Budweiser Brewing Co APAC Ltd - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Budweiser Brewing Company APAC Limited (“We”, the “Group” or "Bud APAC") is the largest beer company in the Asia Pacific, with leadership positions in premium and super premium beer segments. It brews, imports, markets, distributes, and sells a portfolio of more than 50 beer brands, including Budweiser®, Stella Artois®, Corona®, Hoegaarden®, Cass® and Harbin®. In recent years, Bud APAC has expanded beyond beer into new categories such as ready-to-drink, energy drinks and spirits. Through its local subsidiaries, Bud APAC operates in its principal markets, including China, South Korea, India, and Vietnam. Headquartered in Hong Kong SAR, China, Bud APAC operates 47 breweries and employs over 24,000 colleagues across APAC.

Bud APAC was listed on the Hong Kong Stock Exchange under the stock code "1876" in 2019 and is a constituent stock of the Hang Seng Index. Bud APAC is incorporated under the laws of the Cayman Islands. The immediate parent company of the Group is AB InBev Brewing Company (APAC) Limited which is a private company incorporated in the United Kingdom. The ultimate parent company of the Group is Anheuser-Busch InBev SA/NV (referred to as “AB InBev”), which is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). AB InBev has over 600 years of brewing heritage and an extensive global presence.

For 2022, Bud APAC’s reported revenue was USD 6478 million dollars (excluding joint ventures and associates). For more details, please visit our website at: http://www.budweiserapac.com.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
4 years

Select the number of past reporting years you will be providing Scope 2 emissions data for
4 years

Select the number of past reporting years you will be providing Scope 3 emissions data for
4 years

C0.3

(C0.3) Select the countries/areas in which you operate.
China
India
Republic of Korea
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Direct operations only [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

Bud APAC does not undertake any direct agricultural/forestry activities and does not own any land for agricultural/forestry activities.
Emissions from agricultural/forestry activities undertaken from where we source our supplies and ingredients are considered our Scope 3 emissions and are disclosed in the current CDP climate change disclosure. The Agriculture GHG emissions accounted for 9.4% of our total GHG emissions in FY22, while the emissions from procession brewing ingredients made up 3.5% of our total GHG emissions.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Rice

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

Rice is one of the key agricultural commodities used in the production of many of our iconic brands, including Budweiser. Agriculture GHG emissions accounted for 9.4% of our total GHG emissions in FY22. Rice makes up the majority of GHG emissions coming from emissions of agricultural commodities (68.05%) and less than 10% of our revenues. Regarding the share of revenue, we considered rice purchases cost to our total revenue of FY22.

Agricultural commodity

Other, please specify (Barley)

% of revenue dependent on this agricultural commodity

60-80%

Produced or sourced

Sourced

Please explain

Barley is the most critical agricultural commodity for brewing beer, and our parent company AB InBev is the world's largest purchaser of malted barley. All iconic brands use barley in their recipes, including Budweiser, Stella Artois, and Corona. We are committed to sourcing sustainable barley, and our parent company AB InBev has a research center in Ft Collins, CO, in the United States dedicated to breeding varieties that will be resilient in the future. Agriculture GHG emissions accounted for 9.4% of our total GHG emissions in FY22. Barley made up around 23.22% of GHG emissions coming from agriculture. Based on our historical sales, over 60% of our revenue depends on barley. In order to reduce the carbon footprint and keep our supply chain short, Bud APAC has been working with partners and farmers for local barley breeding programs in APAC for over 20 years, mainly in China and India. In FY22, we purchased 40,000 tons of local barley (over 5% of our total barley consumption in the country), with a 60% increase from 2021, and improved the livelihood of 4500 farmers. We supported 721 farmers in India as part of our barley program.

Agricultural commodity

Other, please specify (Corn)

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain
Corn is one of the key agricultural commodities we use and convert into different corn-made products, including corn grits, corn starch and corn syrup, as ingredients to brew our products. It makes up around 8.46% of GHG emissions coming from agriculture. Based on historical sales, approximately 20% of our revenue depends on maize. In order to estimate this share of revenue, we considered the corn purchase cost of FY22 to our total revenue generated in the same period.

Agricultural commodity
Other, please specify (Hops)

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
Hops are one of the key agricultural commodities we use in the brewing process, as it provides the aroma of our beers. It makes up 0.13% of GHG emissions coming from agricultural commodities. In order to estimate this share of revenue, we considered hops purchase cost in relation to the total revenue we generated in the same period.

Agricultural commodity
Wheat

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
Wheat is one of the agricultural commodities we use to brew wheat-based products such as Hoegaarden. It makes up 0.1% of GHG emissions coming from agricultural commodities. In order to estimate this share of revenue, we considered wheat purchases in relation to total revenues coming from brands that utilized the commodity.

Agricultural commodity
Sugar

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
Sugar is one of the key agricultural commodities we use in the brewing process, as it adds a sweet flavor to our beers. Agriculture GHG emissions accounted for 9.4% of our total GHG emissions in FY22. Sugar made up around 0.03% of GHG emissions coming from agriculture. In order to estimate this share of revenue, we considered sugar purchase cost in relation to total revenue in FY22.

