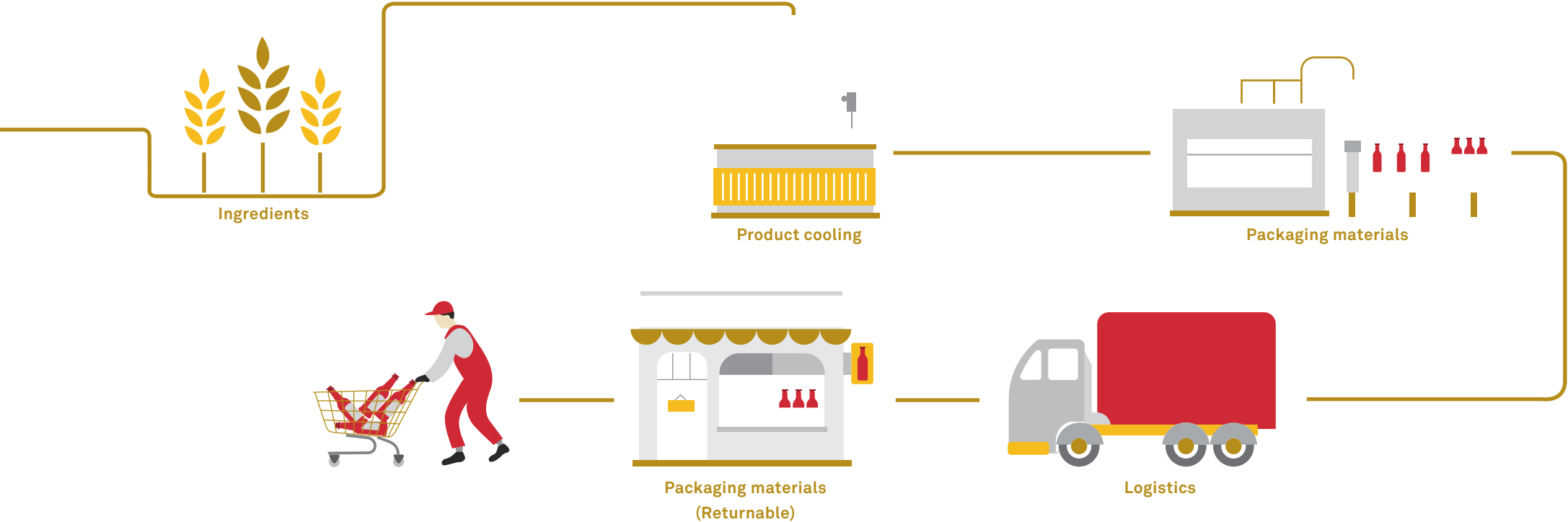


The VSA program is designed to establish a robust connection between Bud APAC and equipment vendors, leveraging their respective strengths to focus on research and co-development of new technologies. The program aims to enhance capabilities, drive high performance and achieve mutual success.

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	Agricultural Commodities - Malt (Barley) - Wheat - Hops - Fruits - Corn - Rice		Packaging materials - One way glass - Aluminum bottles - PET bottles - Cardboards - Plastic films - Returnable glass - Cans - Kegs - Labels	Logistics Logistic services
	Ingredients - Water - Carbon dioxide			Product cooling - Chillers - Refrigerants - Coolers



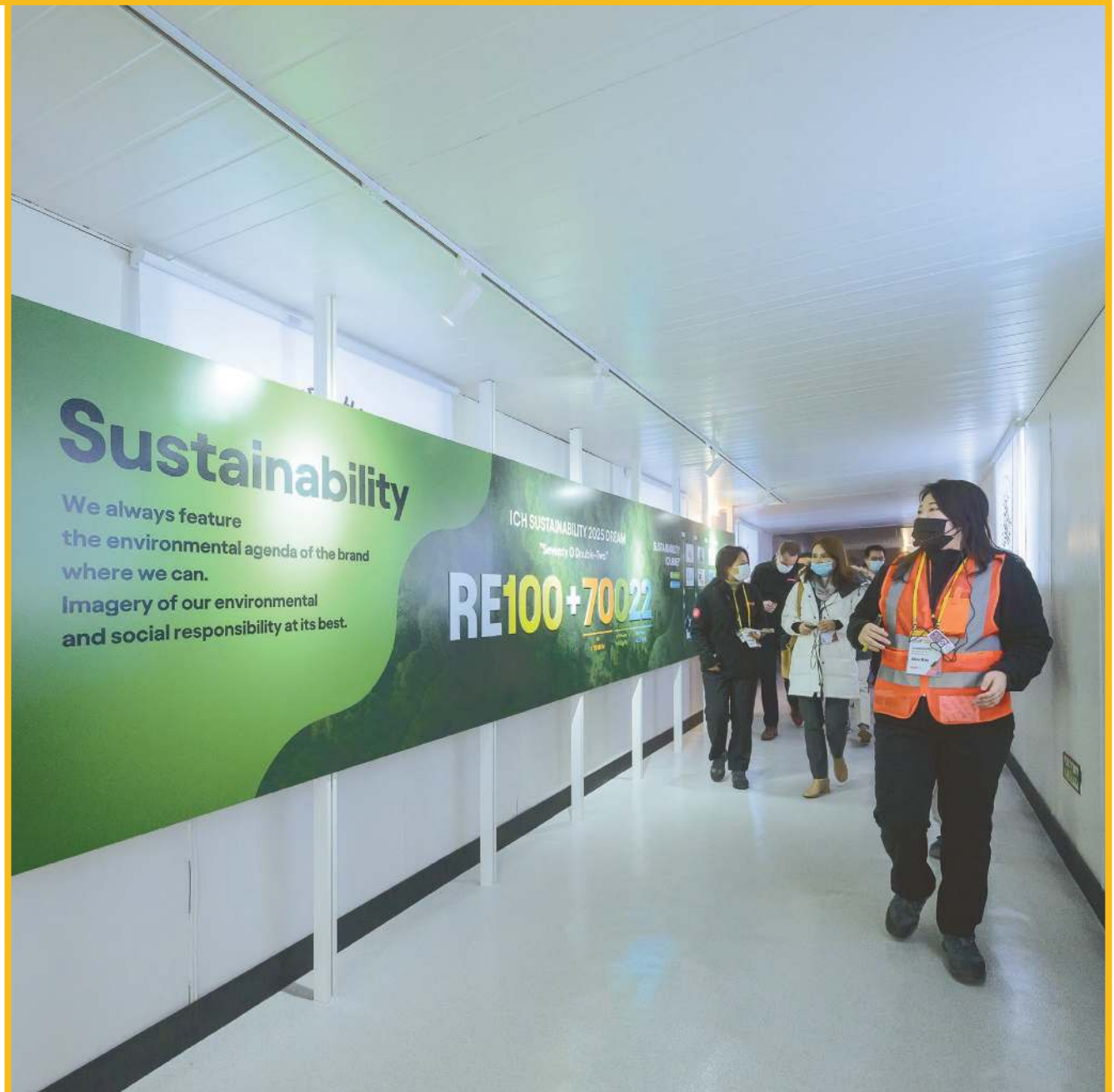
Our Initiatives

Activities	Actions	Impacts
Responsible Sourcing through Supplier Screening	We diligently verify the credentials and basic registration prerequisites of potential new suppliers prior to soliciting proposals. Our new business partners should align to the requirements we set in the responsible sourcing, human rights and anti-corruption policies. The ones who fail to meet the basic requirements are to be screened out during the supplier selection process.	Basic requirements and compliance met by 100% of new suppliers
Supplier Management through Periodic Assessments	Each year, we conduct comprehensive assessments of our current direct and strategic suppliers, evaluating their adherence to legal and regulatory requirements, financial performance, and compliance with sustainability-related matters outlined in our Responsible Sourcing Policy . Apart from sending out supplier self- assessment surveys, we conduct selective site audits at supplier sites to verify the actual alignment status of our existing suppliers.	In 2023, we assessed the compliance status of social and environmental regulations for 100% of existing suppliers.
Capacity Building through Supplier/ Business Partner Training	We offer comprehensive training and guidance to suppliers and business partners, ensuring their effective adherence to our policies, including the enhancement of data management practices. Following these training sessions, we conducted surveys to evaluate suppliers' existing practices and monitor potential risks. The survey findings were documented to identify high-risk suppliers and initiate collaborative efforts to develop improvement plans for their practices.	In 2023, we conducted 8 training sessions for suppliers and business partners. • 6 sustainability trainings • 2 water audit and water efficiency trainings



Case Study: Building Capability for Our Value Chain Partners to Accelerate Their Low Carbon Transition

In 2023, we elevated our capability-building program for enhancing suppliers' understanding of carbon-related matters, particularly on carbon emission baseline setting. We conducted six training sessions covering various topics such as GHG protocol, SBTi, RE100, CDP, TCFD, and PAS 2060. These sessions were attended by more than 300 participants. With the assistance of third-party consultants, we facilitated carbon footprint mapping for 40 suppliers and 90 sites, resulting in 40% carbon emission mapping across our value chain. We have a clear decarbonization roadmap set for over 60% of malts which is aligned with our 2040 net zero ambition. The carbon emissions of our can suppliers were reduced by 20% with the help of the carbon baseline initiative. Based on research and intensive supplier engagement, the secondary packaging suppliers have the highest potential to become carbon neutral. By the end of 2023, our scope 3 emissions have reduced by 4.6% compared to 2022 and a 21.0% reduction compared to our own baseline year 2017.



Our Customers

- Wholesalers, Retailers and Other Entrepreneurs



Entrepreneurship & Innovation

Disclosure Items: GRI 201, 203

Our KPIs, Progresses, Goals and Targets

UN SDGs		Our Goal	Progress in 2023	2025 Target
Goal 4: Quality Education		To reach and empower one million people	Reached and empowered 500,000+ people (reached and empowered 180,000+ people in 2022)	Reached and empowered 1,000,000+ people
Goal 8: Decent Work and Economic Growth				
Goal 17: Partnerships for the Goals				

Our Risks and Opportunities

Entrepreneurship entails fostering and elevating enterprises throughout our value chain, encompassing tens of thousands of smallholder farmers and millions of retailers as well as wholesalers. We possess a comprehensive understanding of the hurdles faced by these businesses, especially small and medium sized, when it comes to accessing professional services, developing essential business skills, and acquiring necessary resources to enhance and sustain their operations. This awareness drives us to engage with

entrepreneurs directly, meeting them at their specific locations, be it in the field, at their establishments, or even within recycling facilities.

Our Vision and Ambition

Our commitment to fostering innovation drives us to forge purposeful partnerships that generate mutual commercial value and fostering a resilient ecosystem. We aim to capitalize on the current momentum to fortify our leadership position and actively pursue new avenues for creating a more significant and meaningful influence.

