

# Bud APAC 2023 ESG Webcast

15<sup>th</sup> May 2023



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

# Speakers and Q&A Panelists



**Jan Craps**

Co-Chair, Executive Director  
and Chief Executive Officer



**Ignacio Lares**

Chief Financial Officer



**Yanjun Cheng**

Chief Supply and Logistics  
Officer



**Craig Katerberg**

Chief Legal and Corporate  
Affairs Officer



**Linda Qian**

Chief People Officer



**Jan Clysner**

Vice President of Sustainability  
and Procurement

# Legal Disclaimer

---

By attending the webcast or meeting where this presentation is made, or by reading the presentation materials, you agree to be bound by the following limitations:

The information in this presentation has been prepared by representatives of Budweiser Brewing Company APAC Limited (the “**Company**” or “**Bud APAC**” and, together with its subsidiaries, the “**Group**”) for use in presentations by the Group for information purposes and does not constitute a recommendation regarding the securities of the Company.

The information in this presentation contains “forward-looking statements”. These statements are based on the current expectations and views of future events and developments of the management of Bud APAC and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements include statements typically containing words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “anticipate”, “estimate”, “project”, “may”, “might”, “could”, “believe”, “expect”, “plan”, “potential”, “we aim”, “our goal”, “our vision”, “we intend” or similar expressions that are forward-looking statements. All statements other than statements of historical facts are forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect the current views of the management of Bud APAC, are subject to numerous risks and uncertainties about Bud APAC and are dependent on many factors, some of which are outside of Bud APAC’s control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different, including but not limited to, the effects of the COVID-19 pandemic and uncertainties about its impact and duration, and the risks and uncertainties relating to Bud APAC as described in the prospectus of Bud APAC dated 18 September 2019, 2022 Annual Report, 2022 ESG Report and any other documents that Bud APAC has made public (the “**Documents**”). Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including the Documents. Any forward-looking statements made in this communication are qualified in their entirety by these cautionary statements and there can be no assurance that the actual results or developments anticipated by Bud APAC will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Bud APAC or its business or operations. Except as required by law, Bud APAC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

The use by Budweiser Brewing Company APAC Limited of any MSCI ESG 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. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



# ESG Overview & Highlights

Jan Craps

Chief Executive Officer and  
Co-Chair of the Board



# AGENDA

- 01 ESG Overview & Highlights
- 02 Our Value Chain & Climate Reporting
- 03 Working Toward our Net Zero Ambition
- 04 Empowering our Value Chain Partners
- 05 Championing Diversity, Equity & Inclusion
- 06 Developing Resilient Communities
- 07 Strong Governance Ethos
- 08 Q & A