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	KYG1674K1013

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	At Bud APAC, we have set up a robust governance structure to ensure proper oversight by the Board of Directors in assessing and managing climate-related risks and opportunities. This includes the consideration of climate in strategic decisions and day-to-day operational management at Bud APAC. The board is co-chaired by the CEO. We have a "one-tier" governance structure whereby the Board is the ultimate decision-making body and is responsible for the overall oversight of the Group, including overseeing and approving ESG and/or sustainability strategies (including climate). The CEO also ensures effective decision-making and timely communications regarding climate-related issues at the Board level. The Board considers and reviews corporate governance and sustainability-related issues and performance each quarter or as necessary and will create respective action plans to tackle relevant issues. For example, the CEO is responsible for approving the Company's sustainability-linked loan as well as sustainability-related personal KPIs that are linked to variable executive compensation structure for the Senior Management team and other staff relevant to the implementation and achievement of targets concerning carbon reduction.
Director on board	Since listing in 2019, the Company has been steered by a Board comprising a majority of Non-executive directors and Independent Non-executive directors. The Co-chair and CEO is the only executive director on the board. The board consists of three Independent Non-executive directors (43% of the board). who are independent of and not related to each other and any members of the senior management. Our female board directors account for 43% of the overall board composition. The board is comprised of a group of directors with a broad range of skills, experience and background, including sustainability knowledge, to bring a range of expertise and insights to the governance of the company. Our Board of Directors (the "Board") is responsible for overseeing and approving the business strategies and critical issues, including ESG/sustainability strategies. This includes oversight of the delivery of the Company's 2025 Sustainability Goals. For example, our Climate Action covers the targets to pursue 100% of purchases of electricity from renewable sources and 25% carbon reduction across our value chain. Our Audit and Risk Committee chair is an Independent Non-executive Director with extensive experience in financial and corporate risk management who drive the board agenda of risk management, including climate-rated risks and internal control. In 2023, the board directors are invited to attend the CEO/Co-chair led management level ESG committee to supervise the ESG strategy delivery and strengthen the governance.
Board-level committee	We have set up Board-level Committees, Executive Committees and Management-Level Committees to assist the Board and Bud APAC in managing the business, operational, financial and ESG performance of the Group, as well as oversee daily operations of the Group and report back to the Board. The board-level committees include: ■ Audit and Risk Committee ■ Remuneration Committee ■ Nomination Committee Sustainability issues, including climate-related topics, are considered in the risk management process by the Audit and Risk Committee to identify potential events that may affect the Company and to manage risks within the level of exposure acceptable to Bud APAC. Our Audit and Risk Committee chair is an Independent Non-executive Director with extensive experience in financial and corporate risk management who drive the board agenda of risk management and internal control. Internal audit teams are assigned to perform selected auditable operations of each business unit every year based on the annual Enterprise Risk Management (ERM) assessment results. The team also carries out an independent appraisal of the effectiveness of the Company's risk management framework. Moreover, we invited an external third-party auditor to assure our carbon reduction, water footprint, packaging and health & safety annually with a standalone assurance report.
Other C-Suite Officer	Our management-level committees are responsible for the day-to-day management and implementation of the Board's delegation/strategies across Bud APAC. The C-Suite officers are the key members of the committee (CFO, CPO, CLO, and The Chief Supply & Logistics Officer and Vice President of Sustainability & Procurement) , who drive sustainability performance at Bud APAC to achieve our 2025 Sustainability Goals (climate-related) and social targets as well as governance. Different management-level committees have been set up to drive strategies, initiatives, and action plans further down to ESG champions and target owners in various departments at Bud APAC. The cross-departmental ESG Committee reports directly to the CEO and Co-Chair, who ultimately report to the Board. The ESG Committee directly supervises Bud APAC's sustainability strategy, material ESG issues, work plans and performance targets. The committee had at least four meetings facilitated by the CEO and Co-Chair to discuss Bud APAC's ESG and sustainability strategies and review performance timely. Three board Independent Non-executive directors are invited to join the ESG committee meetings to supervise the committee's effectiveness. The committee spent around 42% of its time on the 2025 Sustainability Goals, 25% on Social topics related to employees, health & safety, and corporate social responsibility, and 33% on ESG Governance in FY22. The committee presents its ESG work to the full board members annually and quarterly to the audit and risk committee. To achieve effective integration of sustainability throughout Bud APAC, an ESG Working Group comprises members across all departments and operational units to update the ESG Committee with target delivery, challenges, risks, opportunities and local ESG trends. Additionally, heads of departments and their line managers are held accountable for their ESG performances, which are linked to their remuneration and appraisal. Compensation for the ESG Committee, executives, and relevant managers is linked to our 2025 Sustainability Goals and other ESG-related targets, providing financial incentives to drive performance. We have established comprehensive policies and published them on our website, including environmental policy, responsible sourcing policy, packaging & waste policy, water policy, and climate policy.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Reviewing and guiding the risk management process	<Not Applicable>	The Board reviews sustainability-related issues and performance each quarter, or as necessary, approves strategies and implements action plans. This also includes our Climate Action strategy and the related goals (e.g. 100% of our purchased electricity comes from renewable sources and 25% emission reduction across our value chain). These goals are aligned with our parent company AB InBev's approved Science-based Targets, consistent with reductions required to keep warning to 1.5°C . In addition, some of the major ESG topics discussed within the Board during 2022 included the 2025 Sustainability Goals, climate change and its potential impact on the supply chain in the APAC markets. Other specific sustainability topics are included as major Board of Directors agenda items such as: achievement of targets for both environmental Sustainability and Smart Drinking; diversity and inclusion and how they are impacted by our Sustainability strategy; governance and board succession planning; and proposed strategic and significant plans to reach our sustainability goals are reviewed and approved. The management level ESG committee spent around 42% of its time on the 2025 Sustainability Goals, 25% on Social topics related to employees, health & safety, and corporate social responsibility, and 33% on ESG Governance in FY22.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Our Board has adopted a Board Diversity Policy. The Nomination Committee of the Board monitors the implementation of this policy by conducting a review of the Board composition at least once annually, taking into account the benefits of all relevant diversity aspects and experience when making recommendations on any appointments, replacement and removal to the Board. Climate-related KPIs, i.e., reduction in GHG Emissions, are included in board members' performance reviews. A number of board members have demonstrated interest, knowledge and competence on climate-related topics. This experience comes from their positions with other companies and serving on high-profile foundations and international partnerships. Our chair of the Audit and Risk Committee is an Independent Non-executive Director with extensive experience in risk management and drives the board agenda of risk management and internal control. The abovementioned board director has more than 11 years of risk management experience as the Chair of the Risk Management Committee of Swire Pacific Limited and is a current member of the Group Risk Management Committee of John Swire and Sons Limited. The Swire Group's core businesses in Hong Kong include a beverages and food chain. The board member's well-established profession and experience in the beverage industry offer board-level competence on climate-related issues in Bud APAC. For example, the INED helped to develop our Water Policy in December 2021 and review it regularly. In 2022, the INED co-signed off the decision to update our goal to achieve an average water usage of 2.0hl/hl in APAC, including high water stress areas by 2025, publicly disclosing Bud APAC's water stewardship commitment. Another Independent Non-executive director is a pioneer and passionate ESG expert in the textile industry who brought the most recent ESG trends and insights to the board.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The CEO (also Co-chair of the Board) is responsible for overseeing the ESG committee, which meets at least four times annually. The CEO oversees all relevant ESG departments, such as Sustainability & Procurement, Supply and Logistics, and Legal and Corporate Affairs, and has full accountability for sustainability issues. The CEO has the highest level of direct responsibility and necessary authority for assessing and managing climate-related risks and opportunities, guiding the Company's strategy and execution to address sustainability issues, including climate-related risks and opportunities. The CEO has over 20 years of experience with the Company in different positions and knows profoundly about the climate-related issues in the business and drives the strategy development and mitigation measures.

Position or committee
Chief Financial Officer (CFO)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing climate-related acquisitions, mergers, and divestitures
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Chief Financial Officer is a member of the ESG Committee. The CFO is mainly supervising and decision-making the investment in sustainable solutions to support the delivery of Bud APAC's 2025 Sustainability Goals. For example, the RE100 investment with PPA agreement (Power Purchase Agreement) and carbon pricing analysis. The CFO is also driving the communications with the investors and banks on the ESG updates of the company leveraging the capital market resources to support the company's climate action (for example, 500 million USD sustainability-linked credit facilities in 2021 and ongoing engagement for low-tiered interest from the bank consortium upon satisfactory climate-related KPIs). The CFO is also leading the TCFD framework application in the ESG reporting and updates the financial indications of climate-related risks to the board.

Position or committee
Other C-Suite Officer, please specify (Chief Legal and Corporate Affairs Officer)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Chief Legal and Corporate Affairs Officer is a member of the ESG Committee who is responsible for the governance, disclosure, policy and legal analysis and stakeholder engagement such as government, NGOs and media. The CLO will review the ESG policies, including environmental policy, water policy, waste management policy etc. Both CFO and CLO are the co-chairs of the management-level risk committee, which provides regular risk analysis, profile and mitigation measures to the board and board-level audit and risk committee, including climate-related risks. The CLO is also leading on smart drinking, road safety, disaster relief and other social initiatives.

Position or committee
Other C-Suite Officer, please specify (Chief Supply and Logistics Officer)

Climate-related responsibilities of this position
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Chief Supply and Logistics Officer is a member of the ESG Committee and is driving the delivery of 2025 Sustainability Goals and supply chain development in a sustainable manner. His team is responsible for the brewery's low-carbon transition, including carbon-neutral brewery development, brewery water usage efficiency, RE100 application, solar panel installation and green logistics fleet enhancement as well as health and safety for both employees and contractors. Both the Chief Supply and Logistics Officer and VP of Sustainability and Procurement are driving over 6,000 suppliers and contractors' low carbon transition through different initiatives.

Position or committee
Other C-Suite Officer, please specify (Chief People Officer)

Climate-related responsibilities of this position
Providing climate-related employee incentives
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Chief People Officer is a member of the ESG Committee and is responsible for the sustainability target setting and tracking. The performance review and compensation confirmation/ evaluation. The CPO is also responsible for the DE&I and employee wellbeing, workplace safety and etc.

Position or committee
Other, please specify (VP of Sustainablity and Procurement, APAC)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Developing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The VP is the major leader in developing local solutions to deliver 2025 Sustainability Goals, namely, Climate Action, Smart Agriculture, Water Stewardship and Circular Packaging. The VP and his team will manage over 6,000 suppliers and contractors. accelerate the RE100 application with solar, wind, hydro and PPA solutions across APAC. Both the Chief Supply and Logistics Officer and VP of Sustainability and Procurement are driving over 6,000 suppliers and contractors' low carbon transition through different initiatives.