Our Approach

Collaborating with startups and change agents, we actively seek and exchange groundbreaking solutions throughout our value chain, with a particular emphasis on sustainability within the beverage industry. Drawing upon our profound industry knowledge and transformative track record, we support entrepreneurs in propelling their business growth in a sustainable manner through the following strategic focuses and various projects:

Key Entrepreneurs	Strategic focus	Projects
Farmers	Explore strategic partnerships, and extend our sustainable agriculture goals.	- Smart Barley Program in India - Domestic Barley Program in China - Rural revitalization through the Lime and Lychee Program
Suppliers	Empower our suppliers to build their capability for low carbon transition and the quality growth	- Supplier Strategic Alliance - Vendor Strategic Alliance - Innovation Strategic Alliance
Wholesalers	- Provide wholesalers with advanced operational and management capabilities to grow our business together. - Expanding the competency framework to second tier wholesalers to create more impact and improve the business.	- Wholesaler Excellence Program - Wholesaler College - Second Tier Wholesaler Expansion & Capability Building - BEES
Small Retailers	Provide a systemic engagement to explore new opportunities, improve their profitability.	- Women's Empowerment Principles (WEP) - BEES
Start-ups	- 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.	- Beer Garage Accelerator 100+ Innovation Lab 100+ Accelerator - University Hackathon - Sustainability 100+



Our Initiatives

Action

BEES in China

Bud APAC introduced BEES in 2021, a B2B e-commerce platform, to engage our customers including wholesalers and retailers in China. Our primary goal at BEES is to prioritize customers and facilitate their success by simplifying their operations and boosting their profitability. Through BEES, we extend our digitalization capability to our customers, unlocking new growth opportunities for all. BEES is transforming the traditional sales model, in which many points of connection (POCs) lacked digital support and faced fierce challenges from the new retail sector. Whether a small to medium-sized retailer or a big wholesaler, the BEES platform provides the tools, data, and insights to help users' businesses thrive. Inside the BEES app, users can browse for products, place orders, earn rewards, arrange deliveries, check on marketing promotions and access business insights all in one place.

Wholesaler Successor/Manager Development Program

As part of our Wholesaler Successor/Manager Development Program, we conducted training sessions and provided comprehensive after-class coaching. The training encompassed crucial areas such as project management, finance, and personnel training. By imparting these essential skills, we effectively supported wholesalers in cultivating the capabilities of the next generation to facilitate seamless transition plan and assume leadership roles within their family businesses.

100+ Innovation Lab

This initiative aims to empower entrepreneurs tackling sustainability challenges within our communities. The 100+ innovation lab fosters an ecosystem of innovation and sustainability, generating value throughout our value chain and supporting our sustainability objectives. In 2023, alongside our routine recruiting, scouting, interviews and pilot initiatives, we expanded our efforts to engage and empower entrepreneurs and innovators by organizing webinars, industry workshops, investor roundtables and pre-pitch training sessions.

Impact

In China, we have connected with over 30 million consumers through various digital media channels. Bud APAC accelerated the expansion of BEES to around 260 cities, accounting for around 70% of our China revenue in December 2023.

Impact

100 individuals trained in successor program, completing one cohort and commencing another. Over 80% successfully took over their wholesaler businesses.

Impact

In 2023, we have engaged 117 ventures, and signed contracts with 5 startups, indicating a commitment to scaling up promising programs and initiatives.



Action

Innovative Product Design

Vegatex utilizes its patented technology to upcycle food waste and by-products, including spent grain and fruit waste. Their innovative process extracts food-grade protein powder and transforms the remaining materials into vegan leather, suitable for various industries such as textiles, leather, and chemicals.

Vegatex achieved a successful collaboration with the Bud team, resulting in the development of BarleySkin. This environmentally friendly leather alternative minimizes the environmental impact by replacing fossil-derived materials with Bud China's supplied spent grain (BSG) through Vegatex's patented process. In 2023, in collaboration with Bud China's local brand, Sedrin, BarleySkin leather fashion outfits were showcased at the 2023 London Fashion Week, highlighting the limitless possibilities of this eco-friendly fashion material. Over the past two years, the partnership between Vegatex and Bud China has continued to foster innovation.

Digital Solutions for Decarbonization

Carbonebook offers comprehensive and professional digital transformation solutions to help customers achieve net zero. Through their digital system, Carbonebook assisted Bud China in collecting carbon emissions data from upstream suppliers and seamlessly integrating carbon management systems into their daily operations, thereby accelerating the reduction of their carbon emissions.

With Bud China's leadership and Carbonebook's expertise, this collaborative effort is expected to help Bud China achieve its climate goals. In 2024, Carbonebook will scale to APAC with the support from Bud APAC team.

Impact

In 2023, Vegatex incorporated 10% BSG and 26% biobased materials into a cell phone case for a global electronics brand. Moreover, Vegatex has been developing BarleySkin as a material for car interiors and is currently undergoing various safety tests in preparation for commercialization.

Impact

Following a successful pilot program with three suppliers in 2022, Bud China expanded its partnership with Carbonebook in 2023 to include 37 suppliers and 86 sites, encompassing approximately 40% of the carbon emissions footprint across Bud China's entire value chain.



Case Study: POC Academy in South Korea

As part of our entrepreneurship program, OBC introduced the “POC Academy” to support small entrepreneurs in achieving sustainable business growth. We offered the selected 200 business owners restaurant operation expertise and solutions through a combination of online training, hands-on guidance, and personalized one-on-one consultations facilitated by industry experts.

The online training program spanned over three months and was delivered through our official educational website. The curriculum comprised of ten comprehensive lectures, covering topics such as manpower management, restaurant branding strategies and food cost control and waste reduction. Our consulting program also provided tailored coaching services to address individual needs, including menu development, store revitalization, franchising, and social media marketing.



Our Consumers



Food Safety and Product Quality

Disclosure Items: GRI 416; HKEX B6

Our KPIs, Progresses, Goals and Targets

KPI Measurements	Progress in 2022	Progress in 2023
Net Promoter Score for Customer Satisfaction	56	66
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 Vision and Ambition

Our dedication lies in manufacturing products that adhere to the highest quality standards, guaranteeing that our valued consumers have available healthy, safe, and genuinely authentic offerings that fully comply with regulatory demands.

Our Policy

Our Quality and Food Safety Standards support our commitment to producing products of the utmost quality.

Our Approach

To meet our rigorous standards of “Best Quality and Food Safety,” we adhere to the following guidelines:

Management	We aim to foster and reinforce a robust quality culture that prioritizes ownership of quality across all levels and aspects of our operations. This includes identifying and effectively managing critical control points while conducting annual product safety training.
System	In all our production facilities, we implement the Voyager Plant Optimization [VPO] System, encompassing all elements of ISO 9001 and FSSC 22000.
End-to-End Monitoring	We ensure system effectiveness through regular activities such as organizing traceability, recall, and compliance testing, conducting third-party food safety audits and analysis, and performing bi-annual internal audits.
Learning and Feedback	We foster a culture of benchmarking and knowledge sharing among our employees and facilities, driving continuous improvement in quality and food safety. Additionally, we prioritize meeting performance targets and ensuring profitability. Furthermore, we actively reward and recognize advancements and achievements in quality and food safety.
Stakeholder Engagement	We provide ongoing education and training to our employees, holding them accountable for the monitoring, evaluation, and control of quality and food safety. Moreover, we foster collaboration with our customers and suppliers, setting rigorous standards that are effectively communicated to all stakeholders. We diligently monitor and evaluate compliance with these standards.

Our Initiatives

Action

Product Quality

Digitalized Quality Information Management System

To ensure effective quality management throughout the production process, we extensively utilize online instruments for real-time monitoring. These instruments are equipped with intelligent sensors to continuously monitor data. Our “100% quality platform” visualizes the collected data in real-time. In the event of parameter deviations from the standard, the system automatically triggers alerts, which are promptly sent to employees’ mobile devices for immediate attention and resolution.

Our Quality Information Management System aims to enhance quality control through automated methods. It seamlessly integrates with analysis instruments and automatically collects and categorizes analyzed data, including raw materials, packaging materials, wort, fermentation, and finished products. The system evaluates the data against quality standards and automatically creates alert for any abnormal single value or trending data.

Impact

- Enhanced real-time monitoring of production processes
- Improved visibility and visualization of collected data
- Immediate detection and alerts for parameter deviations
- Timely response and resolution to quality issues

Quality Ambassador

To further foster our quality culture, we have implemented a selection, reward, and recognition initiative for quality ambassadors. Each month, every business unit or region will nominate eight exceptional colleagues as quality ambassadors, then we will identify exemplary contributors as annual quality ambassadors, acknowledging their significant contributions. Through sharing the inspiring stories of these quality ambassadors, we effectively promote our quality culture and ensure the production of high-quality products.

Impact

Approximately 6,000 participants from 41 breweries across our four APAC countries were engaged. Over 200 external stakeholders, including upstream suppliers and downstream wholesalers, actively participated.

Food Safety

World Food Safety Day

In support of UN World Food Safety Day, Bud APAC actively raised public awareness and promoted actions for food safety. Under the theme “Safer Food, Healthier Body,” over 400 activities were hosted, encompassing food safety commitment, food defence, and public engagement.

World Food Safety Day activities have fostered and reinforced a robust food safety culture across the entire supply chain, ensuring safety from seed to sip.

Impact

- Strengthened quality culture within the organization
- Increased motivation and engagement among employees
- Recognition and appreciation for outstanding quality ambassadors

2023 Asia Pacific Food Safety Knowledge Competition

Bud APAC organized the 2023 Asia Pacific Food Safety Knowledge Competition to enhance and reinforce the culture of food safety. The competition took place in four countries, involving 41 brewery teams and over 200 departments. The competition covered various knowledge areas, including Bud APAC’s food safety policy and local laws and regulations. In December, 2023, a highly competitive final round was held among the 41 teams, resulting in gold, silver, and bronze awards presented to three teams and three individuals.

Impact

2,000+ employees participated in the competition with raised awareness and knowledge of food safety with Bud APAC.



Smart Drinking and Moderation

Disclosure Items: GRI 416, 417; HKEX B6

Our Risks and Opportunities

Bud APAC is dedicated to ensuring positive beer experiences by actively addressing harmful alcohol consumption in our markets. We are committed to promoting a responsible drinking culture in line with the World Health Organization’s (WHO) global goal of reducing harmful alcohol consumption by 10% by 2025. Moreover, we are aligned with United Nations Sustainable Development Goal 3.5, which aims to strengthen the prevention of harmful alcohol consumption in the APAC region. Our opportunities in smart drinking include providing transparent information and choices to consumers, enabling us to achieve our Smart Drinking Goals.

