

# Bud APAC 2024 Sustainability Webcast

14 May 2024



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



# Speakers



**Jan Craps**

Chief Executive Officer and  
Co-Chair of the Board



**Jan Clysner**

Vice President of Sustainability  
and Procurement



**Yanjun Cheng**

Chief Supply and Logistics  
Officer



**Ignacio Lares**

Chief Financial Officer



**Linda Qian**

Chief People Officer



**Craig Katerberg**

Chief Legal and Corporate  
Affairs Officer

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# AGENDA

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- 01 Company Overview & Sustainability Recognitions**
- 02 Working Toward our Net Zero Ambition**
- 03 Empowering our Value Chain Partners**
- 04 Climate-related Financial Disclosures**
- 05 Thriving with our Communities and People**
- 06 Building our Robust Governance Framework**
- 07 Q&A**



# Company Overview & Sustainability Highlights



**Jan Craps**

**Chief Executive Officer and  
Co-Chair of the Board**



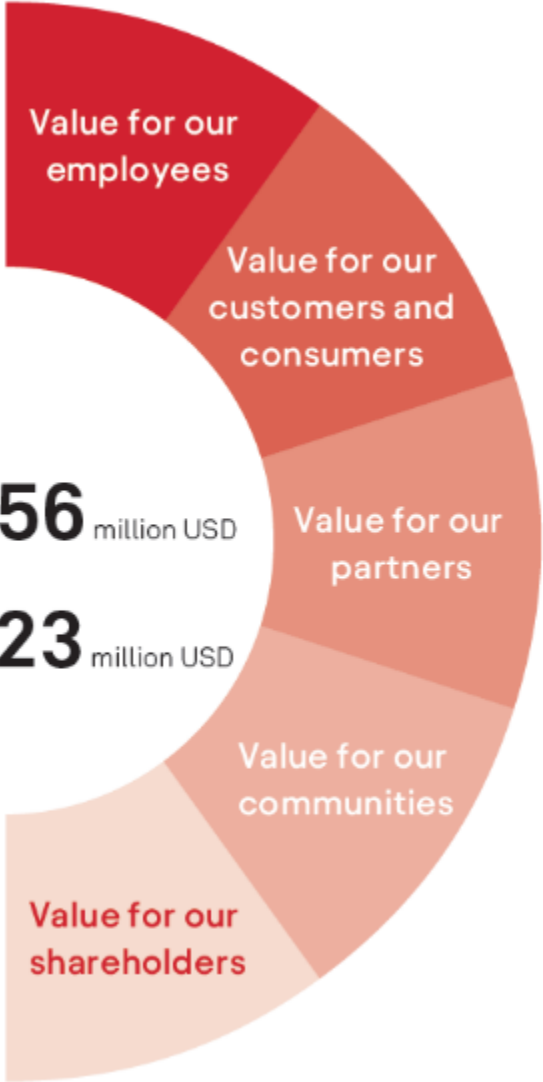
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# About Bud APAC

## Economic value generated

Revenue generated **6,856** million USD

Normalized EBITDA **2,023** million USD



Dividend per share **5.29** cents USD

Beers and beverages sold **92,767** thousand hl



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Stock Code **1876** The year Budweiser was first brewed



**35+** Countries/territories



**50+** Brands



Approximately **25,000** Colleagues



**47** Breweries



**25** Nationalities in our workforce



**51** Distribution centers



**41%** Female colleagues



**6,100+** Suppliers and contractors

All information refers to FY2023 results (as of 31 Dec 2023).

# Our Purpose and Principles

## Our Purpose

“We Dream Big to Create a Future With More Cheers.”