Position or committee
President

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The President of East Asia and the President of India and Southeast Asia are members of the ESG Committee. Both regional presidents are responsible for the sustainability strategy delivery at the country level.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	To achieve effective integration of sustainability throughout the company, the ESG Working Group comprises members across all departments and operational units in Bud APAC. Heads of departments and their line managers are held accountable for their ESG performances, which are linked to their remuneration and appraisal. Compensation for the ESG Committee, as well as our management, executives and hundreds of our employees, is linked to our 2025 Sustainability Goals and other ESG-related targets, providing financial incentives to drive performance. Details regarding the positions entitled to incentives and types of incentives are detailed in the following question.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Corporate executive team

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with suppliers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The Chief Supply Chain & Logistics Officer and Vice President of Sustainability & Procurement (members of the Corporate Executive Team and ESG committee) oversee sustainability initiatives internally and externally and implement actions against the 2025 Sustainability Goals. Progress of these goals and KPIs are tracked using an internal sustainability dashboard that entails projects and metrics concerning emission reduction, such as our Science-based decarbonization targets. For example, the teams of supply chain and sustainability track the scope 1, 2 and 3 emissions in our VPO (Voyager Plant Optimisation) system quarterly. The sustainability dashboard is reported regularly and linked to the compensation model. In particular, emission reduction, water efficiency, and circular packaging targets are the incentivized KPIs.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Our eight ESG strategic priorities are Climate, Water Stewardship, Circular Packaging, Sustainable Agriculture, Smart Drinking & Moderation, Entrepreneurship, Diversity, Equity & Inclusion ("DE&I") and Ethics & Transparency. The first four priorities reflect our environmental sustainability strategy and ambition, which form part of our 2025 Sustainability Goals and 2040 Net Zero Ambition. Bud APAC continuously enhances and integrates sustainability principles and considerations into our governance framework, which plays a significant role in our long-term success. We have cascaded sustainability targets to various Senior Management members and colleagues across our Group, which are linked to their remuneration package. The two chiefs are driving the progress of our 2025 Sustainability Goals; a material part of their compensation is linked to our 2025 Sustainability Goals and 2040 net zero ambition, both short and long-term goals. The two chiefs are also leading the progress of carbon natural brewery building to produce carbon neutral beers.

Entitled to incentive
Other C-Suite Officer

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Increased supplier compliance with a climate-related requirement
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The Chief Legal and Corporate Affairs Officer has incentives linked to higher ESG rating scores and disclosure, as well as climate-related risk management. A material part of his compensation is linked to the specific annual target on ESG rating improvement, meaningful disclosure and risk management. Championing sustainability is also popular with our employees , and operating ethically and responsibly is critical to maintaining our license to operate.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Our eight ESG strategic priorities are Climate, Water Stewardship, Circular Packaging, Sustainable Agriculture, Smart Drinking & Moderation, Entrepreneurship, Diversity, Equity & Inclusion ("DE&I") and Ethics & Transparency. The first four priorities reflect our environmental sustainability strategy and ambition, which form part of our 2025 Sustainability Goals and 2040 Net Zero Ambition. Bud APAC continuously enhances and integrates sustainability principles and considerations into our governance framework, which plays a significant role in our long-term success. We have established a set of robust internal policies and procedures in line with applicable laws, rules and regulations, such as environmental policy, water policy and waste management policy etc. We have cascaded ESG-related targets to various Senior Management members and colleagues across our Group, which are linked to their remuneration package. The chief legal and cooperate affairs officer is responsible for reviewing and updating the sustainability-related policies and ESG disclosure and ratings, Many ESG ratings and disclosure, such as ESG and TCFD reports, cover climate-related issues (e.g., energy consumption and emission reduction). Hence to score higher, the Chief Legal and Corporate Affairs Officer needs to drive greater levels of disclosure and performance. For instance, the Company's progress in achieving our Science-based decarbonization target can help improve scoring in these ESG ratings. Internal communications on the awareness of climate emergency and best practice sharing/training of sustainable solutions are also CLO's mandate, who has to meet the specific target linked to his compensation.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	The short-term time horizon is based on the climate-related risks for the sectors and geographies in which we operate. Annual plans are developed and executed every year to drive our long-term sustainability goals. We report our sustainability performance on an annual basis in our ESG report. We also track our sustainability KPIs regularly: Monthly: Renewable electricity, water efficiency and safety Quarterly: GHG Emissions and Circular Packaging; (For example, We update our Carbon Tool quarterly to track GHG emissions across Scope 1, 2 and 3, encompassing its whole value chain, from agriculture, packaging and logistics to cooling and disposal.) These KPIs help track our progress against the 2025 goals and compare it with historical data. Under this timeframe, we also conduct annual assessments and meetings, including internal voyager plant optimization (a global management system throughout our business operations), audits and water risk assessments. This is also in line with the time horizon defined by our parent company AB InBev.
Medium-term	5	10	The medium-term time horizon is based on the climate-related risks for the sectors and geographies in which we operate. Driven by our long-term sustainability goals, the medium-term timeframe serves as a checkpoint to review our progress and reevaluate our impact. This is also in line with the time horizon defined by our parent company AB InBev.
Long-term	10	27	The long-term time horizon is based on the climate-related risks for the sectors and geographies in which we operate. This is also in line with the time horizon defined by our parent company AB InBev.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Aligning with our parent company AB InBev, Bud APAC has a sophisticated enterprise risk management (ERM) model to determine inherent and residual risks to our company by rating each risk (including financial and strategic risks) on impact (scale of 1-5 on financial, reputation and compliance), the likelihood of event occurrence (scale 1-5) and the level of mitigation as per our controls. The major risk factors for consideration include climate, supply chain, brewery operations, legal, regulatory & compliance impact and reputation.

Definition of substantive impact:

Bud APAC defines a substantive financial impact as a risk that has a net financial impact of no less than 3% of the normalized EBITDA for the group level.

Note: Normalized EBITDA is a key financial measure regularly monitored by management in managing the Group's performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance income; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
At Bud APAC, we have established a robust, comprehensive and technology-driven risk management to effectively manage and mitigate risks inherent to the business to protect the Company, the customers and the partners, as well as to meet regulatory obligations. The assessment of sustainability-related issues is integrated as part of the company-wide risk management process. These include risks associated with climate-related issues and other aspects concerning our 2025 Sustainability Goals. The substantive financial and strategic impacts are considered as one of the assessment criteria in determining the prioritization and strategy in addressing the identified climate-related risks. This is in line with our short-, medium- and long-term time horizons. We track our progress regularly and review the gap and improvement areas in terms of achieving the targets (e.g., decarbonization target). In 2022, we have achieved a 49.6% decrease in carbon emission intensity and a 45.9% absolute reduction (four years ahead of 2025 Sustainability Goals- 35%) within our operations against the 2017 baseline and reduced 19.7% carbon emission intensity per hl across our value chain compared to the 2017 baseline. For GHG emissions of our value chain, Scope 1 and Scope 2 account for 8%; the rest 92% of GHG emissions are from Scope 3. We have a Scope 3 program with our suppliers intended to reduce their emissions, supporting Bud APAC's ambition to achieve net zero across our value chain by 2040 and an interim target to reduce our GHG emission intensity by 25% across our value chain as part of our Science-Based target. We track our GHG emissions quarterly and calibrate our KPI accordingly.

To support the risk management process, an annual risk assessment is performed annually by the third level of control through our Risk Management team, comprising our independent Risk Management team, fulfilling the role of the internal audit department. The Risk Management team is responsible for reviewing the effectiveness of the Company's control systems and working with process owners to implement improvements. Such assessment uses a bottom-up and top-down approach, starting bottom-up with inputs from both key internal stakeholders across verticals and business units and external stakeholders such as audit firms. Those inputs are then collated and appraised, with topics being prioritized with the use of a Risk Assessment Index. An audit plan with the key risk areas identified is created following this assessment, with refinements being made based on top-down inputs from senior management iteratively. Throughout this process, initially, non-prioritized risks are frequently reassessed to check for eventual relevant risks that could have been overlooked. During the following year, the Risk Management team then performs reviews and issues the corresponding reports. The output of the reviews performed as part of the audit plan is action plans to mitigate risks and improve business performance. The Audit Committee reviews the internal audit reports and monitors the implementation of the related action plans.