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC



# Bud APAC at a Glance

Stock Code: **1876.HK**

The year Budweiser was first brewed

 **35+**  
Countries/territories

 **50+**  
Brands

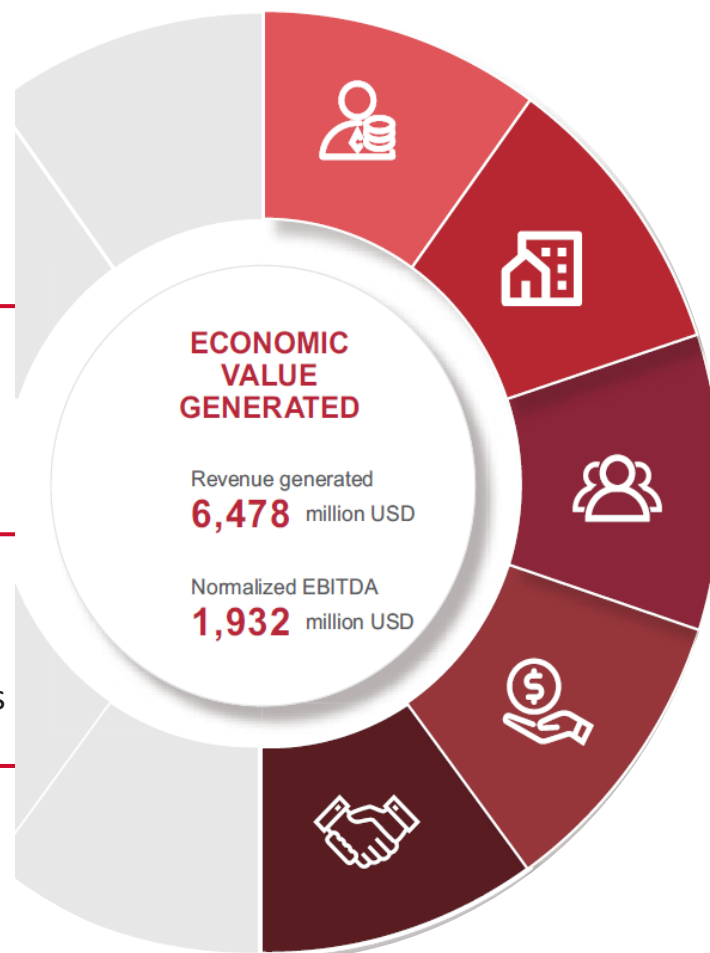
 **24,000+**  
Colleagues

 **47**  
Breweries

 **25**  
Nationalities in our  
workforce

 **51**  
Distribution centers

 **37.2%**  
Female colleagues



Dividend per share  
**3.78** cents USD

Beers and beverages sold in 2022  
**88.491** million hl



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC

All information refers to FY2022 results (as of 31 Dec 2022).

OUR PURPOSE

**We Dream Big to  
Create a Future With  
More Cheers**

# Our Values

1

We dream big.

## 10 Principles

2

We are owners who think long-term.

3

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

4

We lead change and innovate for our consumers.

5

We grow when our customers grow.

6

We thrive when our communities thrive.

7

We believe in simplicity and scalable solutions.

8

We manage costs tightly and make choices to drive growth.

9

We create and share superior value.

10

We never take shortcuts.



