



BUDWEISER BREWING COMPANY APAC
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Biodiversity Policy

Budweiser Brewing Company APAC (Bud APAC)

Version	Date	Major Update	Issued by
1.0	Dec 2021	Initial Release	Terry Yao (Procurement Director - Sustainability)

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1. Introduction

- 1.1 This Biodiversity Policy (“Policy”) describes stance and approaches of Budweiser Brewing Company APAC (“Bud APAC” or the “Group”) to biodiversity conservation. At Bud APAC, we are committing to building a **#FutureWithMoreCheers**. To do so, we are determined to sustain our company together with a healthy environment and thriving communities, while creating economic, environmental and social values for our stakeholders and business.
- 1.2 Biological diversity or biodiversity is defined as “the variety of life on Earth and the natural patterns it forms”¹. It comprises aquatic and terrestrial ecosystems with unique ecosystem services that benefit the health of the environment, water quality and agricultural practices. Functioning ecosystems and a healthy environment provide natural resources that sustain our operations, the environment, communities and, ultimately, human wellbeing.
- 1.3 Due to climate change, habitat degradation, excessive agricultural land use and the exploitation of natural resources associated with economic activity, biodiversity is declining at an unprecedented rate. Biodiversity loss is now considered an existential global threat and can pose far-reaching economic risks².
- 1.4 A vital part of growing Bud APAC’s business sustainably for the next 100+ years is to preserve critical ecosystem services and the availability of raw materials such as barley, hops, and water. Guided by our 2025 Sustainability Goals and in support of the United Nations Sustainable Development Goals (“UN SDGs”), including Goal 15: Life on Land, Bud APAC recognizes the significance of preventing biodiversity loss and ecosystem degradation.
- 1.5 Our production depends on a reliable supply of agricultural commodities and clean water. To sustain this, we have plans, programs and targets hinging on our priority areas of Climate Action, Water Stewardship, Circular Packaging and Smart Agriculture. Through our collaborative effort with stakeholders, we aim to minimize our environmental footprint and maximize opportunities to enhance biodiversity conservation and ecosystem preservation.

¹ UNEP and Biodiversity 2020, UN Environment Program (“UNEP”), accessed 5 November 2021, <https://www.unep.org/unep-and-biodiversity>

² World Economic Forum Global Risk Report 2021: https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf

2. Scope of Application

- 2.1 All Business Units (“BUs”) under Bud APAC, suppliers, contractors and other business partners working on the Group’s behalf should comply and refer to this Policy.

Other Relevant Policies for Reference:

- Click [here](#) to see our Environmental Policy
- Click [here](#) to see our Climate Policy
- Click [here](#) to see our Water Policy
- Click [here](#) to see our Packaging and Waste Policy
- Click [here](#) to see our Responsible Sourcing Policy

3. General Policy

- 3.1 Bud APAC is committed to biodiversity conservation. This commitment focuses on minimizing our environmental footprint and maximizing opportunities to protect ecosystems through actions across our four priority areas including Climate Action, Water Stewardship, Circular Packaging and Smart Agriculture. We will strive to:
- 3.1.1 Comply with all relevant laws, regulations and standards in all countries in which Bud APAC operates;
 - 3.1.2 Contribute to international and local initiatives, such as The China National Biodiversity Conservation Strategy and Action Plan (2011-2030)³, the Hong Kong Biodiversity Strategy and Action Plan (2016-2021)⁴, the Republic of Korea's Fourth National Biodiversity Strategy (2019-2023)⁵;
 - 3.1.3 Integrate industry best practice into our operations and through our Responsible Sourcing Policy encourage our business partners to do the same;
 - 3.1.4 Anticipate and prepare for emerging environmental regulations and increasing societal expectations; and
 - 3.1.5 Transparently disclose our context-based targets and progress.
- 3.2 Accordingly, we will:
- 3.2.1 Undertake biodiversity assessments and identify nature-related risks covering impacts and dependencies on natural resources, where relevant to Bud APAC's operations and supply chain;
 - 3.2.2 Avoid sourcing from / operating in areas that are listed as World Heritage areas⁶ and International Union for Conservation of Nature ("IUCN") Category I-IV protected areas⁷;
 - 3.2.3 Promote sustainable forest management and prevent deforestation by utilizing natural resources certified by the Forest Stewardship Council ("FSC") or the Program for the Endorsement of Forest Certification ("PEFC");
 - 3.2.4 Support ecosystem restoration through collaborating with local community groups and industry associations, educating our farmers in the supply chain and optimizing our operations to minimize any adverse effects on the environment and biodiversity;
 - 3.2.5 Conduct environmental impact assessment ("EIA") and due diligence assessment to identify sensitive environments (e.g. sensitive water bodies) and improve the sustainable site selection process and development, where applicable;
 - 3.2.6 Incorporate and implement biophilic design throughout constructions/renovation of new/existing breweries, such as rooftops and vertical gardens, habitat connectivity and planting native vegetations;
 - 3.2.7 Reduce habitat disturbance, degradation and indirect impacts such as environmental