From the governance perspective, in Q1 2023, we evolved our Audit Committee to the Audit and Risk Committee, which is a first within the ABI Group globally and a leading measure for the Consumer Packaged Goods (CPG) industry. We believe that an 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. 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 and is co-chaired by the Chief Financial Officer, along with 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 Audit and Risk Committee on the risk appetite, profile and tolerance of Bud APAC.

As part of AB InBev, our decarbonization targets are in line with a 1.5°C trajectory reduction, and our facilities are included in the global-level climate-related risk assessment, including physical risk (both acute and chronic such as water scarcity, sea-level rise, and flood risk) and transition risk (technology, policy, and legal). For example, in terms of physical risks, we pay close attention to how climate affects the yield of key agricultural commodities we source and assess the associated impact with costs to customize our sourcing strategy. As for traditional risks, we keep in view the emerging carbon market in China by managing and minimizing our emissions, to prepare for emission-related requirements and standards that may come into effect in the near future.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The Company's business is highly regulated in the countries in which it operates. The Company is required to comply with laws and maintain various approvals, licenses, and permits to conduct its operations in the various countries in which it does business. These approvals, licenses, and permits are granted upon satisfactory compliance with, among other things, applicable laws and regulations concerning alcohol sales and distribution, food safety, hygiene, environmental protection and fire workplace safety. Such approvals, licenses and permits are subject to termination or non-renewal. The Company's legal, compliance and corporate affairs department actively monitors its compliance with applicable laws and regulatory requirements to ensure that it is operating in an ethical and legally compliant way and has all the necessary approvals licenses and permits to operate its business. The Company also ensures it has adequate internal resources to ensure that it can react to legal and regulatory changes, changes in the political climate, or economic trends in a timely fashion. Our Global Sustainability Team constantly evaluates current regulations linked to climate-related risks using TCFD recommendations. We work closely with our legal advisors in every country in which we operate in order to evaluate current regulations and subsequent risks and opportunities to our operations. Based on this evaluation, we make strategic decisions on investments and plans to address current regulatory risks.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	The Company's business and long-term business development will take emerging regulations into consideration in which it operates. One example would be the increasing and straitening requirements on facilities building codes, operation emissions, and mandatory reporting on carbon and climate-related issues, particularly in alignment with the TCFD recommendations. Emerging regulation is a transitional risk that may impact our direct operations and costs of materials (such as packaging materials) and logistics. Emerging regulation is evaluated based on possible future scenarios such as the current policies scenario and sustainable development scenario from IEA in the World Energy Outlook. In addition, China has made carbon neutral commitments and emissions need to peak by 2030. Hence, we are keeping abreast of the changing regulations around emissions for different sectors. In particular, the Chinese national emission trading scheme was launched in 2021 and covers the power/utility industry, we anticipate there may be similar regulatory changes in the food and agriculture sectors in the future which may have an impact on our supply chain. The Company actively monitors potential and emerging regulations, to ensure its preparedness that may come into effect in the short-, medium- and long-term. The Company also reviews and considers emerging trends in the market and countries in which it operates. For example, we are building climate resilience by committing to the Science-based Target Initiative to keep our emissions in line with limiting temperature increases to 1.5°C, in line with the recommendations issued by Intergovernmental Panel on Climate Change (IPCC).
Technology	Relevant, always included	The Company sees innovation and technology as its priority area. We understand that the timing of technology development and deployment is a key uncertainty in this rapidly evolving market. When making strategic decisions based on our short- and medium-term strategy we include technology in our risk assessment. An example of a technology risk is that as a company we face the risk of additional implied costs related to obsolete technology which could result in increased taxes on fossil-fuel-based technologies. In order to address this risk, we continuously work to pilot and implement innovative solutions that are lower carbon or carbon-free. In the development of new products, we consider technologies that mitigate the use of energy and water overall and conduct LCAs to assess the carbon footprint of new products being developed. For example, we have been working to curb GHG emissions in the logistics channel by deploying alternative energy vehicles and electric forklifts. In 2022, we have put into operation 369 green vehicles as part of our green logistics strategy with our logistic partners, a 10% increase compared to 2021.
Legal	Relevant, always included	The Company's business is highly regulated by policy and legal obligations in which it operates. Policy actions around climate change continue to evolve and emphasize on constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change. These changes may include shifting energy use toward lower-emission sources, adopting resource-efficient measures and promoting sustainable agricultural practices. In addition, failure to comply with such legal obligations may lead to exposure to litigations associated with insufficient management to mitigate the impacts of climate change and may lead to financial implications associated with increased operating costs due to higher compliance costs. Legal risk is included in climate-related risk assessments through continuous assessments as projects emerge throughout the year. Legalities are assessed by the innovation group and also by the supply team, more specifically energy and environment teams across APAC. The Company strives to review the policy and legal obligations, and potential updates in the short-, medium- and long-term. Legal risks are always evaluated before making any climate-related decisions. An example of a legal risk is that Transition risks due to legal issues can impact our supply chain by increasing the cost of inputs such as packaging materials; risks associated with fuel transition which would impact the cost of moving our finished products. An example of how we currently address legal risk is the switch from coal to natural gas in China and initiatives addressing carbon tax implemented in several countries over the last few years. For example, the absolute carbon emissions of our operations were reduced by 45.9%, achieving a 35% reduction goal four years ahead of schedule and a 19.7% reduction of carbon emissions (tCO2e/hl) was achieved across our value chain (Scope 1, 2 and 3), which is on track to our 2025 target.
Market	Relevant, always included	The Company competes with both global and regional brewers and other drinks companies, and our products compete with other beverages. This competition combined with an increase in the purchasing power of players in the Company's distribution channels could cause the Company to reduce pricing, increase capital investment, increase marketing and other expenditures and/or prevent the Company from increasing prices to recover higher costs, thereby causing the Company to reduce margins or lose market share. Customers' demand for and preferences for more eco-friendly products increase with their awareness of sustainability. We see this as an opportunity to drive product innovations to adapt to changing consumer preferences by placing a high value on R&D priorities. This includes launching new packaging and new dispensing systems, as well as updating and enhancing existing products and packaging, with a lower carbon footprint. In addition to changing customer behavior and uncertainty in market signals, as the impacts of climate change and water scarcity continue to increase in frequency and severity, we anticipate challenges in the price and availability of our key ingredients. The Company maintains strong relationships with stakeholders throughout the value chain (including distributors and suppliers) to ensure visibility over market trends, consumer preferences and operational costs. We evaluate market trends for strategic planning within sustainability. Market risks are included in our risk assessment processes by following market trends to help us predict what future behaviors will be and how the market will evolve. An example of market risk includes not keeping up with current market trends on how packaging is used to communicate certain information to customers who are demanding more purpose-driven products. Failing to effectively communicate with our customers could result in a decrease in market share. Our review process on market trends in packaging is done once a year during the 3- and 10-year planning sessions. As packaging volume is predicted, so is the impact on the environment as the type of packaging affects the overall carbon footprint. In addition to this, consumer preference towards purpose-driven products is evaluated. An example of this is how we included our RE100 initiative into our packaging, communicating to consumers that Budweiser is brewed with 100% renewable electricity as each market reaches our commitment.
Reputation	Relevant, always included	The Company relies on the reputation of its brands. An event or series of events, that materially damage the reputation of one or more of the Company's brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. One example would be the shifting consumer preferences and concerns regarding how climate-related risks are addressed and on carbon footprints associated with our products. Reputational risk is included in climate-related risk assessments through an assessment performed on a continuous basis and is included in our innovation design template. When a new product is developed, the impact on corporate reputation is taken into account. An example of a reputational risk is that if consumers feel that we are not taking action to address climate change, there may be less demand for our products . A real-world example of how we are responding to this risk is our implementation of an internal fiber policy. Through the fiber policy, we addressed the subject of deforestation, committing to eliminate deforestation from our direct supply chain as early as 2025. We strive to create lasting value for our business partners and stakeholders by utilizing its scale, resources and people to address the needs of communities. Examples of the Company's programs to address the needs of its communities include "Accelerator 100+ project" which pilots innovative solutions across our operations and supply chain in key markets and programs relating to smart agriculture, water stewardship, circular packaging and climate action.
Acute physical	Relevant, always included	With rising global temperatures and increased extreme weather events, climate change could cause physical damage to our facilities and lead to disruption in maintaining operations. The probability and frequency of severe weather events may be difficult to predict; however, the Company strives to assess the potential impact brought by different acute physical risks (e.g. drought) at the local level and to strategize plans for mitigating the impact. Acute physical risk is included in climate-related risk assessments by evaluating the risk at facilities. Although the probability and frequency of severe weather events are difficult to predict, an example of acute physical risk is that we have identified sites where weather, such as drought, can affect water availability in the short and long term. We work with teams across our zones to mitigate this risk. Acute physical risks are assessed in our climate-risk assessments and scenario analysis, and the results inform our climate-related strategy.
Chronic physical	Relevant, always included	With rising global temperatures and increased extreme weather events, climate change will negatively affect agricultural productivity and water availability. In addition to water (the most important ingredient in all of our products), we rely on numerous ingredients – including grains, corn, sugarcane, wheat, barley, hops, and various fruits – that are highly susceptible to price volatility linked to environmental factors such as shifting weather patterns, droughts, and crop disease. As the impacts of climate change and water scarcity continue to increase in frequency and severity, we anticipate challenges in the price and availability of our key ingredients. As such, the Company assesses risks associated with long-term shifts in climate patterns. An example of a chronic physical risk is that water scarcity due to climate change could impact our operations more significantly every year. Through our water risk tool, we are able to assess current water-stressed areas and through scenario modeling, we are able to predict the facilities that could be in highly water-stressed areas within the next 10 years. In light of this, climate change and its potential impact on the supply chain in the APAC markets are considered important to our business and were discussed in the Board meetings in 2022. Chronic physical risks are assessed in our climate-risk assessments and scenario analysis, and the results inform our climate-related strategy.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Sufficient amounts of good quality freshwater available for use are vitally important to our business currently and in the future. The combined effects of population growth, economic development, and climate change have contributed to increasing water stress on a global scale. Water is a key ingredient in our products. We consume water to produce our beverages as the key ingredient and are also in the process of converting raw materials/agricultural commodities into our products. We regularly review and update our water risk assessment, and analyze the potential risks for each brewery. We have set ambitious water efficiency targets across our business, with even more ambitious goals for our breweries located in communities facing high water stress. In 2022, we identified five sites within our operations that are under high levels of water stress. For example, Telangana faces extremely high risk due to water shortages due to low rainfall and over-exploitation of groundwater resources. The sites face extremely high risk due to acute water shortages resulting from frequent drought conditions, lower groundwater table, and disrupted / infrequent water supply, During summers the water supply gets severely impacted with dependency on water tankers for continued supply in some sites. Cost fluctuation may range between 20 - 40%. Lower Ground water table further adds to the operating costs with the risks of water availability in the near future. In this regard, we work proactively and closely with the local communities (e.g. other users of the water source such as local farmers and other companies, local groups, local governments, etc.). Under such a high level of water stress, the daily operations and production capacity may be affected. We also engage with our suppliers to set water-use-reduction targets within their operations and develop plans to reduce water consumption in our overall value chain.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The estimate is based on the lost revenue due to the facility shutdown resulting from water stress. For example, the brewery in Telangana India. Potential days of water shortage for the brewery shutdown are estimated to be 10 days a year with an average daily revenue of USD 50,000. In total, approximately USD 500,000 was estimated as lost revenue due to water stress.