Our Policies

Our Responsible Marketing and Communications Code sets clear guidelines for promoting responsible alcohol consumption. This includes not endorsing intoxication and respecting individuals’ choices regarding drinking. We have also implemented a [Responsible Drinking Policy](#), which prohibits drinking at work and allows only moderate consumption in relevant work contexts.

Our Vision and Ambition

We strive to cultivate a worldwide culture of responsible drinking. This commitment entails promoting smart consumption, minimizing alcohol-related harm, and aligning our marketing and communication practices accordingly. We prioritize the well-being of individuals and safeguard the reputation of our company and brands by consistently marketing and promoting our products responsibly.

We aim to offer No or Lower-Alcohol Beer (NABLAB) products representing 20% of our beer volume by the end of 2025.

Our Approach

In our commitment to responsible drinking culture, we have collaborated with public

health experts and local authorities on responsible drinking programs since 2008. We have developed region-specific programs tailored to diverse local contexts. We prioritize the well-being of individuals and uphold the reputation of our company and brands through consistent and a clear Responsible Marketing and Communications Code (RMCC). The RMCC sets the standards for our marketing and commercial communication to ensure our marketing communication and information only to individuals above the legal drinking age and that is carried out in a socially responsible manner. Our Sales, Marketing, Legal, and Corporate Affairs colleagues, contractors, and agencies are trained annually in matters related to the RMCC.



Our Initiatives

Actions

Drunk Driving Prevention through “Ignition Interlock Device”

Our South Korean subsidiary, OBC made history as the first private company to launch the “Ignition Interlock Device (IID)” project in South Korea. In collaboration with the Korea National Police Agency and the Korea Road Traffic Authority (KoROAD), OBC successfully implemented the IID pilot project to raise awareness about drunk driving prevention and advocate for the implementation of IID laws in South Korea.

The IID, wired to the vehicle’s ignition, mandates drivers to provide a breath sample before starting the engine. In 2023, the devices were installed in vehicles belonging to habitual drunk drivers, accompanied by educational workshops on road safety. Furthermore, our initiative to introduce IID in selected trucks within our logistics fleet was honored with the 2023 International Road Federation “Find a Way” Global Road Safety Award.

Influence Social Norms through Behavior Change Campaign

To shape social norms, cultivate a smart drinking culture, and raise awareness about road safety throughout the region, we leverage our brand influence and forge partnerships with local transportation authorities. We persistently execute responsible marketing campaigns and foster behavioral changes among our consumers.

Enhancing Product Labelling to Support Consumers Making Informed Choices

We are committed to providing transparent product information, enabling consumers to make informed decisions regarding safe and moderate alcohol consumption. Furthermore, we actively collaborate with public health experts, governments, and other partners to enhance alcohol literacy and improve product information. These transparent labels provide valuable advice to consumers on how to make informed choices and avoid the potential risks associated with excessive alcohol consumption.

Impact

In October 2023, the National Assembly in South Korea passed a bill making it mandatory for habitual drunk drivers to install IID in their vehicles.

Impact

We successfully launched over 20+campaigns promoting smart drinking and safe driving in our key markets across APAC. These campaigns reached an audience of nearly 16 million individuals.

Impact

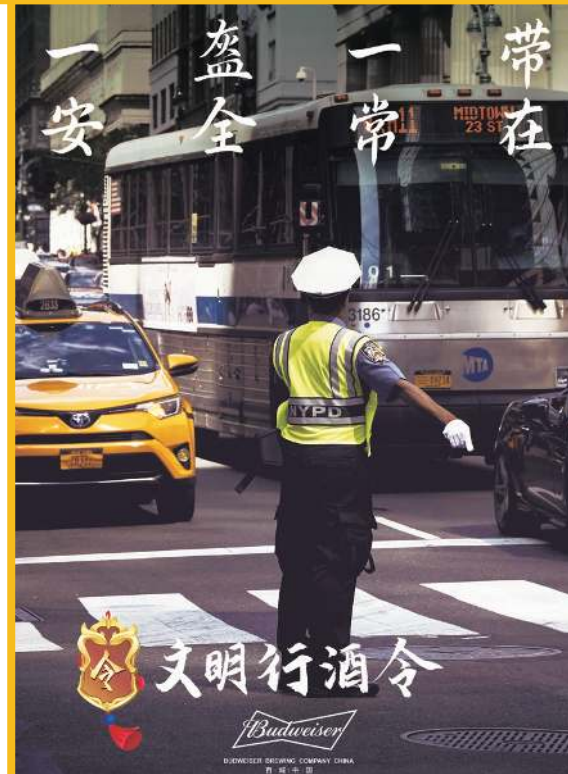
With a strong commitment to enhancing alcohol literacy and preventing harmful consumption, we have achieved a 100% implementation of guidance labels in APAC markets for our consumers to make informed choices.



Case Study: Bud China's Innovative Approach to Drive National Awareness on Road Safety and Smart Drinking

Bud China has been a leader in promoting smart drinking and road safety for 15 years. Bud China, in collaboration with the Shanghai Traffic Safety Committee and other local government departments, organized a road safety event titled "Road Civilization for You and Me" as part of the 122 "National Road Safety Day" campaign. This event aimed to rally collective efforts from the public in promoting road civility. As being one of the pioneering companies in China to initiate the "Smart Drinking, No Drink-Driving" campaign, we have consistently contributed to road safety through innovative public welfare initiatives.

In 2023, Bud China joined hands with the China Alcoholic Drinks Association to promote "Drink Moderately and Live a Happy Life". We have rolled out the "Smart Drinking" campaign nationwide, rallying our employees and engaging business partners and industry associations to join the activation of "Protection Token for Civilized Drinking."





Our Employees



Health & Safety

Disclosure Items: GRI 403; HKEX B2

Our KPIs, Progresses, Goals and Targets

UN SDGs	Our Goal	KPI Measurements	2017 Baseline	Progress in 2022	Progress in 2023	2025 Target
Goal 3: Good Health and Well-being 	To reduce total Lost time Injuries for Bud APAC's employees and contractors	% reduction of total Lost Time Injuries (LTI) for our employees and contractors	0%	80%	95%	>60%
		[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]	[Total LTI = 20]	[Total LTI=4]	[Total LTI=1]	

We are committed to reducing our total Lost Time Injuries by more than 60% for supply employees¹ and all contractors by 2025. In 2023, this target has been exceeded and a 95% reduction of LTI has been realized compared to the baseline year of 2017.

Our Risks and Opportunities

Given the nature of our work, our employees face various risks including falls, transportation accidents, equipment mishaps, and heat-related illnesses or injuries. It is of utmost importance to us, as a company, to prioritize the safety of our production and logistics personnel, contractors, and the surrounding community. We have ingrained a strong dedication to occupational health and safety within our company culture. Our objective is to minimize risks and promptly address any workplace hazards that may arise.

Our Policy

Please refer to our [Occupational Health and Safety Policy](#) for more information on our approach to ensuring a healthy and safe work environment.

Our Vision and Ambition

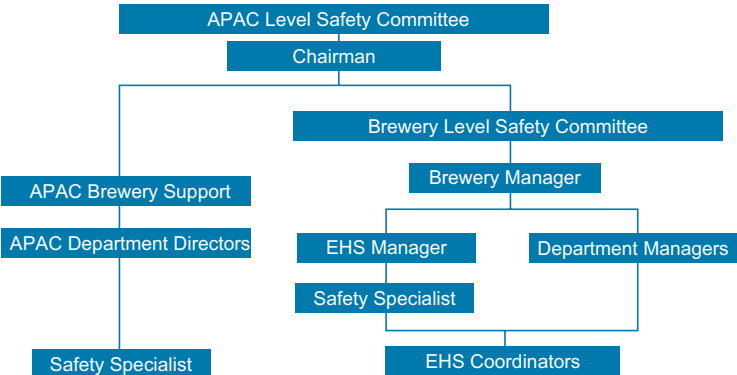
We have a strong conviction in our vision of achieving “zero injury” because we firmly believe that all injuries can be prevented. To make this vision a reality, we set ambitious health and safety targets that we strive to improve upon each year. We have developed a robust strategy to accomplish these goals, aiming to become a safety benchmark within our industry. Safety is integrated into every facet of our operations, and we focus on cultivating safety leaders at all levels of our organization, including our contractors.

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

Our Approach

Safety considerations are deeply integrated into every aspect of our operations, and we hold our contractors to the same high standards. Our safety approach is driven from the top down, with designated roles at both the zone and brewery levels to ensure a secure workplace for everyone involved. The success of our safety management system relies on the active involvement of all levels. From top executives to operators, each level has clearly defined safety responsibilities. Our top management has issued a comprehensive safety policy, demonstrating our commitment to the well-being of our employees and the community. To effectively implement and comply with this policy, we have zone and brewery safety committees in place. These committees ensure the proper use of Voyager Plant Optimization (VPO) tools. Our frontline team members play a crucial role by taking ownership of safety in their respective areas. They actively participate in various safety-related activities, such as identifying hazards, investigating incidents, conducting risk assessments, and providing peer-to-peer coaching on safety behaviors.

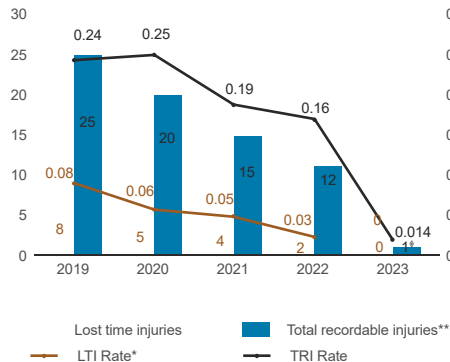
Roles	Responsibilities
APAC Level Health and Safety Committee	- Supervise both internal and external health and safety strategies and initiatives - Execute measures to attain health and safety targets - Stay updated on any changes in legal requirements pertaining to health and safety - Review industry best practices and devise plans for continuous improvement
Brewery Level Health and Safety Committee	- Provide guidance to brewery staff to promote a safety culture - Review on-site safety incidents and potential hazards - Help identify and eliminate unsafe actions or conditions - Ensure compliance with local safety regulations



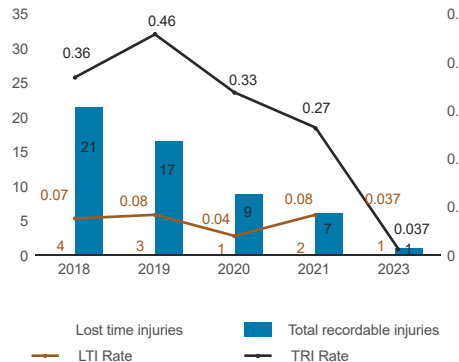
We adhere to the health and safety pillar of the Voyager Plant Optimization (VPO) system as part of our routine management. This comprehensive system not only meets but surpasses the requirements outlined in OHSAS 18001/ISO 45001. To ensure its effectiveness, the VPO system undergoes internal audits twice a year. As of 2023, all of our breweries are covered by the VPO system, with 74% of them certified by third-party or local work safety standardization. Additionally, 6 of our breweries have obtained certification for the ISO 45001 standard. We also have operational procedures and safety standards in place for our production processes and contractors.