³ China National Biodiversity Conservation Strategy and Action Plan (2011-2030):

<https://www.cbd.int/doc/world/cn/cn-nbsap-v2-en.pdf>

⁴ Hong Kong Biodiversity Strategy and Action Plan (2016-2021):

https://www.afcd.gov.hk/english/conservation/Con_hkbsap/files/HKBSAP_ENG_2.pdf

⁵ the Republic of Korea's Fourth National Biodiversity Strategy (2019-2023):

<https://www.cbd.int/doc/world/kr/kr-nbsap-v4-en.pdf>

⁶ World Heritage List: <https://whc.unesco.org/en/list/>

⁷ IUCN Protected Areas Categories: <https://www.iucn.org/theme/protected-areas/about/protected-area-categories>

pollution and atmospheric emissions from our operations and supply chain;

- 3.2.8 Enhance biodiversity awareness amongst our stakeholders, especially our employees and our communities;
- 3.2.9 Partner with our stakeholders such as the government, non-governmental organizations (“NGOs”), suppliers and other institutions to support relevant biodiversity programs and initiatives such as regenerative farming practices; and
- 3.2.10 Monitor targets and track progress on actions taken to reduce our environmental footprint and contribute to biodiversity conservation across our four priority areas including Climate Action, Water Stewardship, Circular Packaging and Smart Agriculture.

4. Implementation and Review

- 4.1 Bud APAC will enact this Policy by implementing procedures in our Voyager Plant Optimization (“VPO”) manual.
- 4.2 All Bud APAC’s employees and related suppliers must comply with this Policy.
- 4.3 Suggestions, issues and concerns raised by Bud APAC’s employees and public concerns on this Policy will be reported to the management team and conveyed back to the Sustainability and Procurement Team. Further amendments to this policy will be made as necessary.
- 4.4 This Policy should be enforced into Bud APAC’s practices and the responsibility to review the Policy lies with the Procurement and Procurement Team.
- 4.5 All respective budget controls are included in Bud APAC’s annual budgets of relevant parties.
- 4.6 This Policy is approved by Terry Yao (Procurement Director - Sustainability), who is a member of the ESG Committee that reports to the Board.
- 4.7 Key performance indicators (“KPIs”) and status updates relating to each commitment identified in this Policy will be reported to meetings of the Board, ESG Committee, Sustainability and Procurement Team’s annual strategy when needed. In addition, updated information will be placed on Bud APAC’s website.
- 4.8 This Policy will be regularly reviewed considering legislation, public policy and organizational changes and development in sustainability best practices, or at a minimum, every three (3) years. Updates of the Policy will be presented to the ESG Committee for endorsement.

5. Abbreviations

<u>Abbreviation</u>	<u>Full Description</u>
Bud APAC	Budweiser Brewing Company APAC Limited
BUs	Business Unit(s)
EIA	Environmental Impact Assessment
FSC	Forest Stewardship Council
IUCN	International Union for Conservation of Nature
KPIs	Key Performance Indicator(s)
NGOs	Non-governmental organization(s)
PEFC	Program for the Endorsement of Forest Certification
UN SDGs	The United Nations Sustainable Development Goals
VPO	Voyager Plant Optimization