Cost of response to risk
150000

Description of response and explanation of cost calculation
We invested 150,000 USD in total as the cost of the response to this risk, including building farm and village ponds (22500 USD around 15% of the total cost of response), constructing recharge shafts (52500 USD around 35% of the total cost of response) for increasing recharge potential, installing check dams to collect water (37500 USD, 25% of the total cost of response), training our farmers to improve their irrigation practices (22500 USD around 15% of the total cost of response) and upgrade WASH infrastructure (5000 USD and 10% of the total cost of response).

Sufficient amounts of good quality freshwater available for use are vitally important to our business currently and in the future. To ensure we could access this resource sustainably, we started to invest in water availability and quality improvement in communities with significant water stress, particularly in India and China in 2019 and continued to invest in 2022. The water replenishment rate in India reached 207% in high-stress areas, with over 16 million hl of water supplied to the communities where we operate. China's water replenishment reached approximately 15 million hl.

Comment
No further comments.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
There is an increasing demand for eco-friendly products from consumers. This brings more attention to corporate to change and evolve their operation process and equipment for a new market. And provide low-carbon products. For example, we have two carbon neutral breweries in China. The carbon neutral beers are well-received in the market among our consumers. We review the market trend and our energy portfolio and develop various net-zero products to capture the opportunities.

We target to pursue that 100% of our purchased electricity will be from renewable sources by 2025. While we endeavor to install on-site renewable sources as far as practicable, procuring offsite renewable electricity is a big part of our strategy to ensure we can meet our goal of 100% renewable electricity. There are nevertheless policy and infrastructure constraints in many local markets. Thus, we collaborate with various partners and local governments to put in place adequate policies that support renewable electricity.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
465000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We installed solar panels inside breweries to generate green power instead of purchasing gray power. Annual energy generation of solar panels was over 31,000 Mwh, resulting in 19,654 tCO2e of emission reductions. The financial impact figure is estimated based on the cost of energy saved by deploying renewable energy. The financial impact is the saving of using solar panels. The power price is 100 USD/ Mwh, the savings (financial impact will be 15% of the power cost generated by solar), therefore, it is 15%* 31000*100.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
These operating and capital costs of installing solar panels have been invested by third-party services. We pay the solar energy generated to the third-party service since 2018. We have installed new lightweight solar panels, which are 60-70% lighter and also more flexible, on our fermentation tanks in Wuhan and Nantong breweries. This new technology is an invention of Sunman, a start-up company that participated in our 100+ Accelerator. The model is that Sunman invests the solar panels and installs them in our breweries. We pay for the electricity generated through the solar panel to Sunman, which is recorded as Opex. Therefore, the cost to realize this opportunity is zero.

Comment
We leveraged the third-party solar energy service to install the solar panels in our breweries without committing any capex., We only pay for the solar power generated by the solar panels to a third party.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
In conducting our transition risk and opportunity scenario analysis, several risks and opportunities were identified as potentially material to Bud APAC. After completing a qualitative scoring exercise and internal stakeholder workshops, we prioritized the key risks and opportunities to analyze further and quantify the potential impacts. The scores reflect a combination of two aspects: the likelihood of a risk (driver) affecting our business and the magnitude of impact on our business if a risk is realized. In addition, we carry out annual stakeholder engagement and materiality analysis for up to 400 internal and external stakeholders on the ESG material topics and publish the conclusion in our ESG report as a foundation to articulate our material topics and measures.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
In FY22, we continued to work toward our 2025 Climate Action Goals while also looking ahead to our ambition to achieve net zero across our value chain by 2040. From renewable energy to packaging and end-of-life solutions, we aim to innovate and create efficiencies that can deliver progress.