The total Lost Time Injuries recorded for all employees (Supply and Second-tier logistics/Sales Employees****) in Bud APAC is 7[Ⓢ] and our LTI rate for all employees is 0.1 in 2023.

Injury Rate of our Supply Employees*** in Bud APAC in 2023



Injury Rate of All our Contractors in Bud APAC



- * 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.



Our Initiatives

Actions

Occupational Safety Control

CCTV AI Detection

We are continuously exploring how to utilize AI technology to capture and identify unsafe behaviors, providing early warnings and preventing accidents even before they occur. We have selected Suqian Brewery as a pilot project. The High-altitude Intelligent AI Recognition project at Suqian Brewery utilizes on-site AI recognition cameras to collect data. Through local video analysis servers and AI video analysis technology, the system automatically monitors and analyzes non-compliance behaviors such as failure to wear safety belts or failure to hook properly. When violations are detected, alarm signals are sent to on-site audio-visual devices for reminders, and the alarm records are uploaded to cloud servers.

Proactive Safety Management

Employees are encouraged to conduct self-assessments to proactively identify potential risks in their respective areas. We optimize processes and consider eliminating operations that could lead to hazards. In cases where operations cannot be eliminated, we explore process optimization, changes in work methods, or reduction in frequency to minimize associated risks.

We also adopt a proactive approach by learning from near-miss incidents, which are events that could have resulted in an accident. We engage all relevant personnel, including operators, engineers, and safety managers, in conducting in-depth analyses to identify the root causes. Based on the priority of control measures, we develop action plans that prioritize the elimination of hazards at their source.

The safety management of the sales team includes regular safety trainings covering road safety and hazard prevention such as accidents, theft and extreme weathers.

Building Safety Culture

2023 World Safety Day

Every year, we celebrate World Safety Day and organize various activities to improve the safety awareness and knowledge of our employees and contractors. We held the World Safety Week in the week of 24 April 2023 and organized activities around 8 main safety topics. We promoted safety awareness in road safety, fire safety, first aid skills, self-rescue and food safety, etc.

Impacts

Management personnel can access real-time analysis results through the system interface, enabling prompt problem identification, enhanced safety, and improved management efficiency.

Impacts

To ensure a proactive approach to safety, we have organized over 100 joint meetings to deeply investigate incidents, leading to the generation of more than forty safety alerts. These alerts serve to share valuable insights and lessons learned, with the goal of preventing similar incidents from occurring again.

Impacts

The event had involved 32,130 participants, 11,131 contractors and executed 784 initiatives (+9.5% compared to 2022).



Case Study: Digital Safety Transformation (DST)

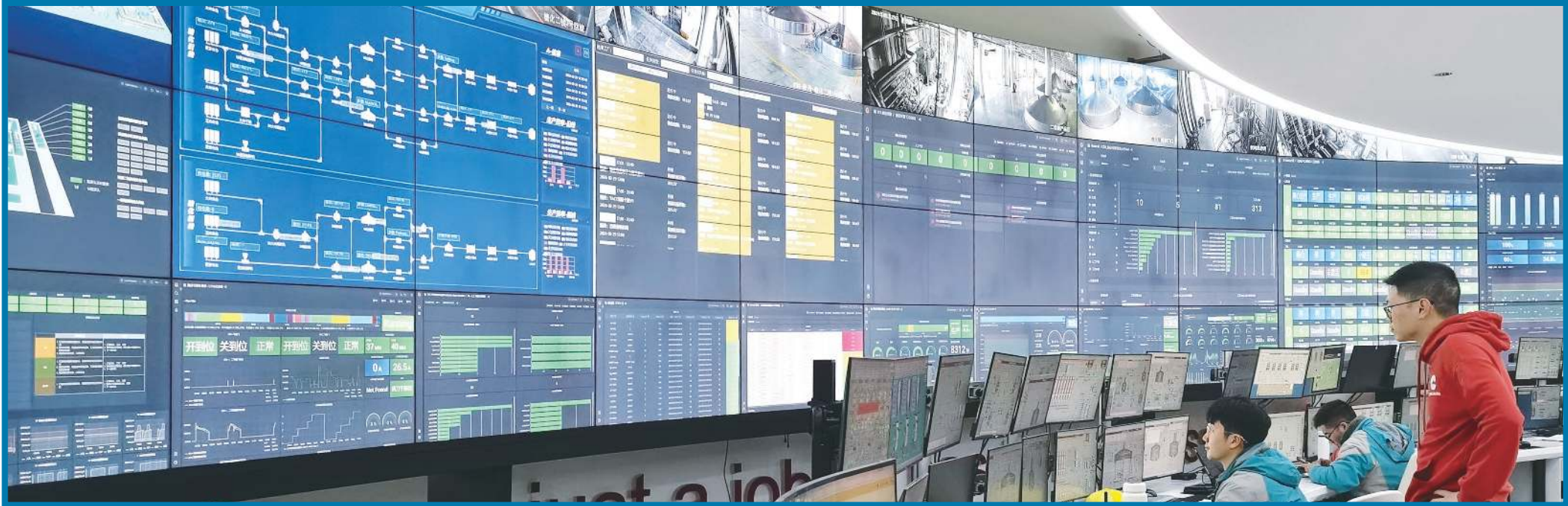
Digital safety transformation can accurately extract safety performance indicators and construct a set of system for estimating people risks (Safety Code) and Environmental Risks (Five-color Risk Map). It can also simplify, visualize, and real-time respond to safety management risks. It accelerates safety culture building via effective positive/negative consequences management.

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 Data Safety Tracking system is available for use by all employees and contractors. In China, the DST system collects nearly 150,000 data points per day. By leveraging the use of Power BI, we conduct data analysis to identify areas of weakness in brewery safety management and facilitate improvements. Furthermore, we have also expanded the promotion of the DST system to other countries in the APAC region, including South Korea, India, and Vietnam. We are committed to continuously updating and enhancing the DST system to make it even more effective in supporting Environment, Health, and Safety management.



Talent Development, Employee Engagement and Wellbeing

Disclosure Items: GRI 404; HKEX B1, B3

Our KPIs, Progresses, Goals and Targets

UNSDGs	KPI Measurements	Progress in 2022	Progress in 2023
Goal 3: Good Health and Well-being 	% of Internal Hire (open positions filled by internal candidates)	20.95%	22.36%
	Voluntary employee turnover rate	6.6%	5%
	% of full time employees received training	91%	98%
	Number of training hours an employee receives on average per year	68	85

Our Risks and Opportunities

Being a company that embraces a diverse and inclusive workplace, we acknowledge the significant impact of employee feedback and the value of actively listening and responding to different perspectives and requests. We prioritize the well-being of all our employees and strive to enhance job satisfaction to retain our talented workforce. We strive to create an environment and opportunities that encourage continuous learning, enabling our employees to stay informed about emerging trends, technologies, and innovations. This commitment ensures that our workforce remains up-to-date and equipped with the knowledge needed to thrive in a dynamic and ever-evolving landscape.

Our Policies

Policy & Procedures	Expectations
Employee Handbook	The Handbook serves as a means of effectively communicating the Company's policies, procedures, rules, and regulations to our employees. It also covers important information related to compensation and benefits, training opportunities, codes of conduct, rewards, and various other relevant matters.
Total Rewards Policy	Our Total Rewards package encompasses compensation, career development, learning and growth opportunities, health and welfare benefits, retirement benefits, and well-being programs. This comprehensive approach includes attractive financial incentives to recognize outstanding individual and team performance and foster personal wealth creation. To maintain our competitiveness and align with market trends, we conduct annual reviews of our compensation framework in collaboration with independent third parties.
Parental Standard Policy	• Maternity Leave – Female employees are entitled to 16 weeks of full-paid maternity leave • Parental Bonding Leave – Offer eight weeks of 100% paid leave to the primary caregiver who has a new child through adoption or surrogacy, in accordance with applicable local laws. Additionally, we provide two weeks of 100% paid leave to the birth father or father of a child who is one year old or younger through adoption or surrogacy. • Pre-baby Support – Four days of 100% paid leave to support employees undergoing fertility treatments such as in vitro fertilization (IVF). This includes two days per treatment cycle, with a maximum of two cycles per year. • Return-to-Work Support – Provide private rooms for breastfeeding mothers
Flex Work Policy	The policy is designed to provide our employees with the freedom to determine their work arrangements in terms of timing, location, and method. It offers two types of flexible work options: flex time and flex location. Flex time allows employees to adjust their start and end times within core business hours without altering the total number of work hours. Flex location permits employees to work outside of the office environment, and Bud APAC supports occasional remote work arrangements.

Policy & Procedures

Expectations

Training Policy

The policy has been put in place to streamline and expand the implementation of our company's learning and development initiatives, making it easier for our colleagues to access these opportunities and fostering a more conducive learning environment. It clearly defines the essential operational steps and standard operating procedures for delivering APACU Training.

Internal Trainer Management Policy

The policy was created to set forth guidelines that encourage the enhancement of skills and expertise among our internal trainers. Its primary objective is to facilitate the effective development of our employees, fostering a mutually beneficial growth between the company and its workforce.