1

Dream big



2

Lead by example  
and take  
accountability



3

Attract and  
develop  
great people



4

Build brands  
consumers love



5

Grow with  
customers and  
communities



6

Prioritize simple  
and  
scalable solutions



7

Manage costs  
tightly



8

Think long-term



9

Strive for  
Superior results



10

Never take  
shortcuts



# Our Sustainability Recognitions

**MSCI**  
ESG RATINGS



CCC	B	BB	BBB	A	<b>AA</b>	AAA
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Participation since 2019

**AA Rating**



Participation since 2021

**A Rating in Water Security**  
**A- Rating in Climate Change**



**SUSTAINALYTICS**

a Morningstar company

Participation since 2019

**Rated "Low Risk"**

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



FTSE4Good

Participation since 2021

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



**CANNES LIONS**

**"Corona Extra Lime" Project won**

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

\*The first Titanium Lion for China across all industries.

**Signatory of**

**WE SUPPORT**



**WOMEN'S**  
**EMPOWERMENT**  
**PRINCIPLES**



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# Working Towards our Net Zero Ambition



Jan Clysner  
VP of Sustainability and  
Procurement



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# Climate Action

## Our Goal:

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

**23.8%** reduction of carbon emission intensity across our value chain\*

**64.3%** decrease within our own operations\*

**66.4%** of our electricity from renewable sources

**10** breweries in China achieved RE100

**21** breweries installed solar panels

**3** carbon neutral breweries (Wuhan, Jinzhou and Jiamusi)

**Industry-first** electric boiler using hydropower



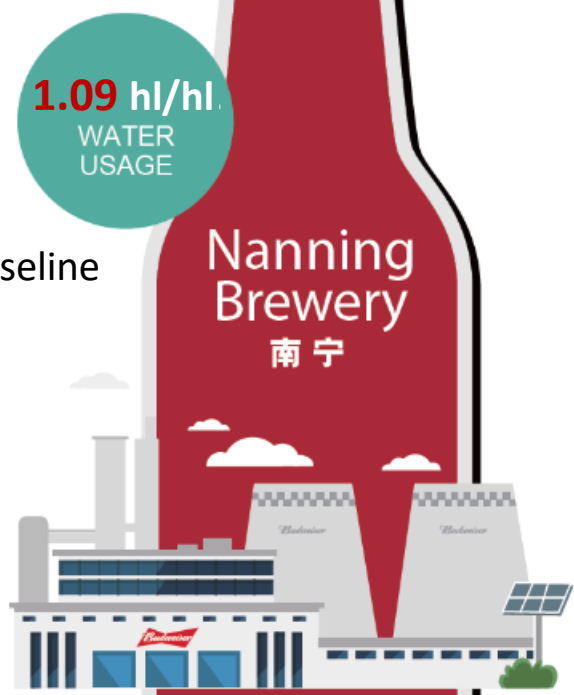
# Water Stewardship

## 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.



Lowered water usage for beer production to **2.03hl/hl** representing **32.1%** reduction vs 2017 baseline



**Nanning Brewery**  
1<sup>st</sup> among 170+ ABI breweries on water efficiency

- **199%** water replenishment rate in 3 breweries located in water-stress Areas.
- Returned **20** million hl water to the community.
- **2** breweries in India have achieved **100%** Zero Liquid Discharge.
- Replenished nearly **20** million hl water to communities in China.

## 7-step Watershed Management Process



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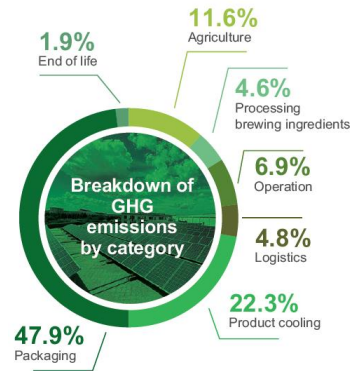