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios: RCP 2.6	Company-wide	<Not Applicable>	We considered two scenarios in our analysis: (i) a sustainable future in which global warming is limited to well under 1.5 degrees Celsius above pre-industrial levels (RCP 2.6) and (ii) an extreme global warming scenario in which global warming reaches 4 degrees Celsius (RCP 8.5). We applied the IPCC AR6 SSP1-2.6 and IPCC AR^ SSP5-8.5 scenarios for the physical scenarios. Parameters: The parameters for RCP 2.6 assume a peak in radiative forcing before 2100 (490 ppm CO2), followed by a decline (2.6 W/m2). The parameters for RCP 8.5 assume that rising radiative forces lead to 8.5 W/m2 or 1370 ppm CO2 by 2100. Assumptions: Physical risks are assumed to be the same over the short-term (1-5 years) and medium-term (5-10 years) time horizons. In the long term, physical risks are different in each scenario analyzed, as the likelihood of extreme weather events increases as temperature patterns increase. These risks are difficult to assess beyond 10 years. Analytical choices: RCP2.6 is coupled with rapid technology change, high environmental awareness, low energy, high economic growth and low population growth. RCP 8.5 is coupled with SSP5, which describes reliance on fossil fuels, high energy demand, high economic growth, and low population growth.
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	We considered two scenarios in our analysis: (i) a sustainable future in which global warming is limited to well under 2 degrees Celsius above pre-industrial levels (RCP 2.6) and (ii) an extreme global warming scenario in which global warming reaches 4 degrees Celsius (RCP 8.5). We applied the IPCC AR6 SSP1-2.6 and IPCC AR6 SSP5-8.5 scenarios for the physical scenarios. Parameters: The parameters for RCP 2.6 assume a peak in radiative forcing before 2100 (490 ppm CO2), followed by a decline (2.6 W/m2). The parameters for RCP 8.5 assume that rising radiative forces lead to 8.5 W/m2 or 1370 ppm CO2 by 2100. Assumptions: Physical risks are assumed to be the same over the short-term (1-5 years) and medium-term (5-10 years) time horizons. In the long term, physical risks are different in each scenario analyzed, as the likelihood of extreme weather events increases as temperature patterns increase. These risks are difficult to assess beyond 10 years. Analytical choices: RCP2.6 is coupled with rapid technology change, high environmental awareness, low energy, high economic growth and low population growth. RCP 8.5 is coupled with SSP5, which describes reliance on fossil fuels, high energy demand, high economic growth, and low population growth.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: IEA SDS	Company-wide	<Not Applicable>	Two transition scenarios were developed to support our analysis, which to date focuses on carbon pricing, technology and market risks: (i) a business-as-usual (BAU) scenario in which we assume a continuation of current policies and market dynamics, and (ii) a 'sustainable development scenario' (SDS) in which we assume much more aggressive policy, technology and market developments in line with meeting Paris Agreement goals. In addition, for transition scenarios, we also applied the IEA 2022 Announced Pledges Scenario (APS) and IEA 2022 Stated Policies Scenario (STEPS). Parameters BAU: risks / opportunities are assessed based on currently implemented policies. According to the Climate Action Tracker and at the time of the analysis, this aligns to warming of +2.4 to +4.3ºC. SDS: risks / opportunities are assessed based on a more ambitious policy outlook aligned with country level pledges and targets in line with the Paris Agreement (aligning to warming of <2ºC). Assumptions BAU: When assessing future climate policy and carbon pricing risk, we assume carbon taxes will impact our direct and/or indirect operations in the EU, Canada, Mexico and Colombia only. SDS: In our sustainable development scenario, we assume carbon prices are introduced across nearly all AB InBev operating countries from 2025 onwards. In both scenarios, we assume (conservatively) a 3% annual reduction in our carbon footprint up to 2030 Analytical choices 3 different timeframes were used: 1-5 years, 5-10 years, 10+ years. To build our SDS scenario, we assessed the policy and carbon pricing outlook in each country, and also drew on price projection data from the World Bank. Subsequent updates to our analysis drew on the pricing data from the IEA's Sustainable Development Scenario, the NGFS's 2C Scenario, and the UN PRI's Inevitable Policy Response Scenario. For our aluminium-specific market analysis, we used the Transition Pathway Initiative to project the reduction in the carbon intensity of aluminium based on a 2ºC, Below 2ºC and Paris Pledge aligned Scenario. This was combined with market projection data from a variety of relevant sources, and a qualitative assessment of clean technology developments relevant to the sector.
Transition scenarios: IEA STEPS (previously IEA NPS)	Company-wide	<Not Applicable>	Two transition scenarios were developed to support our analysis, which to date focuses on carbon pricing, technology and market risks: 1) a Business as Usual (BAU) scenario in which we assume a continuation of current policies and market dynamics; and 2) 'Sustainable development scenario' (SDS) in which we assume much more aggressive policy, technology and market developments in line with meeting Paris Agreement goals. Parameters BAU: risks/opportunities are assessed based on currently implemented policies. According to the Climate Action Tracker and at the time of the analysis, this aligns with a warming of +2.4 to +4.3ºC. SDS: risks/opportunities are assessed based on a more ambitious policy outlook aligned with country-level pledges and targets in line with the Paris Agreement (aligning to warming of <2ºC). Assumptions BAU: When assessing future climate policy and carbon pricing risk, we assume carbon taxes will impact our direct and/or indirect operations in the EU, Canada, Mexico and Colombia only. SDS: In our sustainable development scenario, we assume carbon prices are introduced across nearly all AB InBev operating countries from 2025 onwards. In both scenarios, we assume (conservatively) a 3% annual reduction in our carbon footprint up to 2030 Analytical choices 3 different timeframes were used: 1-5 years, 5-10 years, and 10+ years. To build our SDS scenario, we assessed the policy and carbon pricing outlook in each country and also drew on price projection data from the World Bank. Subsequent updates to our analysis drew on the pricing data from the IEA's Sustainable Development Scenario, the NGFS's 2C Scenario, and the UN PRI's Inevitable Policy Response Scenario. For our aluminum-specific market analysis, we used the Transition Pathway Initiative to project the reduction in the carbon intensity of aluminium based on a 1.5ºC and Paris Pledge-aligned Scenario. This was combined with market projection data from a variety of relevant sources, and a qualitative assessment of clean technology developments relevant to the sector.
Transition scenarios: IEA SDS	Company-wide	<Not Applicable>	We carried out a transition risk and opportunities scenario analysis for each of Bud APAC's business segments (breweries and distribution centers), utilizing two contrasting scenarios as issued by the International Energy Agency (IEA) World Energy Outlook (WEO) 2022: Low carbon IEA 2022 Announced Pledges Scenario (APS) and Business-as-Usual GHG emissions IEA 2022 Stated Policies Scenario (STEPS) with a time horizon from 2030 (short), 2040 (medium) and 2050 (long term).

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

We evaluate transition and physical risks linked to climate change in line with TCFD recommendations. Through this analysis, we seek to better understand how climate change could affect our company's activity in the future, in particular regarding the following topics:
a) the environmental policies and regulatory considerations where our organization operates and the implications on our direct and indirect supply chain;
b) the risks and opportunities associated with product development, manufacturing, and production;
c) the societal changes related to consumer preferences and shifts in demographics and lifestyle choices;
d) changing consumer or community preferences related to how the company responds to climate impact;
e) risks associated with both chronic and acute physical risks, including extreme weather events and/or water scarcity in both our operations and supply chain.
We considered two scenarios in our analysis, using the recommended Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP): (1) Sustainable Development scenario in which global warming is limited to well under 2 degrees Celsius above pre-industrial levels (RCP 2.6: representing rapid alignment with the Paris Agreement) and (2) an extreme global warming scenario in which global warming reaches 4 degrees Celsius (RCP 8.5: representing a failure of policymakers to implement the Paris Agreement), that we named Business-as-Usual scenario. These two scenarios cover a broad spectrum of possible futures, and their conclusions are relevant to inform our business strategy.
Our assessment shows that all scenarios analyzed present financial risks related to both transition and physical risks. The most significant impacts are reflected in our agricultural supply chain and in selected physical risks related to water availability.