Our Vision and Ambition

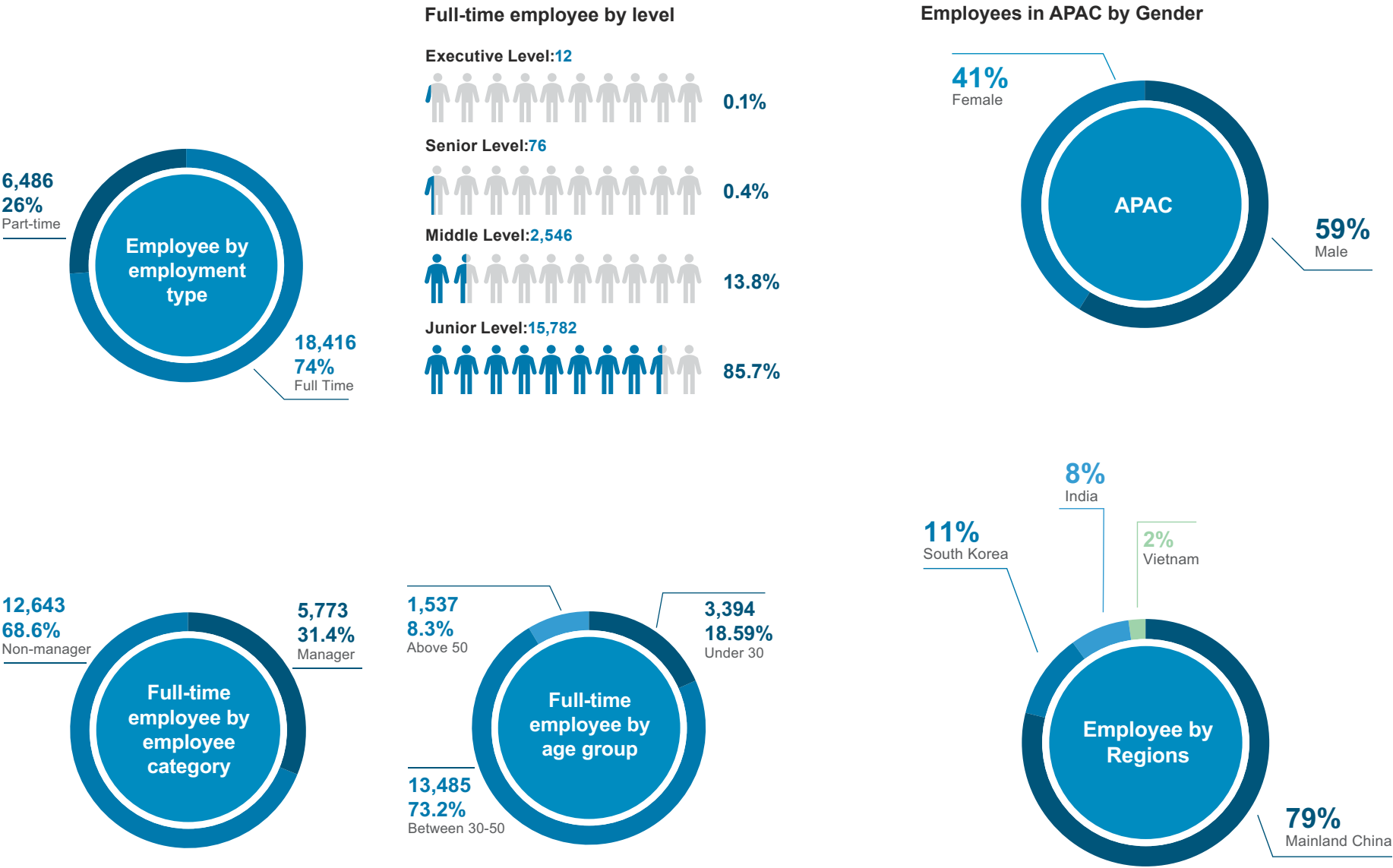
Our sustainable development relies on the dedication of each employee, and we aim to create a conducive environment that allows them to unleash their potential. Our commitment to nurturing top talent requires a strong focus on training and development as an integral part of our people strategy. We are fully committed to supporting and equipping our employees with the necessary resources to foster their growth.

Our Approach

- We utilize an annual employee engagement survey and regular pulse surveys to gather feedback from our employees, enabling us to enhance our practices and cultivate a highly engaged workforce through both quantitative and qualitative insights.
- We prioritize the well-being of our employees by implementing well-being programs and offering comprehensive support to foster their physical, social, mental, financial and emotional health.
- Our learning and development platform serves as a valuable resource for our employees, facilitating continuous learning and professional growth opportunities.



Our Employee Statistics



Our Initiatives

Actions

Employee Engagement

Annual Engagement Survey

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 10 categories including mission, leadership, collaboration and well-being. In FY23, 98% of our colleagues participated in the annual engagement survey conducted by a third-party consultant.

Employee Wellbeing

Wellbeing Leadership Program

To continue the momentum of our wellbeing leadership program that was launched in 2022 for our executives, we have scaled up the program to our next two leadership levels in 2023. The program consists of a team journey with group workshops focusing on our wellbeing strategy, vision and defining leadership behaviors to promote wellbeing at work and an individual journey where leaders had the opportunity to have a personal coach to help them address individual needs and challenges met in life situations.

APAC Wellbeing Program

We aim to empower our people with physical and mental energy to perform, learn, and innovate at a sustainable level both personally and professionally. In 2023, we have updated our wellbeing framework to expand to 9 pillars covering organization and individual wellbeing. Wellbeing leadership coaching has been rolled out for two consecutive years aiming to build an environment that promotes wellbeing in a way that is aligned to our culture and embraced by leadership.

Impacts

Employee Engagement score reached 94% (-1% vs. 2022). We achieved the highest scores in areas such as being treated equally (97%), getting along well together (97%), and having safe rules (97%).

Impacts

The Net Promoter Score of the Wellbeing Leadership Program reached 8 (out of 10) and 92% of the participants indicated personal benefits from having a 1-on-1 coaching sessions.

Impacts

APAC Employee Engagement wellbeing satisfaction reached 93% and we achieved high score on feeling safe to be authentic at work (95%) and flexibility to meet professional and personal needs (95%).



Case Study: Zone Talent Induction & Business@ABI

Our 2023 Zone Talent Induction brought all APAC talent program participants together to the Putian Brewery to learn about the strategic directions of Bud APAC. 80 new talents across five APAC talent programs were invited. It was a full week of training for the new talent program joiners to understand our strategies:

- Lead and Grow the Category,
- Digitize & Monetize our Ecosystem, and
- Optimize our Business.

The joiners also had opportunities to visit the brewery, take part in a sports competition, market visits and a beer festival. Overall, we created a memorable experience for the new joiners to kick-start the career at Bud APAC.

Business@ABI is the flagship development program aimed at developing our future senior leaders within BUD APAC. The core objective of this initiative is to stimulate and elevate the capabilities and mindsets of APAC leaders, including aspects such as Leadership Effectiveness, Business Acumen, Strategic Thinking, and the cultivation of future-ready skills.

Together with the academic study provided by CEIBS professors, our program incorporates action learning methodologies. Participants engage in setting group topics aligned with business goals, experimenting with their plans to achieve results. This includes in-depth discussions on development strategy, best practices, innovative operations, digitalization and fostering a holistic and dynamic learning environment.

29 participants from various departments joined the program. The comprehensive program included a 11-day study journey comprising of a Nantong brewery investigation, 3 sessions of CEIBS academic study, 3 sessions of internal sharing and 2 sessions of action learning and several virtual coaching sessions.



Diverse and Inclusive Workplace

Disclosure Items: GRI 405; HKEX B1

Our KPIs, Progresses, Goals and Targets

UNSDGs	KPI Measurements	Progress in 2022	Progress in 2023
Goal 5: Gender Equality 	Number of nationalities represented in our overall workforce	25	25
	Number of nationalities represented in our Zone Headquarters	13	17
	Percent of women representation on the Board level	43%	43%
Goal 10: Reduced Inequalities 	Percent of women in our overall workforce	37.2%	41%
	Percent of women in our salaried workforce	33.7%	34.1%
	Percent of women among our managers	28.3%	28.6%
	Percent of women among our senior leadership	9.4%	8.3%
	Percent of newly hired employees who are women	33%	30%

Our Vision and Ambition

We believe that a Diverse and Inclusive Workplace is essential to harnessing a wide range of perspectives, enabling us to make informed decisions and achieve outstanding outcomes. It is our firm belief that everyone should be treated with fairness and equality, irrespective of their gender, ethnicity, sexual orientation, age, or any other unique characteristic they possess. We strive to create an environment where all our employees can be their authentic selves each day at work, as we believe that only then can we collectively unleash our full potential and deliver our very best.

Our Policies

Policies	Expectations and updates
Board Diversity Policy	Outline the strategy for cultivating a diverse and balanced Board of Directors.
Diversity and Inclusion Policy	Determine the approach, strategy, expectations and governance of how to realize a diverse and inclusive workplace.
Anti-Harassment & Anti-Discrimination Policy	We are committed to fostering an inclusive and fair environment where individuals are treated with respect and have equal opportunities, irrespective of their gender, caste, race, religion, ethnicity, sexual orientation, gender identity, disability, or health condition. Definitions and examples of bullying are also included in the policy.

Our Approach

- People: Attract, recruit, develop and advance the best talent.
- Workplace: Educate, advocate, communicate and hold our colleagues accountable in order to foster an inclusive environment.

Our Initiatives

Activities	Actions
Inclusive Future	
Diversity & Inclusive Workplace Month	We declared Inclusion Month in October, during which we conducted various activities across APAC, 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. During the month, we arranged online learning program and Inclusion trainings in China and Vietnam. We hosted a fireside chat with global female leaders in India. We have also arranged various trainings and activities to engage employees as well as their families.
Empowered Future	
Mulan Mentoring Program	The Mulan mentoring program is designed to expedite the professional and personal development of women, preparing them as potential successors for important leadership positions, and fostering a more diverse and robust talent pool. The initial phase of the program welcomed participation from women employees in China who held managerial positions or higher, allowing them to enrol as either mentors or mentees. Throughout the program, mentees and mentors took part in a series of training sessions and interactive exchanges, facilitating their growth and progress along the mentoring journey.
Female Brewmaster	Our training and certification program for female brewmasters started from 2011. Over the past 13 years, 24 female employees have successfully obtained the brewmaster certification. One of them founded the 059 Coastline Craft beer brand, by using traditional brewing techniques and locally sourced ingredients from Fujian Province to produce distinctive fruit-flavoured craft beers. It currently stands as one of the best-selling brands in Fujian local craft beer market.
Equitable Future	
Gender Pay Equity	We work with an independent partner to conduct a comprehensive pay equity review annually. In 2023, we confirmed there was no statistically significant differences in base pay between women and men across Bud APAC.



Case Study: “Stand Tall” – India Women Leadership Development Program

“Stand Tall” is the Women Leadership Development Program for the India BU created with the intent to empower women talent with an experiential and impactful learning journey to develop crucial leadership and functional competencies, thereby creating a strong pipeline of women leaders for the organization. It is a platform that enables participants to overcome their personal and professional challenges, recognize and leverage the strengths that they bring to their roles and ultimately take charge of their careers and create a personal brand for themselves.

35 female talents from across functions and locations in India joined “Stand Tall” in an eight-month long journey. This involved experiential workshops on key skills such as assertiveness, personal branding and networking. To offer comprehensive development, we had sessions with the company leadership team to build cross-functional know-how and offer face time with the leaders to hear about their journey. The program ended with one-to-one mentoring with leaders in the organization to enable the participants with support and guidance on how to navigate their personal and professional goals.