# Circular Packaging

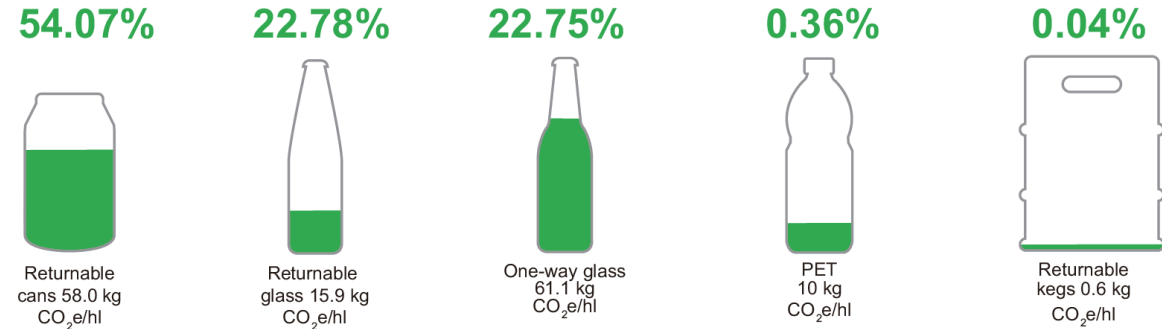
**Our Goal:**  
100% of our product will be in packaging that is returnable or made from majority recycled content.

**64.8%** of our total beer volume in returnable packaging or made from a majority of recycled content.

## Emission breakdown by category



## Emission breakdown by packaging type



# Sustainable Agriculture



## Our Goal:

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



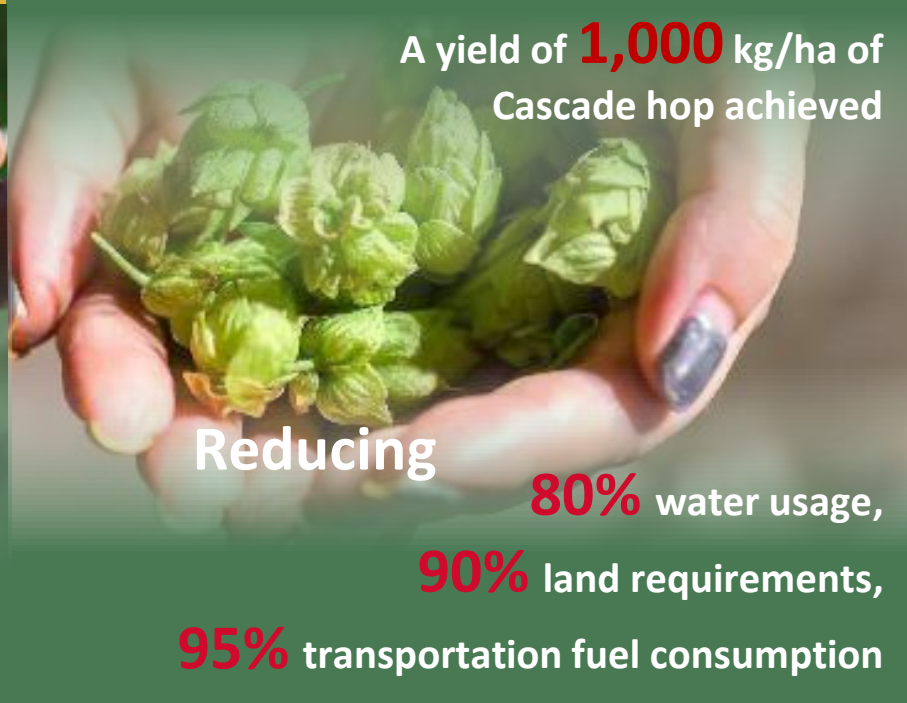
Increased local barley harvesting in China by **50%** to **60,000** tons, benefiting **5,000** farmers covering **8,000** hectares of land



**100%** farmers we partnered with in China and India are skilled, connected and financially empowered  
**100%** of the barley procured from our farmers met the quality specifications



Supported **2,605** farmers in India through our barley program



A yield of **1,000** kg/ha of Cascade hop achieved

Reducing **80%** water usage, **90%** land requirements, **95%** transportation fuel consumption