Results of the climate-related scenario analysis with respect to the focal questions

With the Sustainable Development scenario (Scenario 1), we identified the following risks related to business, 2025 Sustainability Goals and our ambition to achieve net zero across our value chain by 2040, which provide our action guidance and timeline.
a) Policies: climate regulations and compliance costs are expected to accelerate after 2025. Although no significant impact is identified for the business in the short term, we are exposed to the implications of fuel and energy taxes on purchased energy,
b) Technology: four total energy needs, 75% comes from thermal energy. In this scenario, the adoption of low-carbon technology is accelerated to respond to consumer preferences, market pressure and changing regulations.
c) Changing consumer preferences: consumer behavior is changing and demand for purpose-driven products is increasing, with preferences for products with lower emission impact.
d) Reputation: as consumer demands for more sustainable products increase and regulations become more stringent, reputation risk is expected to increase. Although the risk to reputation is difficult to measure, having a long-term ambition underpinned by short-term.
e) Physical risks and supply chain disruptions: Our product is highly dependent on the natural environment, and while we do not foresee an immediate impact, risks due to extreme weather events could potentially impact and disrupt agricultural supply chains in the medium to long term. We've also mapped a higher likelihood of yield declines for several crops in certain geographies where we operate. The risk of water availability is predicted to be lessened in this scenario. Water supply risk over the next decade can be expected to manifest in particular regions where we operate.
Under the Business-as-Usual scenario (Scenario 2), we identified the following risks related to business
a) The transition risks are expected to have a low impact on the business. Policy risks to the business, for example, are assumed to be limited in the short and medium term, as climate regulations are not expected to change significantly in APAC.
b) Physical risks will highly affect business under this scenario, as the likelihood of extreme weather events could increase physical risks in the long term: water scarcity is expected to increase according to the World Resources Institute (WRI) and will exacerbate risk to the business. Severe weather could potentially impact assets and supply chains in several countries around the world where there is a higher risk of occurrence of extreme weather events as temperatures rise above 2 degrees.
c) We would face significant raw material pressures due to yield decreases in crops such as barley, rice and maize in certain regions. While we do not foresee an immediate impact, such risks could potentially impact and disrupt agricultural supply chains in the medium to long term, resulting in increased cost and complexity in the supply chain.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Packaging contributes to 49.3% of our overall GHG emissions and we see this as a key area for emission reduction. In addition, with increasing awareness of and discussions around low-carbon products, we perceive the potential demand for our products with lower carbon footprint and higher environmental-friendly implications. Packaging has been identified as a high risk for our business and therefore has heavily influenced our long-term strategies in relation to Climate Action and Circular Packaging - we have established specific Sustainability Goals in these two areas. For instance, under our Circular Packaging commitment, we aim to pursue that 100% of products will be in packaging that is returnable or made from a majority of recycled contents by 2025. Returnable bottles are a sustainable choice and make good business sense. Our strategy in this area is in line with the 2025 Sustainable Goals and also takes into consideration actionable items beyond 2025. We place strategic emphasis on the recyclability of our packaging. We deduce packaging weights by utilizing new technologies such as NNPB, invest in less energy-intensive packaging methods and processes, and constantly engage with packaging and materials associations on best industry practices. As a result, 8,473 tons of packaging material usage was reduced in 2022. We use social media marketing campaigns and product labeling to educate our consumers about the importance of recycling and look for more ways to support packaging recycling. In relation to our efforts, we are cultivating Corona to be the first plastic-neutral beer.
Supply chain and/or value chain	Yes	Agriculture represents 9.4% of our overall GHG emissions and our products also rely on numerous ingredients – including grains, corn, sugarcane, wheat, barley, hops, and various fruits – that are highly susceptible to price volatility linked to environmental factors such as shifting weather patterns, droughts, and crop disease. Therefore it is vital that we work with our farming communities to help them maintain a high level of productivity and profitability. Although we do not have direct control over farming practices, we understand that we have the responsibility to influence and improve agricultural and labor conditions in our supply chain. As part of our 2025 Sustainability Goals, we aim to pursue that 100% of our direct farmers are skilled, connected, and financially empowered. Increasing farmers' resilience and reducing production volatility through improved breeding and crop management practices is – and will continue to be – a focus for our research and agronomy teams. We are working diligently to apply our frameworks of "skilled, connected and financially empowered" to support farmers in adopting the practices and tools they need to address the challenges they face in their local environments so they can improve their resilience and long-term sustainability. Our strategy in this area is in line with the 2025 Sustainable Goals and also takes into consideration actionable items beyond 2025. For a case study on how we drive carbon reduction via Smart Agriculture - in one of our biodiversity programs, we are building a soil health framework, because the soil is key in helping to promote better biodiversity, improve water quality and sequester carbon. We are leveraging both our internal experts and our global partners as we work to establish performance indicators that will help us share best practices and improve our approach to regenerating soil across our agricultural development programs globally.
Investment in R&D	Yes	We are committed to innovating and exploring new opportunities and partnerships in our supply chain. Innovation is an important driver in building a sustainable future for us and our many stakeholders, including the communities in which we live and work. We harness the creativity and entrepreneurial mindset of successful startups and combine them with the resources and leverage of a globally recognized brand. This allows us to create and scale great ideas across APAC and beyond. Our strategy in this area is in line with the 2025 Sustainable Goals and also takes into consideration actionable items beyond 2025. In response to the changing consumer preferences, market pressure and changing regulations, we continue to implement our "Accelerator 100+ project", which pilots innovative solutions across our operations and supply chain in key markets and programs relating to smart agriculture, water stewardship, circular packaging and climate action.
Operations	Yes	Operations contribute to 8% of our overall GHG emissions (scope 1 and 2) and we have control over this aspect. In addition to the purchase of renewable electricity at our breweries, we have implemented various measures to improve energy efficiency and reduce carbon emissions in our production and operations. Our strategy in this area is in line with the 2025 Sustainable Goals and also takes into consideration actionable items beyond 2025. In a low-carbon world, Bud APAC needs to deploy low-carbon transportation by acquiring its own electric fleet, partnering with logistics companies that have active commitments to transition to EVs, and further optimizing product distribution planning to reduce unnecessary transportation. As part of this strategy, we are establishing an innovative closed-loop model that recycles retired EV batteries to store green power from renewable energy sources in our Foshan brewery. Scope 3 emissions account for 92% of the company's total Greenhouse Gas (GHG) emissions in 2022. Empowering its 6,000+ suppliers and contractors on their low carbon transition journeys is critical to Bud APAC's net zero ambition. Intending to bring structural change and long-term impact on its value chain, Bud APAC designs the initiative to build upon and accelerate the various capacity-building efforts. In 2022, the company helped seven suppliers measure their carbon footprint and visited eight supplier sites. Under the 2023 initiative, Bud APAC plans to provide training on the GHG Protocol, TCFD, CDP and PAS 2060 and introduce the concept of science-based target setting to these suppliers. Bud APAC will also engage an additional 20 suppliers and 53 sites to help them develop a site-specific carbon footprint map. Starting with the suppliers in China, Bud APAC plans to expand the initiative to other APAC markets in due course and empower its partners across the supply chain to achieve their low carbon transition.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Assets	Revenues - we perceive a shifting preference towards sustainable and purpose-driven products in the market due to increasing concerns and awareness on climate-related issues. By promoting sustainable development and potentially integrating sustainability values into our products (e.g. launching products with lower emissions) to maintain and uphold our market competitiveness to attract more customers and consumers. Direct costs - our products are made from natural resources including agricultural commodities and water. Impacts brought by climate change may affect the availability and quality of these resources that our products rely on, and the cost to source these resources may increase. Indirect costs and capital expenditures - to enhance the climate resilience of our facilities and improve resource efficiency in our operations, we plan to upgrade the onsite equipment, installations, and features by adopting resilient designs and efficient measures. This may lead to increased capital expenditures and reduced indirect (operating) costs. Assets - physical property (facility) damage caused by extreme weather events may damage the value of assets that we own. We envisage reviewing these financial planning elements under the short-, medium and long-term as climate-related risks and opportunities have potential impacts across all three-time horizons. For instance, direct costs may be relatively more fluctuated given the unpredictable shifting weather patterns in the long-term and the potential server weather events in the short-term.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
CAPEX

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
15911000

Percentage share of selected financial metric aligned in the reporting year (%)
3.22

Percentage share of selected financial metric planned to align in 2025 (%)
4.5

Percentage share of selected financial metric planned to align in 2030 (%)
6

Describe the methodology used to identify spending/revenue that is aligned
We invested USD 15,911,000 in 2022 to improve the energy efficiency in our operation sites to facilitate climate transition. In 2022, we recorded 77.73 Mj/hl of production for energy intensity, representing 27% decrease compared to the 2017 baseline year, which is on track to our 2025 target of 36% reduction against 2017. Our Jinzhou brewery became our second carbon brewery in APAC in 2022. We have 4 RE100 breweries in APAC in 2022. Our 2022 gross capex recorded 494 mil USD.