Our Community



Community Engagement

Disclosure Items: GRI 413; HKEX B5, B8

UN SDGs	Progress in 2022	Progress in 2023
Goal 8: Decent Work and Economic Growth 	Community investment> 593,600 USD	Community investment> 424,280 USD
	95,391 + volunteer hours over 184 events	41,450 volunteer hours over 203 events
	Held 56 events across 28 Hope Schools in China	Held 55 events across 29 Hope Schools in China

Our Risks and Opportunities

Vibrant communities are integral to creating a future filled with joy and celebration. In times of natural disasters, we take proactive measures to supply essential drinking water for emergency relief efforts. Our relentless efforts are focused on fostering youth education, championing environmental preservation, and driving sustainable innovation within the communities we serve.

Our Approach

After carefully assessing our strategic priorities and available resources, we have identified several key areas where we are focusing our efforts through in-kind donations, skills-based volunteering, and our commitment to creating a future wit more cheers.

Smart Drinking

Smart Drinking is a strategic focus for us, and we plan to closely collaborate with governments and industry associations to launch a series of awareness campaigns.

Emergency Relief

Water is an essential resource for the well-being of our communities. We are committed to providing vital resources, such as access to clean drinking water in our operating markets.

Rural Revitalization

In line with our commitment to green management, we actively implement internal and external campaigns that have a positive impact on our local environment, ecosystem, and communities.

Sustainable Innovation

We utilize our resources to empower and support our value chain partners, providing them with increased financial opportunities.

Our Initiatives

Action

Corona Extra Lime Project

Since 2019, Bud China initiated the “Corona Extra Lime” project to support farmers in Anyue of Sichuan province to cultivate high quality limes, which not only improves farmers’ livelihood, but also enhances consumers’ corona-drinking experience. In 2023, Bud China further developed the project to create a social enterprise business model to accelerate and expand impact by establishing the Extra Lime Company with the provision of start-up capital, project investment and operation guidance. This is a model involving different parties and incorporated with various components. More than just securing the lime supply for Corona, this pioneering initiative can further promote the development of the lime industry and help improve the income for farmers in a sustainable way. The Extra Lime Company has signed an agreement with Bud China, to give priority to hiring farmers from low-income families and pledged to reinvest 20% of the net profits in the village. These funds will be utilized to support underprivileged community members and catalyze industrial development.

Impact



The lime base has expanded from 30 MU in 2020 to 478 MU in 2023, with accumulated 740,000 kg of limes sold.

Happy Library – Renewing Old Community Child Centers

In South Korea, we have started a local community project to renovate learning facilities and provide free educational materials and books for underprivileged community since 2016. This year, we opened the 11th Happy Library at the community center in Gangneung City, which was severely affected by a large-scale forest fire. On the day of opening ceremony, sales employees volunteered to organize books and paint mural outside of the community child center.



We have donated 4,200 books to local libraries over the past 7 years.

Appendices

Reporting Methodology

Environmental data

- Data pertaining to the environment from our recently acquired operations is not included in the current reporting period but will be incorporated in subsequent reports.
- The reported energy consumption and procurement figures exclude energy that is sold to external entities and the energy used in certain ongoing construction projects. This excluded energy consumption is not part of the amount of energy consumed in our beer brewing process.
- Our reporting on renewable electricity usage is based on the renewable electricity we have contracted. This measure reflects our commitments towards achieving our goal of using 100% renewable electricity.
- To calculate the recycled content in our products, we use a weighted average method, considering each supplier's purchases and the recycled content in their materials. Our focus on primary packaging, which constitutes over 83% of our global packaging volume by weight,

is a part of our broader initiatives in promoting circularity, which also includes secondary packaging and managing post-consumer waste.

- For non-returnable packaging, such as one-way glass bottles, aluminum cans, and PET bottles, our objective is to ensure a minimum of 50% recycled content.
- The percentage of recycled content is sourced from our suppliers and is consistently monitored. Packaging purchase data is derived from our internal procurement system. Since 2019, we have initiated supplier audits to verify the accuracy of recycled content data.
- The water replenishment rate equals the total potential water replenished in 2023 to the community through the infrastructure investment and other efforts cumulative from 2020 to 2023 divided by the total water consumption of the three breweries (namely PALS, CBL, and Crown Beers Breweries) in high-risk area in 2023. These three breweries have been identified as part of the global 2025 sustainability water stewardship goals.

Social data

- Safety data for all locations is immediately collected and analyzed and is included in the Report unless specified differently in the text or footnotes. Incident data at the end of the year is gathered in mid-January of the subsequent year for validation. It is important to note that injury classifications may evolve based on further medical assessments and treatments, affecting their status. This approach allows for a consistent and accurate comparison of data at a fixed annual point. Any revisions in injury classification in subsequent years do not alter the reporting for the current year or affect the comparison with past data.
- Data on workforce diversity and composition are recorded at the close of FY23.

Reporting Principles

This Report adheres to the Reporting Standards as outlined by the GRI Standard and the HKEX C2.

Principles	How we address the principle?
- 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 sustainability 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.
- Balance - Clarity	We appointed an external consultant to prepare this Report and suggest relevant contents to be disclosed to reflect the material sustainability topics that we prioritize in a structured and clear manner. This gives an unbiased picture of our initiatives, progress and performance.
- 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 the Report and data 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.

Performance Tables

Environmental Performance

Metrics	Unit	2023	2022	2021	2020	2019
GHG Emissions						
Total GHG Emissions	tCO ₂ e	6,233,156	6,446,190	6,595,909	6,518,208	7,602,891
Scope 1 Emissions ^[2]	tCO ₂ e	100,777 [♦]	137,529	158,733	183,980	257,845
Scope 2 Emissions ^{[2][5]}	tCO ₂ e	258,315 [♦]	358,425	433,891	462,137	489,318
Scope 3 Emissions ^{[4][5]}	tCO ₂ e	5,874,065 [♦]	5,950,236	6,003,286	5,872,092	6,855,728
GHG Emissions Intensity (Scope 1 and 2)	kgCO ₂ e/hl	4.02 [♦]	5.66	6.95	8.15	8.58
GHG Emissions Intensity (Scope 1, 2 and 3)	kgCO ₂ e/hl	69.73 [♦]	73.52	77.37	82.20	87.29
Energy Consumption						
Total Energy Consumption	Million GJ	6.09	6.44	6.99	7.0	8.3
Direct Energy Consumption – Non-renewable energy sources	GJ	1,717,650	2,159,004	2,401,959	2,453,610	3,507,609
Direct Energy Consumption – Renewable energy sources	GJ	288,411	394,019	345,296	588,580	735,469
Indirect Energy Consumption – Electricity purchased from non-renewable energy sources	GJ	950,571	1,443,890	1,867,438	1,953,917	2,324,383
Indirect Energy Consumption – Electricity purchased from renewable energy sources	GJ	1,246,705	747,061	410,423	219,884	114,247
Indirect Energy Consumption – Imported Steam	GJ	1,887,255	1,692,320	1,963,702	1,782,398	1,578,423
Energy usage per hectolitre of production	MJ/hl	73.19	77.73	83.96	87.90	92.63
Energy purchased per hectolitre of production	MJ/hl	69.08 [♦]	73.67	80.06	84.40	89.66
Percentage of renewable electricity	%	66.4 [♦]	36.1	25.6	14.2	4.4
Water						
Water usage	klh	183,272 [♦]	193,386	204,487	196,004	232,552
Total water consumption	klh	90,833	86,281	82,483	84,308	94,093
Percentage of water consumption from alternative water sources (i.e. greywater, rainwater, sewage)	%	20	20	15	8	9
Water use by hectolitre of production	hl/hl	2.03 [♦]	2.2	2.34	2.47	2.60

Metrics	Unit	2023	2022	2021	2020	2019
Waste						
Total non-hazardous waste produced	tons	1,419,138	1,400,310	1,426,617	1,292,757	1,488,634
Total hazardous waste produced	tons	590	457	986	2,427	1,879
Packaging						
Total packaging materials used for finished products	tons	2,163,783 [♦]	1,900,725	1,992,035	1,395,296	1,963,815
Percentage of returnable/recovery packaging	%	64.8	63.2	65.1	53.3	56.1
Percentage of recycled content used in primary packaging	%	54.4 [♦]	51.3	50.1	46.3	46
Percentage of recycled content in packaging – Glass	%	55.8 [♦]	53.7	52.4	48.6	47.2
Percentage of recycled content in packaging – Cans	%	31.3 [♦]	22.2	18.3	19.5	23.5
Air Emissions						
Particulate Matter (PM)	tons	119	138	114	107	171
Sulphur Dioxide (SO _x)	tons	124	114	115	56	97
Nitrogen Oxide (NO _x)	tons	370	368	358	281	365

♦ 2023 data assured by KPMG (please refer to External Assurance Report on pages 86 to 87).

Social Performance

Metrics	Unit	2023	2022	2021	2020	2019
Employment						
Total Employees	No.	24,902	24,331	26,363	26,489	28,546
Number of employees by employment type						
Full-time		18,416	19,079	21,059	22,004	22,935
Male	No.	13,639	14,163	15,524	16,260	16,899
Female	No.	4,777	4,916	5,535	5,744	6,036
Part-time		6,486	5,252	5,304	4,485	5,611
Male	No.	1,069	1,105	0	0	0
Female	No.	5,417	4,147	5,304	4,485	5,611
Number of employees by employment contract						
Permanent	No.	18,355	18,994	19,814	20,747	21,499
Temporary	No.	6,547	5,337	6,549	5,742	7,047
Number of full-time employees by age group						
Under 30	No.	3,394	3,894	4,108	4,751	4,947
Between 30 and 50	No.	13,485	13,737	15,020	15,174	15,814
Above 50	No.	1,537	1,448	1,931	2,079	2,174
Number of full-time employees by employee category						
Managers	No.	5,773	5,810	5,434	5,572	5,952
Non-managers	No.	12,643	13,269	15,625	16,432	16,983
Number of full-time employees by geographical region						
Mainland China	No.	14,695	15,392	17,381	18,047	18,942
South Korea	No.	1,969	1,939	1,915	1,939	1,952
India	No.	1,404	1,415	1,348	1,593	1,643
Vietnam	No.	348	333	343	355	335

Metrics	Unit	2023	2022	2021	2020	2019
Employee Turnover Rate						
Turnover rate	%	5	6.6	6.8	6.45	7.69
Turnover rate by gender						
Male	%	7.0	6.7	6.9	6.39	7.38
Female	%	5.0	8.1	8.4	6.63	8.64
Turnover rate by employee category						
Managers	%	7.0	10.7	10.6	7.86	8.95
Non-managers	%	6.0	6.5	5.9	5.91	7.19
Turnover rate by age group						
Under 30	%	13.0	15.2	12.2	11.35	12.84
Between 30 and 50	%	5.0	5.8	5.9	5.2	6.58
Above 50	%	1.0	1.0	1.1	2.11	1.18
Percentage of Employees Trained						
Percentage of employees trained by gender						
Male	%	97	93	89	90	79
Female	%	98	86	93	90	80
Percentage of employees trained by employee category						
Managers	%	73	94	99	97	87
Non-managers	%	100	85	89	88	77