# Empowering our Value Chain Partners

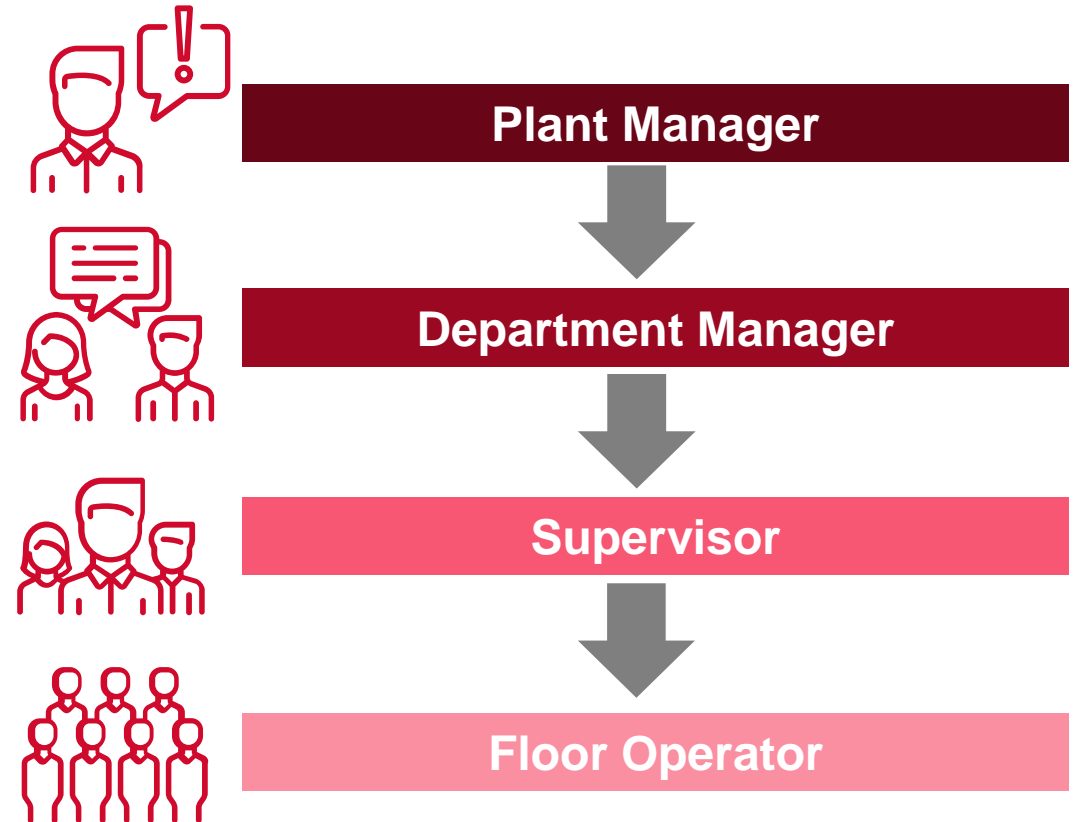
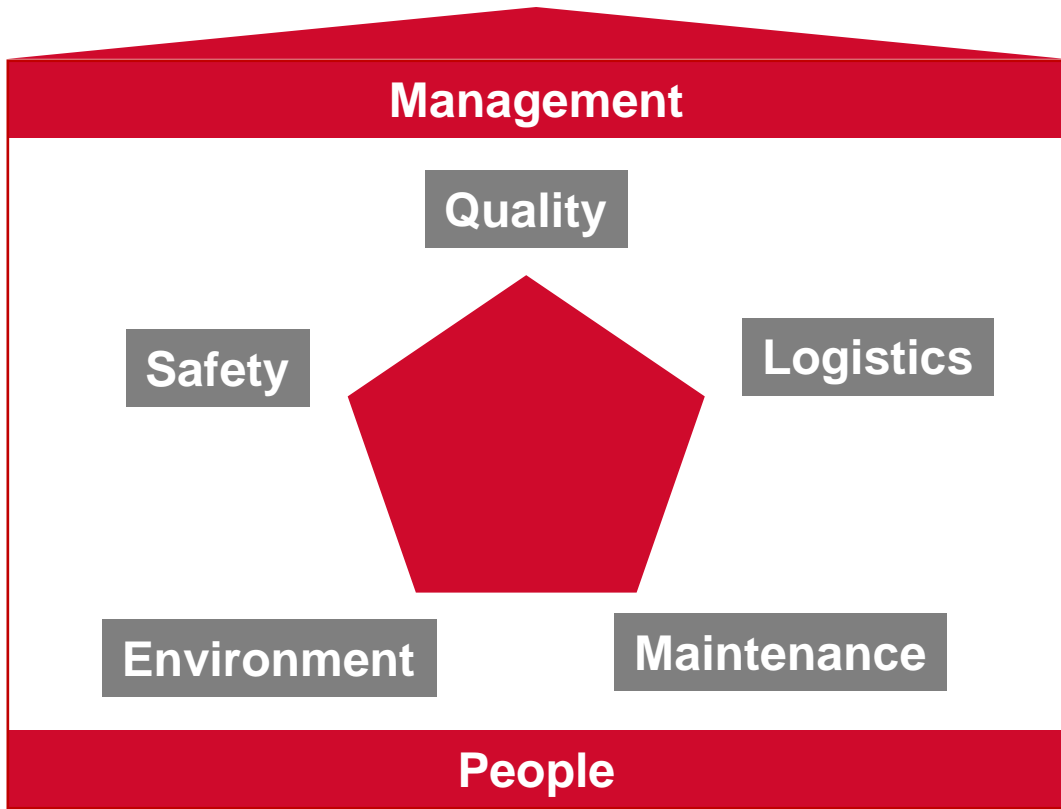