# Aligning our Strategic Priorities with Sustainable Development Goals (UN SDGs)

## Climate Action



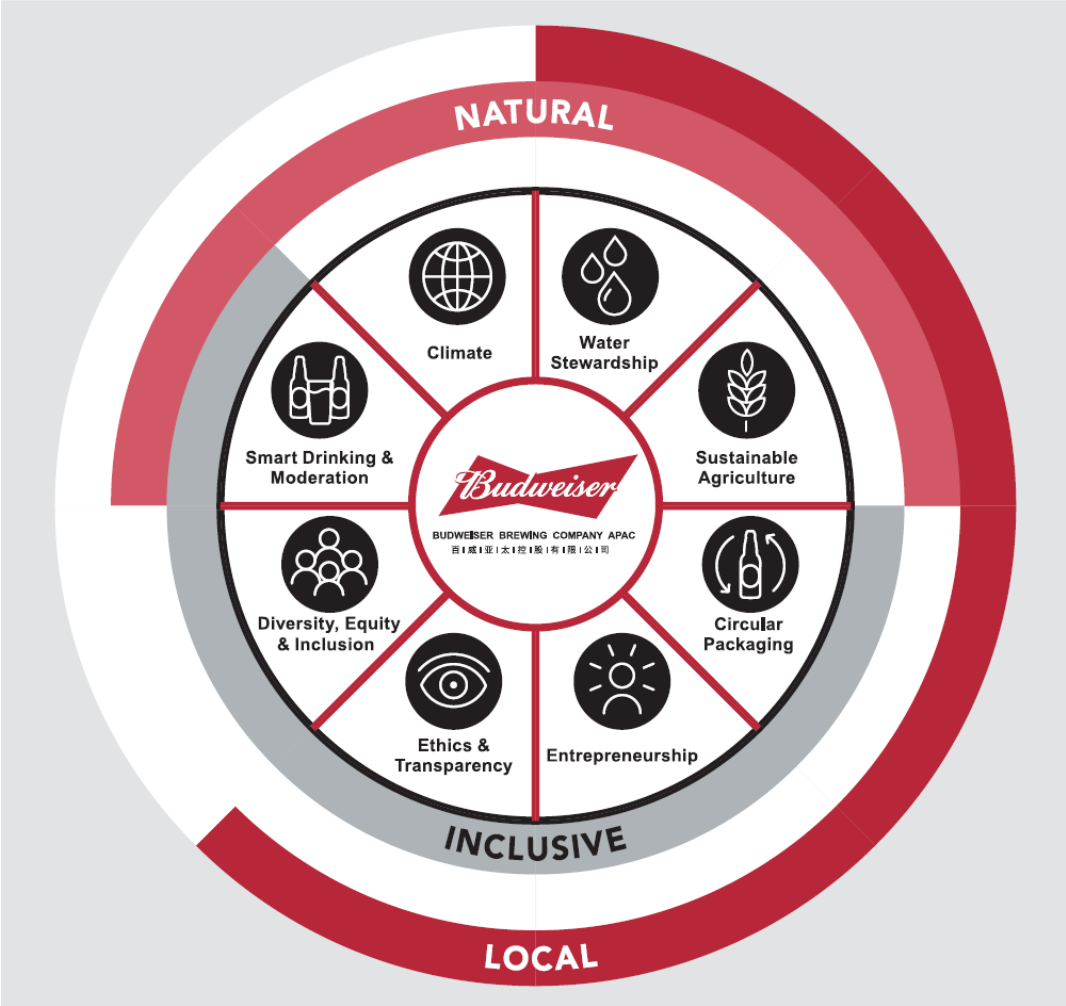
## Smart Drinking & Moderation



## Diversity, Equity & Inclusion



## Ethics & Transparency



## Water Stewardship



## Sustainable Agriculture



## Circular Packaging



## Entrepreneurship



# Our ESG Recognitions

**MSCI**  
ESG RATINGS



Rated "AA"

Participation since 2019



a Morningstar company

Rated "Low Risk"

Participation since 2019



Climate Change: "B"  
Water Security: "B"

Participation since 2021

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

Constituent of Dow Jones Sustainability Asia Pacific Index

Participation since 2021

## ESG Reporting Standards



ESG Reporting Guide  
(Appendix 27)