Metrics	Unit	2023	2022	2021	2020	2019
Average Training Hours						
Average training hours by gender						
Male	Hours	49	67	26	11	6
Female	Hours	43	71	27	11	6
Average training hours by employee category						
Managers	Hours	44	65	36	11	7
Non-managers	Hours	49	70	23	10	6
Health and Safety^[6]						
Number of work-related fatalities for employees	No.	0*	0	1	0	1
Rate of work-related fatalities for employees	/	0	0	0.01	0	0.01
Number of work-related fatalities for non-employees ^[8]	No.	0*	1	0	0	0
Lost days due to work injury for employees	days	0	339	619	383	561
Number of high consequences work related injuries ^[9] (excluding fatalities) for employees	No.	0	0	2	1	1
Rate of high-consequence work-related injuries for employees (based on 200,000 hours worked)	/	0	0	0.03	0.01	0.01
Number of high consequences work related injuries (excluding fatalities) for non-employees	No.	0	0	0	1	2
Number of recordable work-related injuries (excluding fatalities) for employees	No.	13	23	15	20	25
Rate of recordable work-related injuries for employees (based on 200,000 hours worked)	/	0.05	0.09	0.19	0.25	0.24
Number of recordable work-related injuries (excluding fatalities) for non-employees	No.	3	8	9	17	21
Others						
Number of sites certified by the work safety standardization ^[10]	No.	29	23	22	21	20
Percentage of sites certified by the work safety standardization	%	74	59	52	46	41
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. Scope 2 and 3 are calculated using a market-based approach.
6. The scope of H&S data in this performance table covers all employees from 2022, while 2018 to 2021 data only covers supply employees.
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



KPMG
8th Floor, Prince's Building
Central, Hong Kong
G P O Box 50, Hong Kong
Telephone +852 2522 6022
Fax +852 2845 2588
Internet kpmg.com/cn

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 sustainability report for the year ended 31 December 2023 ("the 2023 Sustainability Report") ("the Selected Sustainability Information").

Selected Sustainability Information

The Selected Sustainability Information for the year ended 31 December 2023 is summarised below:

Greenhouse Gas (GHG) Emissions

- Scope 1 emissions (in tCO₂e)
- Scope 2 emissions (in tCO₂e)
- Scope 3 GHG emissions (in tCO₂e)
- 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

- Water usage (in khl)
- Total water withdrawal in khl, per source
- Water use by hectoliter of production (in hl/hl)
- Water replenishment rate in India high water stress areas (in %)

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 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Sustainability 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 81 of the 2023 Sustainability 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)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires the firm to design, implement and operate a system

of quality management, including policies or 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 IAASB. 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.

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 2023 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 2024

Industry Engagement

NGOs	Industry Associations
The Nature Conservancy	Alcoholic Beverage Association of China
World Resources Institute	National Research Institute of Food and Fermentation Industry in China
World Wildlife Fund	Indian Chambers of Commerce and Industry
Rocky Mountain Institute	Association of Enterprises with Foreign Investment in Guangzhou
Narwhal Ocean Research Center	Alcohol and Liquor Industry Association of Korea
Renewable Energy Industry Association of China	Packaging Recycling Association of Korea
Climate Disclosure Project	Container Deposit System Management Organization
Red Cross	Resource Circulation Service Agency of Korea
Woman Union	Alcohol Safety Association of Korea
National Traffic and Safety Committee	Korean Chamber of Commerce and Industry
Green Asia Network	Food Industry Association of Korea
International Child Right Center	Beverage Association of Vietnam
Happy Alliance	National Traffic and Safety Committee of Vietnam
Korea Disaster Relief Association	
Children Fund Korea	
National Skill Foundation of India (NFSI) for Women Entrepreneurship in India	
Water Aid India for Water Programs	
Vietnam Youth Union	
Vietnam Red Cross	

Awards

Awards	Organization
Net-Zero Leadership Award and Green Supply Chain Award	British Chamber
Responsible Enterprise of the Year 2023	CSR Forum
The Best Partnership Award of FamilyMart	FamilyMart Fall-Winter Commodity Fair and Supplier Conference
2022-2023 ECR Green Development Project Award	19th Efficient Customer Response (ECR) Conference
Environmental Protection Enterprise Award	Environment and Ecology Bureau (Guangxi, Harbin and Weihui)
Production Safety Award	Emergency Management Bureau (Putian, Baoding, Harbin, Foshan and Nantong)
Best Risk Management Company	Ministry of Employment and Labor of Korea
Best Energy-Saving Practices in Wenzhou in 2023	Energy Saving and Consumption Reduction Office in Wenzhou
Safe Production Company in Jinzhou	Jinzhou Safe Production Committee
Green Factory Award	Ministry of Industry and Information Technology of PRC
Excellent Occupational Health Enterprise Award	Provincial Health Commission (Hebei, Ji'an, Jiangxi, Nanchang, Tangshan, Putian, Suqian, Zhangzhou, Tangshan & Jilin)
Leading Enterprise in Industrial Carbon Emission Peak of China in 2023	Federation of Industrial Economics of China
Leading Company in Green Development	Provincial Department of Ecology and Environment of Jiangsu
Best Risk Assessment Award	Occupational Safety and Health Agency of Korea
Traffic Safety Award	Municipal Public Security Bureau (Harbin, Jinzhou, Baoding, Weihui and Ziyang)

Awards	Organization
Zero Waste Brewery Award	Municipal Environment and Ecology Bureau (Putian, Wuhan and Harbin)
Water Saving Enterprise Award	Provincial Department of Water Resources, Department of Industry and Information Technology (Zhejiang, Guangdong, Heilongjiang, Jilin, Hebei, Hunan and Hubei)
Fire Safety Award	Fire Rescue Brigade (Weihui, Xinxiang, Mudanjiang and Suyu District)

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
The American Chamber of Commerce in Hong Kong	Member
EuroCHAM	Member

Content Index for Reporting Guidelines

GRI Standards, UN Global Compact and HKEX Listing Rules Appendix C2

ESG Reporting 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	REPORT page 6-8
	2-2		–	Entities included in the organization's sustainability reporting	REPORT page 2
	2-3		–	Reporting period, frequency and contact point	Bud APAC's Sustainability Report 2023 was published on 22 March, 2024 1 January to 31 December in 2023 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 – External Assurance Letter REPORT page 86, 87
	2-6	KPI B5.1; KPI B5.2; KPI B5.3		Activities, value chain and other business relationships	REPORT page 7, 50-64
	2-7	KPI B1.1		Employees	REPORT page 66-78, 84
	2-8		–	Workers who are not employees	REPORT page 50, 85
	2-9		–	Governance structure and composition	REPORT page 16-19
	2-10		–	Nomination and selection of the highest governance body	REPORT page 16-18
	2-11	7	–	Chair of the highest governance body	REPORT page 18

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
	2-12			Overall approach: para 10 Governance structure 13	Role of the highest governance body in overseeing the management of impacts REPORT page 16-19
	2-13	1,8	–	Delegation of responsibility for managing impacts	REPORT page 18-19
	2-14			Overall approach: para 10	Role of the highest governance body in sustainability reporting REPORT page 16-21
	2-15		–	Conflicts of interest	REPORT page 22
	2-16		–	Communication of critical concerns	REPORT page 12-14, 16, 19 Material topics were presented to the Sustainability Committee.
	2-17	1,2,10	–	Collective knowledge of the highest governance body	REPORT page 17-18
	2-18		–	Evaluation of the performance of the highest governance body	REPORT page 16
	2-19		–	Remuneration policies	REPORT page 18-19
	2-20		–	Process to determine remuneration	REPORT page 19, 71
	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	REPORT page 4-5
	2-23		–	Policy commitments	REPORT page 22-23, 26, 34, 40, 45, 51, 60, 62, 66, 71, 76
	2-24		–	Embedding policy commitments	Same as 2-24
	2-25		–	Processes to remediate negative impacts	REPORT page 20, 28-30

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
	2-26		KPI B7.2	Mechanisms for seeking advice and raising concerns	REPORT page 12-14
	2-27		KPI B7.1	Compliance with laws and regulations	This year, we received 85 reports, of which 36% are related to potential/actual conflict of interest concerns, 33% related to dishonest behavior, 15% related to HR-related issues, 11% related to violation of policies and procedures, and 5% related to other issues such as health, safety, and environment. As of 31 December 2023, 44 cases remained to be substantiated, 7 cases resulted in dismissals or resignations and 37 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	REPORT page 88, 90
	2-29	Overall approach: para 7; Reporting Principle 14; KPI B6.2		Approach to stakeholder engagement	REPORT page 12
	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.

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Material Topic					
GRI 3: Material Topics 2021	3-1		–	Process to determine material topics	REPORT page 12
	3-2		–	List of material topics	REPORT page 13
Economic					
Economic performance					
GRI 3: Material Topics 2021	3-3			Management of material topics	REPORT page 14
GRI 201: Economic Performance 2016	201-1		KPI B8.2	Direct economic value generated and distributed	REPORT page 7
	201-2		KPI A4.1	Financial implications and other risks and opportunities due to climate change	REPORT page 14, 28-30
Indirect Economic Impact					
GRI 3: Material Topics 2021	3-3			Management of material topics	REPORT page 7, 14, 55-56, 79
GRI 203: Indirect Economic Impacts 2016	203-1			Infrastructure investments and services supported	REPORT page 79-80
	203-2			Significant indirect economic impacts	REPORT page 7, 9-10, 62-64, 79-80
Anti-corruption					
GRI 3: Material Topics 2021	3-3	10	Aspect B7	Management of material topics	REPORT page 22, 51
GRI 205: Anti-corruption 2016	205-1		–	Operations assessed for risks related to corruption	REPORT page 22
	205-2		KPI B7.3	Communication and training about anti-corruption policies and procedures	REPORT page 22
	205-3		Aspect B7; KPI B7.1	Confirmed incidents of corruption and actions taken	In FY23, there were no legal cases regarding corrupt practices brought against Bud APAC or its employees.