**Yanjun Cheng**  
Chief Supply & Logistics Officer

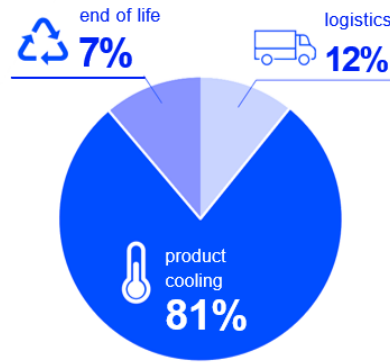
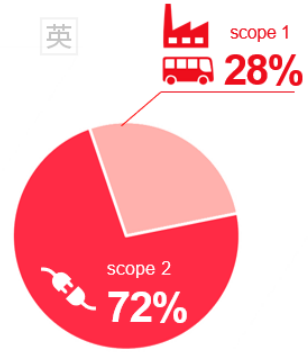
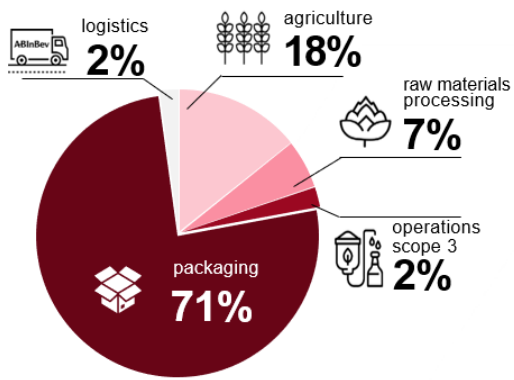


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# Our Approach to achieve NET ZERO by 2040