Core Option



1.5° Alignment



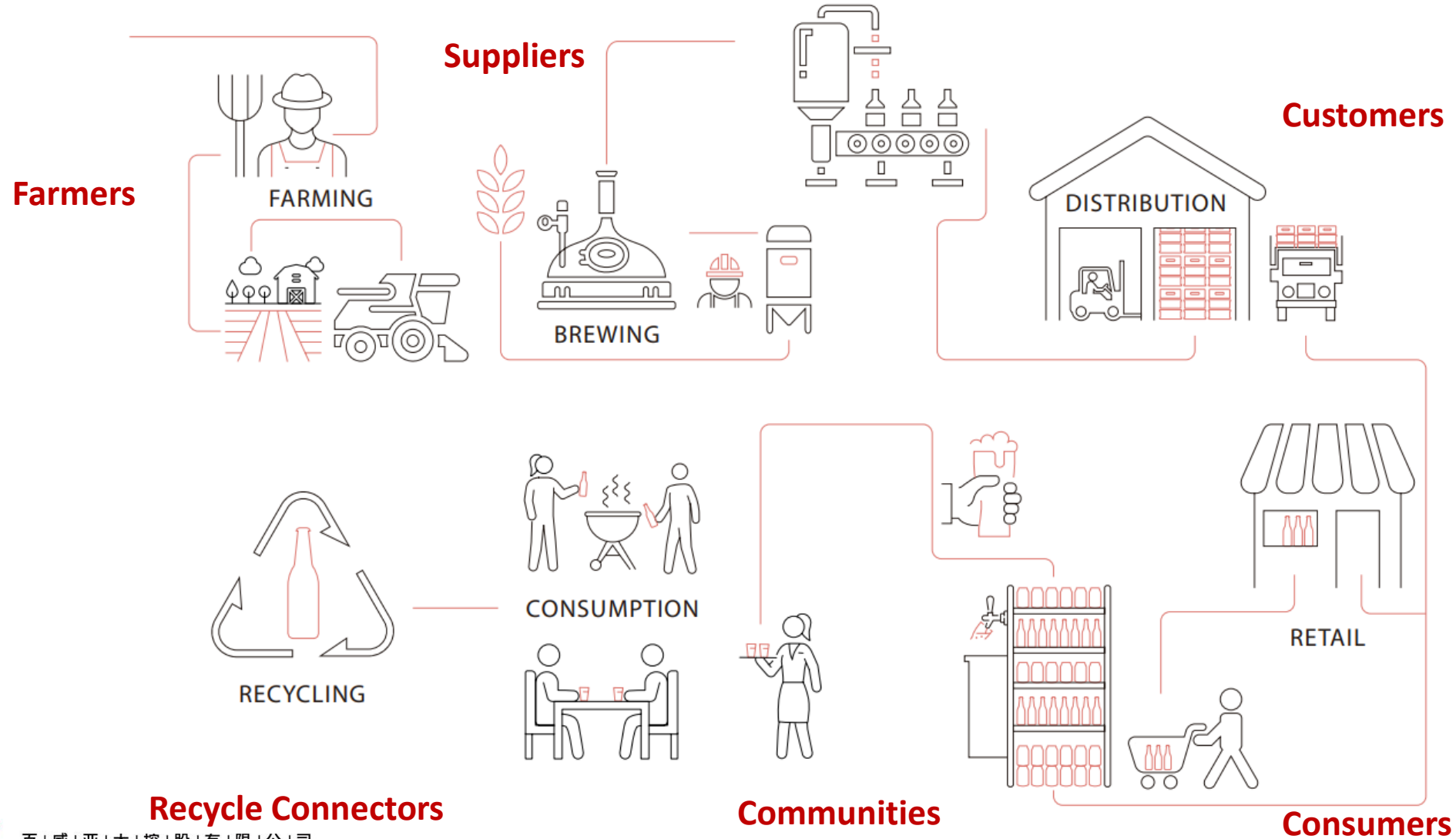
# Our Value Chain & Climate Reporting

Ignacio Lares  
Chief Financial Officer



# Our Value Chain

Creating value from seed to sip



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC

# Task Force on Climate Related Financial Disclosures (TCFD): Pilot Report - Wuhan Brewery

- **TCFD** develops consistent climate-related financial risk disclosures for the use by companies
- **Pilot TCFD Report** to focus on Bud APAC's **Wuhan Brewery** to align with HKEX
- Full TCFD Report will be published before 2025

- **TNFD** is to provide a framework for how organization can **address environmental risks and opportunities** with the goal of **channeling capital flows into positive action.**
- **Developing initiatives for TNFD**

**TCFD**

TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES



Taskforce on Nature-related  
Financial Disclosures



# Working Towards our Net Zero Ambition

Jan Clysner

VP of Sustainability & Procurement



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC

# Our 2025 Sustainability Goals

## Water Stewardship

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

## Circular Packaging

**Our Goal:**  
100% of our product will be in packaging that is returnable or made from majority recycled content

## Sustainable Agriculture

**Our Goal:**  
100% of our direct farmers will be skilled, connected and financially empowered

## Climate Action

**Our Goal:**  
100% of our electricity will come from renewable sources and 25% carbon emissions will be reduced across our value chain