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Environment					
Materials					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A2; Aspect A3	Management of material topics	REPORT page 9, 40-48
GRI 301: Materials 2016	301-1		KPI A2.5	Materials used by weight or volume	REPORT page 41-42
	301-2		–	Recycled input materials used	REPORT page 41 -44
Energy					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A2 Aspect A3	Management of material topics	REPORT page 9, 25-27, 83
GRI 302: Energy 2016	302-1		KPI A2.1	Energy consumption within the organization	REPORT page 9, 25-27, 83
	302-2		–	Energy consumption outside of the organization	REPORT page 25-27, 83
	302-3		KPI A2.3	Energy intensity	REPORT page 25-27, 83
	302-4		KPI A2.3	Reduction of energy consumption	REPORT page 27, 83
Water and Effluents					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A2; Aspect A3	Management of material topics	REPORT page 9, 34-39
GRI 303: Water and Effluents 2018	303-1		KPI A2.4	Interactions with water as a shared resource	REPORT page 34-39
	303-2		–	Management of water discharge-related impacts	REPORT page 36-39
	303-3		KPI A2.2	Water withdrawal	REPORT page 35-39
	303-4			Water discharge	REPORT page 36-39
	303-5		KPI A2.2	Water consumption	REPORT page 35-39

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Emissions					
GRI 3: Material Topics 2021	3-3	7,8,9	Aspect A1; Aspect A3	Management of material topics	REPORT page 9, 25-26, 45-46
GRI 305: Emissions 2016	305-1		KPI A1.1; KPI A1.2; KPI A3.1	Direct (Scope 1) GHG emissions	REPORT page 26-27, 83
	305-2		KPI A1.1; KPI A1.2	Energy indirect (Scope 2) GHG emissions	REPORT page 26-27, 83
	305-3		KPI A1.1	Other indirect (Scope 3) GHG emissions	REPORT page 26-27, 45-48, 83
	305-4		KPI A1.2	GHG emissions intensity	REPORT page 83
	305-5		KPI A1.5	Reduction of GHG emissions	REPORT page 9, 25, 27
	305-7		KPI A1.1	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	REPORT page 83
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	REPORT page 40-43
GRI 306: Waste 2020	306-1		–	Waste generation and significant waste-related impacts	REPORT page 40-42
	306-2		KPI A1.6	Management of significant waste-related impacts	REPORT page 40-44
	306-3		KPI A1.3, KPI A1.4	Waste generated	REPORT page 42
	306-4		KPI A1.3, KPI A1.4	Waste diverted from disposal	REPORT page 42
	306-5		KPI A1.3, KPI A1.4	Waste directed to disposal	REPORT page 42

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3	7,8	Aspect A1 GD	Management of material topics	REPORT page 50-54
GRI 308: Supplier Environmental Assessment 2016	308-1		KPI B5.2	New suppliers that were screened using environmental criteria	REPORT page 51, 53
Social					
Employment					
GRI 3: Material Topics 2021	3-3	6	Aspect B1 GD	Management of material topics	REPORT page 71-72 In FY23, 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.
GRI 401: Employment 2016	401-1		KPI B1.2	New employee hires and employee turnover	REPORT page 7, 84 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	REPORT page 71

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Occupational health and safety					
GRI 3: Material Topics 2021	3-3	1	Aspect B2 GD	Management of material topics	REPORT page 66-70 In FY23, 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	REPORT page 66-70
	403-2		–	Hazard identification, risk assessment, and incident investigation	REPORT page 66-68
	403-3		KPI B2.3	Occupational health services	REPORT page 66-70
	403-4		–	Worker participation, consultation, and communication on occupational health and safety	REPORT page 69-70
	403-5		KPI B2.3	Worker training on occupational health and safety	REPORT page 69
	403-6		–	Promotion of worker health	REPORT page 69
	403-7		KPI B2.3	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	REPORT page 69
	403-8		–	Workers covered by an occupational health and safety management system	All employees are covered by the occupational health and safety management system that we have in place.
	403-9		KPI B2.1	Work-related injuries	REPORT page 66, 68, 85

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Training and education					
GRI 3: Material Topics 2021	3-3	6	Aspect B3 GD	Management of material topics	REPORT page 71-72
GRI 404: Training and Education 2016	404-1		KPI B3.2	Average hours of training per year per employee	REPORT page 71
	404-2		Aspect B3 GD	Programs for upgrading employee skills and transition assistance programs	REPORT page 74-75
	404-3		KPI 3.1	Percentage of employees receiving regular performance and career development reviews	95% of our employees received regular performance and career development reviews.
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3	6	Aspect B1 GD	Management of material topics	REPORT page 10, 76-78
GRI 405: Diversity and Equal Opportunity 2016	405-1		–	Diversity of governance bodies and employees	REPORT page 16, 76
Non-discrimination					
GRI 3: Material Topics 2021	3-3	6	Aspect B1 GD	Management of material topics	REPORT page 76
GRI 406: Non-discrimination 2016	406-1		–	Incidents of discrimination and corrective actions taken	In FY23, there were no substantial reported incidents of discrimination.

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Child labor					
GRI 3: Material Topics 2021	3-3	4,5	Aspect B4	Management of material topics	REPORT page 22, 53, 71
GRI 408: Child Labor 2016	408-1		KPI B4.1; KPI B4.2	Operations and suppliers at significant risk for incidents of child labor	REPORT page 53 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	Aspect B4	Management of material topics	REPORT page 53, 71
GRI 409: Forced or Compulsory Labor 2016	409-1			Operations and suppliers at significant risk for incidents of forced or compulsory labor	REPORT page 53, 71 Bud APAC is not aware of any operations or suppliers that have significant risks concerning issues related to compulsory 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.
Local communities					
GRI 3: Material Topics 2021	3-3	7,8	Aspect B8	Management of material topics	REPORT page 10, 55-59, 62-64, 79-80
GRI 413: Local Communities 2016	413-1		KPI B8.1; KPI B8.2	Operations with local community engagement, impact assessments, and development programs	REPORT page 10, 62-64, 79-80

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Supplier social assessment					
GRI 3: Material Topics 2021	3-3	1-6,10	Aspect B5 GD	Management of material topics	REPORT page 50-51
GRI 414: Supplier Social Assessment 2016	414-1		KPI B5.1; KPI B5.2; KPI B5.3	New suppliers that were screened using social criteria	REPORT page 53 Bud APAC requires 100% of its suppliers and business partners to follow our Responsible Sourcing Policy. In FY23, we worked with 6,107 suppliers, of which around 44.3% were based in China, 20.1% in India, 25.7% in South Korea, 6.4% in Vietnam and 3.5% in other regions.
Customer health and safety					
GRI 3: Material Topics 2021	3-3		Aspect B6 GD	Management of material topics	REPORT page 60-64
GRI 416: Customer Health and Safety 2016	416-1		–	Assessment of the health and safety impacts of product and service categories	REPORT page 60-64
	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	REPORT page 60, 85 In FY23, 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.

GRI Standards Disclosure/Topic Disclosed	GRI Indicator	UNGC	HKEX	Description	Remarks, References and Page No.
Marketing and labeling					
GRI 3: Material Topics 2021	3-3		–	Management of material topics	REPORT page 62-63
	417-2			Incidents of non-compliance concerning product and service information and labeling	In FY23, 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	In FY23, there were no reported incidents of non-compliance in relation to laws or regulations concerning market communications which had a material impact on Bud APAC.
Customer privacy					
GRI 3: Material Topics 2021	3-3		Aspect B6 KPI B6.5	Management of material topics	REPORT page 23
GRI 418: Customer Privacy 2016	418-1		Aspect B6	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In FY23, 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	REPORT page 22-23
			KPI B6.2	Number of products and service related complaints received and how they are dealt with.	In FY23, Bud APAC received 739 quality complaints from consumers and has followed the recall procedure as stated in the VPO quality pillar to resolve them.

Glossary

"AB InBev"	Anheuser-Busch InBev SA/NV	"COP28"	The 28th United Nations Climate Change Conference
"AGM"	Annual General Meeting	"CPG"	Consumer Packaged Goods
"AI"	Artificial Intelligence	"CSR"	Corporate Social Responsibility
"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	"CYDF"	China Youth Development Foundation
"APACU"	APAC University	"DJSI"	Dow Jones Sustainability Index
"Board"	The Board of Directors	"DPO"	Distribution Process Optimization
"BSG"	Barley Saved Grain	"DST"	Digital Safety Transformation
"BTS"	Biological Treatment System	"ECR"	Efficient Customer Response
"Bud APAC", "Company"	Budweiser Brewing Company APAC Limited	"ERM"	Enterprise Risk Management
"BUs"	Business Units	"ESG"	Environmental, Social and Governance
"CCUS"	Carbon Capture Utilization and Storage	"EV"	Electric Vehicles
"CDP"	Carbon Disclosure Project	"FMCG"	Fast-moving Consumer Goods
"CEIBS"	China Europe International Business School	"FY"	The financial year ended or ending 31 December
"CIP"	Cleaning in place	"GHG"	Greenhouse Gas
"CO ₂ "	Carbon Dioxide	"GMT"	Global Management Trainee
		"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
		"GWh"	Gigawatt hours
		"HKEX"	The Stock Exchange of Hong Kong Limited
		"hl"	Hectoliter

“IFRS”	The International Financial Reporting Standards	“rPET”	Recycled PET
“IID”	Ignition Interlock Device	“RSP”	Responsible Sourcing Practices
“INEDs”	Independent Non-executive Directors	“SBTi”	Science-Based Targets Initiative
“ISO”	International Organization for Standardization	“SOP”	Standard Operating Procedure
“ISSB”	International Sustainability Standards Board	“SSA”	Supplier Strategic Alliance
“IUCN”	International Union for Conservation of Nature	“TCFD”	Task Force on Climate-related Financial Disclosure
“IVF”	In Vitro Fertilization	“TNFD”	Task Force on Nature-related Disclosures
“KoROAD”	Korea Road Traffic Authority	“TRI”	Total Recordable Injuries
“kWh”	Kilowatt-hour	“UBC”	Used Beverage Cans
“LTI”	Lost Time Injuries	“UN SDGs”	The United Nations’ Sustainable Development Goals
“MW”	Megawatt	“UN”	United Nations
“NABLAB”	No-Alcohol Beer and Low-Alcohol Beer	“UNCCD”	United Nations Convention to Combat Desertification
“NGOs”	Non-governmental Organization	“USD”	Dollars, the lawful currency of the US
“NSFI”	National Skill Foundation of India	“VP”	Vice President
“OBC”	Oriental Brewery Co., Ltd	“VPO”	Voyager Plant Optimization
“OHS”	Occupational Health and safety	“VSA”	Vendor Strategic Alliance
“OMS”	Operations Management System	“WASH”	Water, Sanitation, and Hygiene
“POC”	Points of Connection	“WHO”	World Health Organization
“R&D”	Research and Development	“WRI”	World resources Institutes
“RMB”	Renminbi, the lawful currency of the People’s Republic of China	“ZED”	Zero Effluent Discharge
“RO”	Reverse Osmosis	“ZLD”	Zero Liquid Discharge



BUDWEISER BREWING COMPANY APAC

百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司