# Boosting Sustainability among Our Suppliers



SUPPLIER STRATEGIC ALLIANCE  
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VENDOR STRATEGIC ALLIANCE

战略合作 · 全赢 · 科技赋能

**66%** Upstream

**7%** Budweiser APAC

**27%** Downstream activities

Scope 3 decreased by **21%**

Scope 1&2 decreased by **61%**

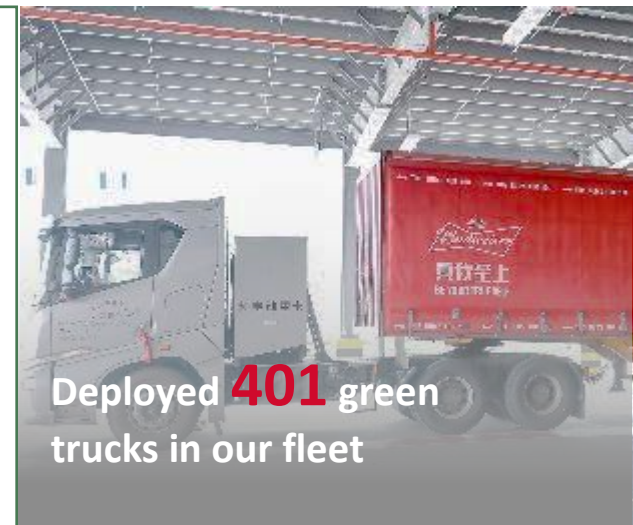
Scope 3 decreased by **6%**



eclipse

1 成熟度评估 Maturity Assessment	2 能力建设 Capability Buildup
3 碳排放报告 Carbon Reporting	4 日食研讨会 Eclipse Workshop
5 路线图提交 Roadmap Submission	6 合同条款 Carbon Contract Clauses

- **300+** participants in the training.
- Facilitated carbon footprint mapping for **40** suppliers and **90** sites, resulting in **40%** carbon emission mapping across our value chain.
- Clear decarbonization roadmap set for **60%+** malts.
- **20%** GHG emissions reduction of our can suppliers.



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# Climate-related Financial Disclosures



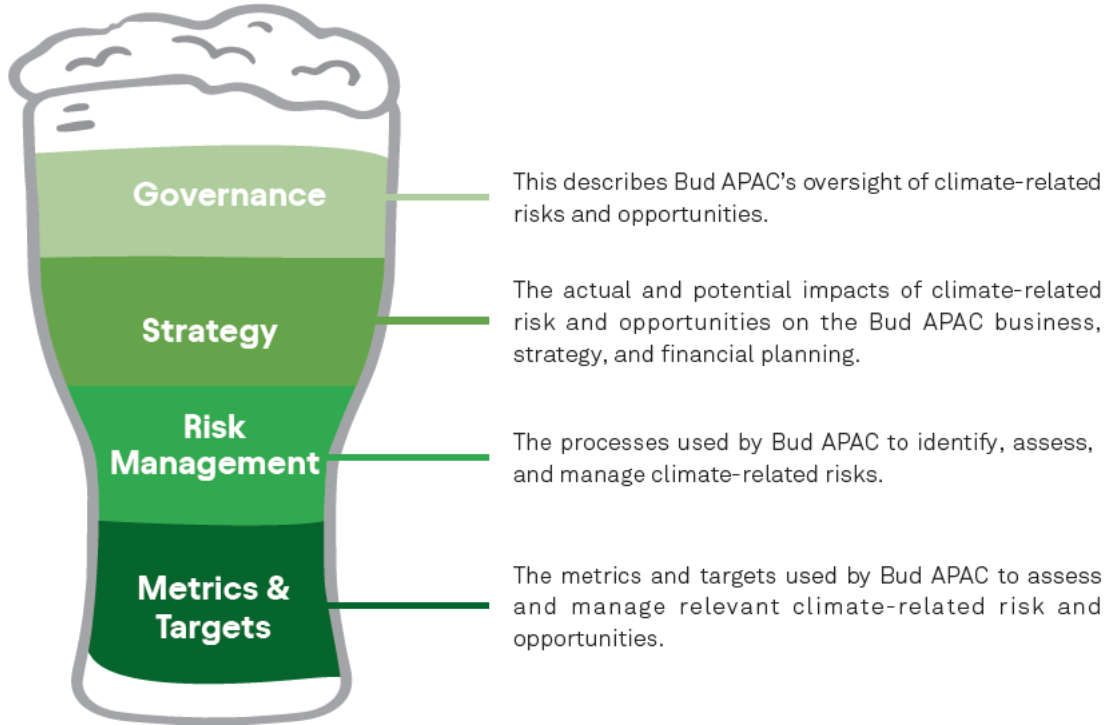
**Ignacio Lares**  
Chief Financial Officer