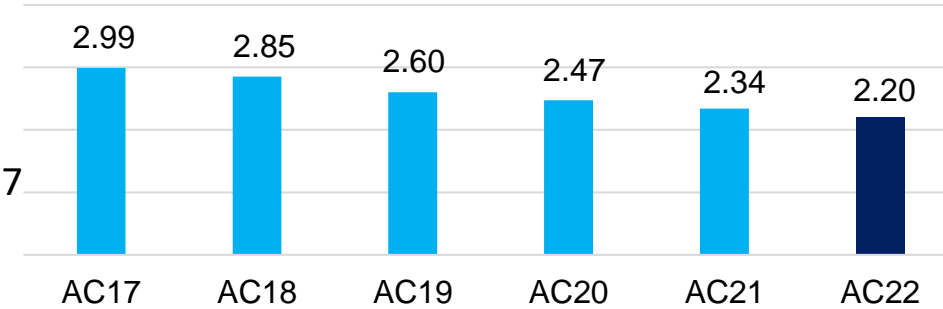
# Water Stewardship

## Our 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 by 2025

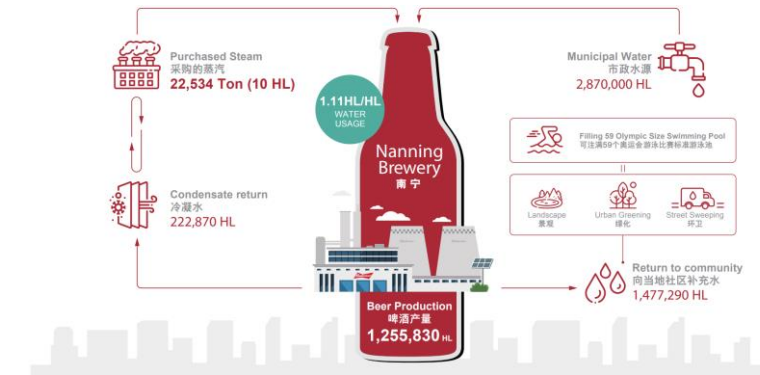
## 2.20hl/hl

reduction of 26% vs 2017 baseline



## Nanning Brewery

- 1.11hl/hl - a new benchmark for the world beer industry
- Achieved zero discharge



Replenished ~31 million hl of groundwater

3 of our breweries in China received National Water Efficiency Awards



WORLD RESOURCES INSTITUTE

Conducted a **comprehensive water risk assessment** to monitor water issues within our supply chain, including areas where we source our agricultural commodities



# Circular Packaging

# 63.2%

of our total product volume is in returnable packaging or made from majority recycled content

## Our Goal:

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

### Our Target, KPI & Progress

■ % of packaging mix by weight  
■ % of recycled content



■ Returnable glass 48.55%  
■ One-way glass  
■ Recycled content 53.69%

■ Aluminum can 35.32%  
■ Returnable keg  
■ Recycled content 22.2%

■ PET bottles 1.45%  
■ Recycled content 0%

**51.3%** of our packaging was made from recycled content

Reduced **8,473** tons packaging material usage

**80%+** bottle returnable rate

Recycled over **155** tons of plastic waste of Corona



**>5,000 farmers**  
have benefitted from  
smart barley program in APAC

**100%** of farmers we partnered with in China  
and India are **skilled, connected and financially  
empowered**

Partnered with **9** leading agri-food companies in  
China to launch the **Climate Change Agriculture  
Food Industry Partnership** to reduce climate  
impacts

- Supported **721 farmers** in India through Smart Barley Program
- Increased local barley harvesting in China by **60%** to **40,000 tons** benefiting livelihood of 4,500 farmers
- Target to grow and purchase **over 100,000 tons** from our farmers in China and India



## First global indoor hops farm at scale

- Increased the harvesting frequency to **4** times from twice a year
- **Shortened** our supply chain

