



BUDWEISER BREWING COMPANY APAC
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Climate Policy

Budweiser Brewing Company APAC (Bud APAC)

Version	Date	Major Update	Issued by
1.1	Jun 2023	Wording update	Terry Yao (Procurement Director - Sustainability)

Table of Contents



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1. Introduction	3
2. Scope of Application	4
3. General Policy	5
4. Implementation and Review	7
5. Abbreviations	8

1. Introduction

- 1.1 This Climate Policy (“Policy”) describes stance and approaches of Budweiser Brewing Company APAC (“Bud APAC” or the “Group”) to taking action on climate change. 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 Our business, value chain and communities are impacted by climate change in a range of different ways. Countries and corporates around the world have awakened to this global challenge and have announced respective climate action pledges at different paces. According to the World Economic Forum, climate action failure is one of the most impactful and existential threats faced by human society in the long-term¹. Our business is closely tied to the natural environment which is vulnerable to climate impacts, as our beers rely on high-quality agricultural commodities, raw materials for packaging, water resources and energy. As the largest beer company in APAC, we urge to leverage our influence in the industry and markets to support the enforcement and implementation of effective climate change adaptation and mitigation measures.
- 1.3 Guided by our 2025 Sustainability Goals, and in support of the United Nations Sustainable Development Goals (“UN SDGs”) and United Nations Global Compact (“UN Global Compact”), Bud APAC recognizes the urgency of climate action. Going beyond our interlinked 2025 Sustainability Goals to purchase 100% of electricity from renewable sources and reduce our greenhouse gas (“GHG”) emissions by 25% across our value chain², in December 2021, we further announced our ambition to achieve net-zero by 2040 across our value chain.
- 1.4 We see ourselves as part of a global climate action to turn pressing climate-related risks into inspiring opportunities that not only reduce our own carbon footprint but also empower our value chain partners and communities in their low-carbon transition journey. Following our achievement of the first carbon- neutral brewery within the global Anheuser-Busch InBev (“AB InBev”) network and the first of its kind in the Hubei Province, China, we remain committed to implementing carbon neutrality into our operations. We will continue to leverage our influence and enhance our efforts across our value chain to ensure a just transition as we are working towards achieving our 2025 Sustainability Goals and our ambition of achieving 2040 net-zero across our value chain.

¹ World Economic Forum Global Risk Report 2021: https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf

² Our GHG emission target is in line with the Science-based Target set by our parent company, AB InBev.

Scope of Application



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 Policy for Reference:

- Click here to [see](#) our Environmental Policy.

3. General Policy

- 3.1 Bud APAC is committed to its ambition of achieving net-zero by 2040, with 2025 as the foundation and the interim checkpoint of our progress to pursue 100% of electricity from renewable sources and to reduce our GHG by 25% across our value chain against the 2017 baseline as part of our Science-Based Target³. These focus on minimizing GHG emissions from our operations whilst addressing climate-related risks and opportunities that are significant to us. While we are on track to achieve these goals, 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 2060 Carbon Neutrality Commitment in China Mainland, the 2050 Net Zero pledge and Climate Action Plan in Hong Kong, the Carbon Neutrality Act in South Korea and the 2070 Net Zero Target in India;
 - 3.1.3 Integrate industry best practices 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 Assess climate-related risks within our operations and value chain to identify opportunities that are specific for our operations in APAC (e.g. water availability in India as a physical risk and increasingly GHG-related regulations as a transition risk);
 - 3.2.2 Increase operational and energy efficiency to minimize GHG emissions at the brewery level through the application of cutting-edge technologies;
 - 3.2.3 Further advance progress achieved with regards to integrating alternative sources of energy with lower emission levels and higher renewability in our operations and across our value chain, with a particular focus on logistic partners (e.g. under our influence, our logistic partners have deployed hundreds of electric vehicles and hydrogen-fuel vehicles) and packaging suppliers (e.g. our biggest glass supplier has implemented large-scale solar panel projects across its factories);
 - 3.2.4 Advocate for energy-efficient and low-emission practices with our internal and external stakeholders, especially our agricultural farmers (e.g. further advance our soil program for soil sequestration and regenerative farming practices);
 - 3.2.5 Promote circularity to reduce GHG emissions from packaging and waste;
 - 3.2.6 Innovate cooling solutions to replace and phase out traditional refrigerants;
 - 3.2.7 Explore nature-based solutions to eliminate our remaining GHG emissions within our value chain to achieve net-zero;
 - 3.2.8 Track and report the progress of our climate action through our internal sustainability dashboard and external annual ESG Report; and

³ 25% carbon reduction per beverage is in line with science-based methodology and has been verified and approved by the Science Based Targets Initiative.

General Policy



- 3.2.9 Collaborate with industry players, policymakers, non-governmental organizations (“NGOs”) and other key stakeholders by providing incentives and driving innovations.

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 Procurement and Sustainability 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 Sustainability 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)
GHG	Greenhouse gas
KPIs	Key Performance Indicator(s)
NGOs	Non-governmental organization(s)
UN SDGs	The United Nations Sustainable Development Goals
VPO	Voyager Plant Optimization