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# Managing Climate-related Risks and Enhancing Our Resilience

## Four Core Elements of TCFD Recommendations



## Our Approach to Climate Resilience



**Tailored programs** for key markets to align with country-specific climate policies and priorities.



**Empowering value chain partners** to build capability on our shared low-carbon transition journey.



Improving our **disclosure standards** and bring more industry partners to join the force with reference to our **data points and practices**.



# TCFD Highlights - Seizing the Opportunities

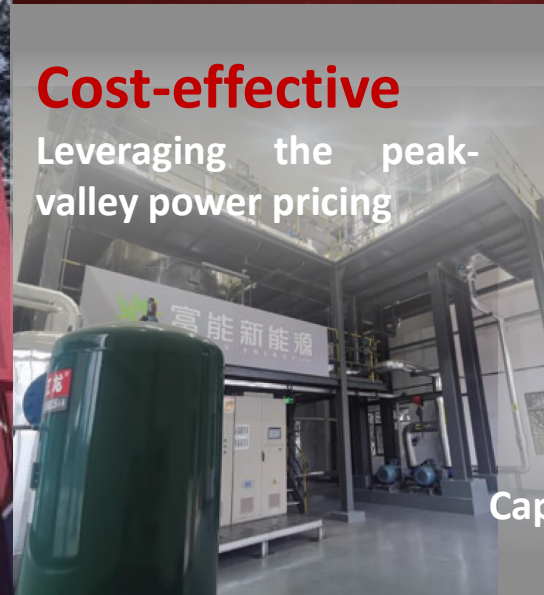
**Ziyang Brewery** in Sichuan, China

China beer industry's **first** to install **electric boilers** using hydropower



**Cost-effective**

Leveraging the peak-valley power pricing



**Energy as a Service (EaaS)**

Capturing transition opportunity with financial benefits



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Linda Qian  
Chief People Officer



Thriving with  
our Communities  
and People



# Empowering our Entrepreneur Ecosystem

BEES in China



百威官方  
随时随订

百威官方酒水服务平台



Products



Marketing promotions



Orders



Rewards



Deliveries



Business insights

- Expanded to more than **265** cities by 1Q24.
- Enabling our wholesalers and outlets to digitize their business.

## Entrepreneur Development

China



- 100** individuals trained in successor program.
- Over **80%** successfully taking over their wholesaler businesses.

South Korea



- 3**-month training for **200** small entrepreneurs.
- Online training, hands-on guidance, and personalized one-on-one consultations facilitated by industry experts.

## 100+ Innovation Lab



Pilot initiatives



Webinars



Industry workshops



Investor roundtables

- Engaged **117** ventures, and signed contracts with **5** startups, indicating a commitment to scaling up promising programs and initiatives.






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# Building a Diverse and Safe Workplace


We believe that a Diverse and Safe Workplace is essential to harnessing a wide range of perspectives, enabling us to make informed decisions and achieve outstanding outcomes.



- 
**25** Workforce nationalities
- 
**41%** Female colleagues in our workforce.
- 
**24** Female brewmasters.
- 
**85%** Management Committee members promoted from Asian markets
- 
**91%** Leadership L2 from regional pipeline



 APAC University to build future capability  
 - an average of **85 hours** of training per employee

 Following high standards for protecting **occupational health and safety**

- **95%** Reduction of total lost time injuries vs 2017
- **7** Total LTIs for all employees in 2023



# Smart Drinking and Moderation

We strive to cultivate a worldwide culture of responsible drinking.