**80% less water**  
**90% less land**  
**95% less shipping fuel**

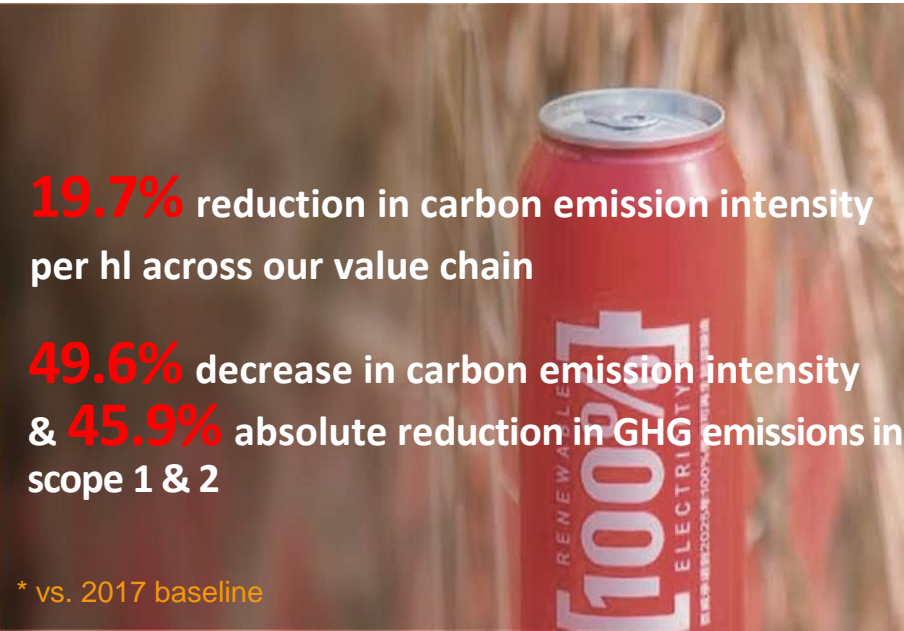


# Sustainable Agriculture

### Our Goal:

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





**19.7%** reduction in carbon emission intensity per hl across our value chain

**49.6%** decrease in carbon emission intensity & **45.9%** absolute reduction in GHG emissions in scope 1 & 2

\* vs. 2017 baseline



Contracted **43%** of our electricity in China from renewable sources

**Wuhan & Nantong** breweries pioneered using flexible and lightweight solar panels

**2** carbon neutral breweries

**27%** reduction in energy intensity of own operations (Putian brewery leads within ABI InBev system)



# Climate Action



## Our Goal:

- 100% of our electricity will come from renewable sources and 25% carbon emissions will be reduced across our value chain



# Empowering our Value Chain Partners

---

Yanjun Cheng

Chief Supply & Logistics Officer



# Initiatives to Reduce Carbon Intensity across all our Operations

## Energy Efficiency is the Foundation of Decarbonization:

### GHG Scopes 1+2 Reduction

vs 2017                      2025 Target                      2022 FY

   35%                                      45.9%



**90** (Total Purchased Energy)  
**0** (CO<sub>2</sub> Surplus)  
**25** (Water Usage)

Suqian brewery won 90025 competition - launched by AB InBev amongst >170 breweries.  
 APAC zone won **1<sup>st</sup>** global sustainability master cup

### RE100 Brewery

- 4** RE 100 Breweries
- 17** Breweries installed solar panel
- 4** Breweries won the National Green Factory awards

## Jinzhou Brewery: 2<sup>nd</sup> Carbon Neutral Brewery in China

- Supporting **innovation** and **cultivating new partnerships** to bring long-term value to our stakeholders
- **Certified by global independent agency TUV** following the international **carbon neutral standards (PAS 2060)**

### Key Features:

- **100%** biomass steam instead of nature gas or coal
- **100%** green power purchase
- **0** CO<sub>2</sub> purchase(CO<sub>2</sub> self-sufficient and exported to the 3<sup>rd</sup> party)



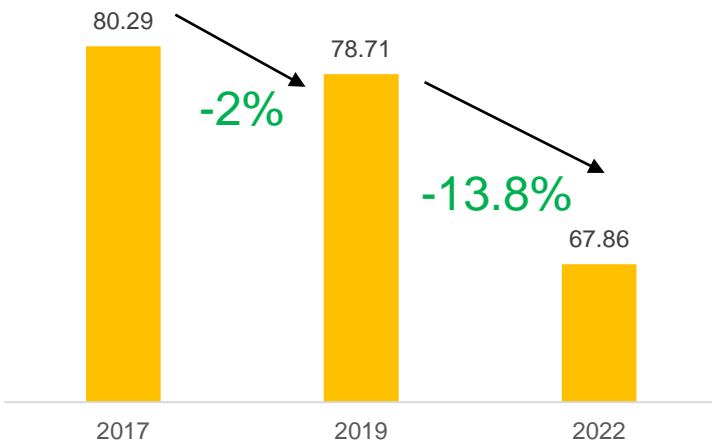
# Strategic Alliance to Boost Sustainability in Value Chain