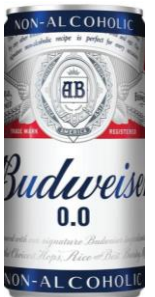
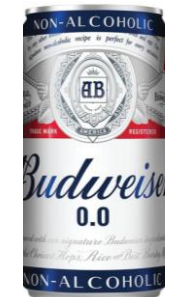
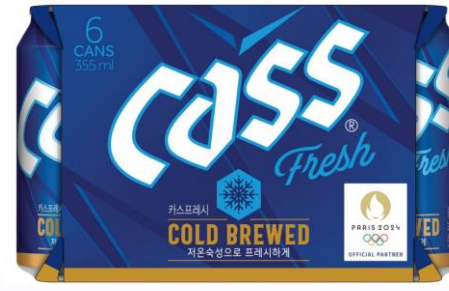
Responsible marketing campaigns to foster behavioral changes among consumers and raise awareness about road safety.



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.



OBC - the first private company to launch the "Ignition Interlock Device (IID)" project in South Korea.



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# Supporting our Communities

We make positive impacts in the communities where we operate.

**740,000kg** of limes sold

through the “Corona Extra Lime” Project by 2023, which has evolved to a social enterprise business model, the Extra Lime Company.



**41,450** hours of volunteering over **203** events



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



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# Budweiser

## Building a Robust Governance Framework

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




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# Building our Robust Governance Framework


## Diversified Board




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



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




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



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



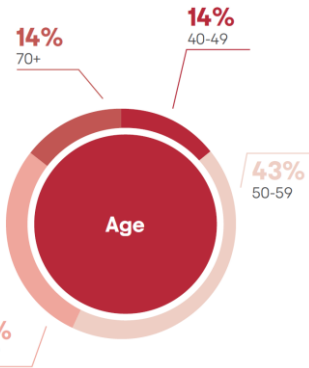
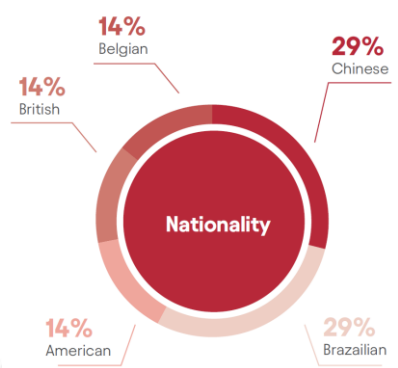
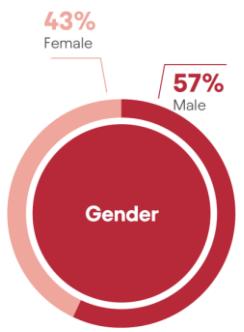
**Mr. Martin Cubbon**  
Independent Non-executive Director



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



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



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## Risk Management & Internal Control

- Evolved our **Board Audit Committee** into an **Audit and Risk Committee** since 2023Q1.
- Established a management-level **Risk Committee** to strengthen our cross-functional approach.



# Building our Robust Governance Framework

## Living our Principles

### Responsible Marketing and Communications Code (RMCC)

- **Standards** for our marketing and commercial.
- 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.



## Ethics & Transparency

Demonstrating our unwavering commitment to ethics and compliance through actions, we adhere to all applicable laws and regulations without taking shortcuts, which is monitored by the **Ethics and Compliance Committee**.

- **100%** of Board and **100%** of management completing Code of Business Conduct and Anti-Corruption Trainings.
- **Whistleblowing Policy** and **Privacy Policy**, **Anti-Bribery Policy**, and **Responsible Marketing and Communication Code** among many policies publicly available on our website.



# Q&A





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**Thank You!**