## GHG Scopes 1+2+3 Reduction vs 2017

2022 FY 2025 TARGET  
19.7% 25%



GHG Scope 3 Trend(kg CO2e/hl)



SSA project started from 2019



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC



## Supplier

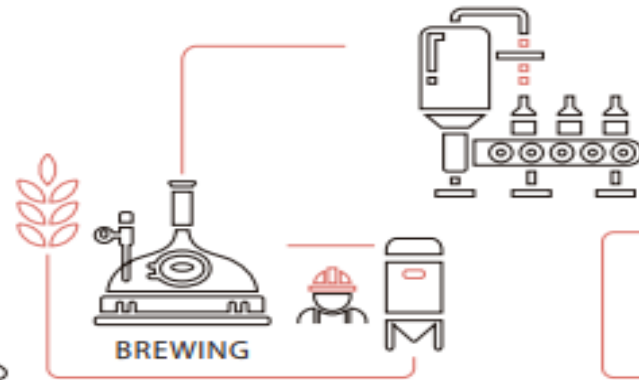
- 9** suppliers installed solar panels
- 7** suppliers carbon emission baseline disclosure
- National** Science and Technology Award



VENDOR STRATEGIC ALLIANCE  
战略合作 · 全赢 · 科技赋能

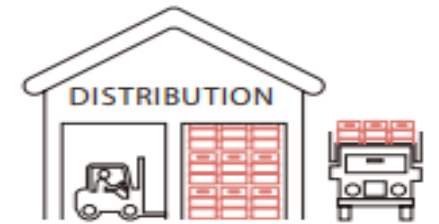
## Vendor

- 32** patents & **12** technical papers
- 2** internationally leading projects



## Logistics

- Green Logistics
- 369** green vehicles
- 10%** increase vs 2021



# Our Ambition to Achieve Net Zero

2017 >>

2025 >>

2030 >>

2040

## ACHIEVED 2017 ENVIRONMENTAL GOALS\*

### 2025 GOALS ON TRACK\*\*

-  100% renewable electricity
-  35% absolute Scopes 1 and 2
-  25% across value chain
-  100% packaging in returnables or made from majority recycled content
-  100+ Accelerator identifying breakthrough solutions
-  Launched supplier-collaboration platform Eclipse
-  3 carbon-neutral facilities as best practice

## CATALYZING ACTION ACROSS OUR SUPPLY CHAIN

-  Reset short-term target
-  Scale energy efficiency and renewable thermal energy solutions
-  Scale renewables in retailers
-  Accelerate low-carbon packaging solutions
-  Implement Green Logistics
-  Cascade regenerative agriculture practices

## CREATING A SUSTAINABLE FUTURE

-  Advanced agtech solutions
-  Alternative fuel fleet
-  Integrated solutions with suppliers
-  Innovative cooling solutions at scale
-  Nature-based solutions for remaining emissions

# Championing Diversity, Equity & Inclusion

---

Linda Qian  
Chief People Officer



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC

# Championing Diversity, Equity and Inclusion

We are committed to our DE&I mission and making progress across all our DE&I platforms.

We deliver on the DE&I mission that's built into our purpose through our DE&I Platforms:

- **An Inclusive Future** is one where everyone belongs – where we can all be our true, authentic selves at home, at work, or in our communities.
- **An Empowered Future** is one of greater shared prosperity – one where more people have access to greater economic opportunity.
- **An Equitable Future** is one where we work to ensure equity for all – one that includes opportunities for everyone.



In support of

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

Established by UN Women and the UN Global Compact Office



### Championing Diversity, Equity & Inclusion

- Gender Pay Equity** confirmed
- 37.2%** female colleagues in our workforce
- 85%** of Bud APAC ManCom from local talents
- 91%** of L2 from internal talents pipeline
- 115,333** trainings provided to our colleagues
- 40%** decrease in total recorded injuries (compared to FY20)

# Developing Resilient Communities

Linda Qian  
Chief People Officer



# Smart Drinking and Moderation



ENJOY RESPONSIBLY.  
DRINK WISER.

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



**Influence social norms through behavior change campaign**

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



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

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



**Enhancing product labelling to support consumers making informed choices**

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



# Supporting our Communities

We make positive impacts in the communities where we operate.

**235,000kg** of limes sold through the Budweiser China Lime Rural Revitalization Project, which won multiple social impact and brand influence awards, including the most recent **Grand Prix of Creative Commerce Gold Award**



**103 women micro-entrepreneurs** graduated from Bud India's flagship CSR program and started thriving businesses



Donated **2.45 million** cans of emergency drinking water to communities in need



**28 Hope Schools** in **15** provinces supported financially



**95,391** hours of volunteering through **184** events



百 | 威 | 亚 | 太 | 控 | 股 | 有 | 限 | 公 | 司  
BUDWEISER BREWING COMPANY APAC

# Strong Governance Ethos

---



**Craig Katerberg**  
Chief Legal and Corporate Affairs  
Officer



# Building our Robust Governance Framework

## Experienced & Diversified Board



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



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



**Ms. Katherine Barrett**  
Non-Executive Director



**Mr. Nelson Jamel**  
Non-Executive Director



**Mr. Martin Cubbon**  
Independent  
Non-executive  
Director



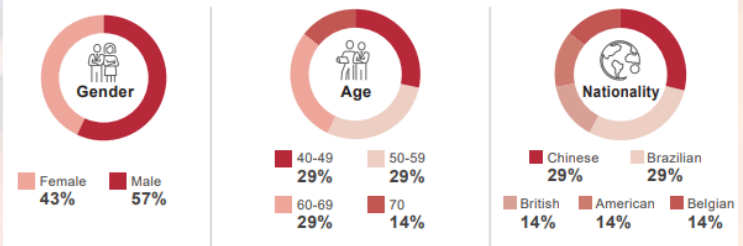
**Ms. Marjorie Mun Tak Yang**  
Independent  
Non-executive  
Director



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

### COMPOSITION AND DIVERSITY

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



## CEO-led ESG Committee with ESG-linked Executive Pay



**Jan Craps**

CEO and Co-Chair of the Board of Directors

Oversees the ESG Committee and all departmental managers

**Craig Katerberg**

Chief Legal and Corporate Affairs Officer

**Ignacio Lares**

Chief Financial Officer

**Yanjun Cheng**

Chief Supply and Logistics Officer

**Linda Qian**

Chief People Officer

**Jan Clysner**

Vice President of Sustainability and Procurement

**Luke Zhou**

Chief Sales Officer, China

**Ben Verhaert**

President, East Asia

**Kartikeya Sharma**

President, India and Southeast Asia

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



ESG Committee



# Building our Robust Governance Framework (cont.)

## Risk Management & Internal Control

- Evolved our Board Audit Committee into an Audit and Risk Committee
- Established a management-level Risk Committee to strengthen our cross-functional approach

Responding To Stakeholder's Concerns



## Ethics & Transparency

We are committed to promoting and maintaining the highest standards of ethics and transparency. This guides everything we do as an organization and serves as our foundation in creating a future with more cheers.

- Updated **Whistleblowing Policy, Privacy Policy** and launched **Anti-bribery Policy** and **Responsible Marketing and Communications Code**.
- **> 8,800** colleagues attended compliance training and
- **> 3,000** colleagues trained on core policies and guidelines.



# Q&A





BUDWEISER BREWING COMPANY APAC

百|威|亚|太|控|股|有|限|公|司

**Thank You!**