Financial Metric
OPEX

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
24580000

Percentage share of selected financial metric aligned in the reporting year (%)
1.14

Percentage share of selected financial metric planned to align in 2025 (%)
9.1

Percentage share of selected financial metric planned to align in 2030 (%)
12

Describe the methodology used to identify spending/revenue that is aligned
Contracted 43% of our electricity in China from renewable sources; We used a third-party service provider to invest in our solar panels or other related renewable energy facilities without any capex commitment from us. We only pay the third-party service provider the power generated by their gears, which is recorded as Opex. 17 breweries across APAC installed solar panels on site; pioneered using flexible and lightweight solar panels in breweries, first in China's beer industry and AB InBev globally (Wuhan and Nantong). Our Opex recorded 2159 mil USD

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2018

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2017

Base year Scope 1 emissions covered by target (metric tons CO2e)
439286

Base year Scope 2 emissions covered by target (metric tons CO2e)
477037

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
916323

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2025

Targeted reduction from base year (%)
35

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

595609.95

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
137529

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
358425

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
495954

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
131.073244447022

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
This target covers all our 47 breweries across our operations in APAC, including operations across China, India, South Korea, and Vietnam. None of our operations are excluded. 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. Scope 2 represents emissions from purchased electricity and steam. We are committed to reducing absolute Scopes 1 and 2 GHG emissions by 35% by 2025 from a 2017 base year, in line with the pathway to keep global warming to 1.5 degrees Celsius. This target is one of the foundations to achieve our ambition of net zero across our value chain by 2040.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
We have implemented various initiatives to maximize renewable energy use, increase energy efficiency and further decarbonize our operations. The absolute carbon emissions were reduced by 45.9%, achieving our 35% reduction target four years ahead of schedule.

We follow the RE100 guidelines with renewable electricity sources and energy generation to leverage self-generated energy through on-site installations or off-site PPAs. Following our Wuhan brewery, Jinzhou brewery has become the second carbon neutral brewery within Bud APAC, in accordance with PAS 2060 standard. 4 breweries in China are now 100% powered by renewable energy and hence achieved RE100. 17 breweries across APAC installed solar panels on site, reducing a total of 52% of total

Scope 1 & 2 emissions in Bud APAC.

We contracted 43% of our electricity from renewable sources in China, 11.7% in South Korea, 25.9% in India, and 24.4% in Vietnam. Our Kunming brewery self-generates 1.6 million kWh from on-site solar panels and purchases the remaining electricity from a certified wind energy supplier. We established the first grid-connected distributed power storage system in Wenzhou, storing 1.7 million kWh of electricity generated onsite. We pioneered the use of flexible and lightweight solar panels in our Wuhan and Nantong breweries, the first in China's beer industry and AB InBev globally.

We led the way in implementing ABI's "90025" competition, which stands for 90 MJ/hl total purchased energy, 0 CO2 purchases and 2.5 hl/hl water usage, in our breweries and maintained first place for three consecutive years to become the global leader in energy efficiency. 66% of the breweries participating in the competition were from Bud APAC. Our Suqian brewery stood out from more than 170 breweries and won the global championship.

Other decarbonization projects include our profitable Biological Treatment System, which recovered a total of 12.5 million m^3 of biogas in 2022, a 23% increase compared to the 2020 baseline, and achieved a GHG reduction of 3.6 million kgCO2. Our heat pump system of Nantong brewery reduced heat consumption by 40% per hl of beer production, reaching the global benchmark. Combined with solar panel projects, the heat pump system is estimated to reduce 7.7 million kgCO2 annually and reduce carbon emission intensity by more than 50% per hl. In green logistics, we deployed 369 green trucks in our fleet, an increase of over 10% compared to 2021, further reducing our carbon footprint.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2018

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Market-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 9: Downstream transportation and distribution
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products
Other (downstream)

Intensity metric
Other, please specify (metric tons of CO2e per hectoliter of production)

Base year
2017

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.00538

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.00585

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
0.77974

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
0.00182

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
0.0009

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
0.00273

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
0.01594

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
0.00177

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
0

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
0.08029

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.09153

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
100

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
100

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
100

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
100

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
100

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
100

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure
0

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
100

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2025

Targeted reduction from base year (%)
25

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.0686475

% change anticipated in absolute Scope 1+2 emissions
35

% change anticipated in absolute Scope 3 emissions
17

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.00157

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.00409

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
0.4564

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
0.00103

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
0.00101

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
0.0022

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
0.01572

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
0.00226

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
0

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
0.06786

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.07352

Does this target cover any land-related emissions?
Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

% of target achieved relative to base year [auto-calculated]
78.7064350486179

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Bud APAC's ambition is to achieve net zero across our value chain by 2040, with 2025 as an interim target for reducing GHG emission intensity by 25% across our value chain (Scope 1,2 and 3) from a 2017 base year as part of our Science-Based target. 25% carbon reduction per beverage is in line with the Science-Based methodology and has been verified and approved by the Science Based Targets Initiative (SBTi). We included over 66% of our total Scope 3 emissions in our science-based target, complying with the two-thirds inclusion threshold that is required by the SBTi.

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. Scope 2 represents emissions from purchased electricity and steam. 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 , End of Life and Packaging.

Scope 3 emissions alone account for 92% of our GHG emissions and have the most material impact on the company and environment. Therefore addressing the direct and indirect emission sources associated with our value chain activities will contribute to a significant reduction in our overall emissions and accelerate our net zero ambition delivery. As part of the strategic plan for our 2025 climate action targets, we estimate that by 2025 we will save over 1,800,000 tons of greenhouse gas emissions across our value chain (Scope 1, 2 and 3) compared to the 2017 baseline.

Plan for achieving target, and progress made to the end of the reporting year
By end of FY22, we are on track with achieving our target and have reduced 19.7% carbon emission intensity per hl across our value chain compared to the 2017 baseline.

With a clear understanding of our carbon emissions within our value chain, we have developed our decarbonization plan and identified reduction opportunities. In particular, we have initiatives that leverage our extensive supply chain network and expertise to reduce Scope 3 emissions and help facilitate the low-carbon transition of the beer industry exponentially. Starting with suppliers in China, we plan to expand to South Korea and other APAC markets in due course.

We designed a new initiative to build upon and accelerate the various capacity-building efforts. In 2022, we obtained the baseline carbon emission data from 7 suppliers and visited 8 sites. In 2023, we plan to provide training on the GHG Protocol, TCFD, CDP & PAS 2060 and introduce the concept of science-based target setting to these suppliers. We will also engage an additional 20 suppliers and 53 sites to help them develop a site-specific carbon footprint map, which will cover 32% of the carbon emission footprint within our value chain. Empowering our 6238 suppliers and contractors on their low-carbon transition journeys is critical to achieving our target.

Our carbon reduction mission is also extended to our upstream and downstream logistics partners, which represented 4.4% of our GHG emissions in 2022. We implemented initiatives such as green logistics technology, route optimization and alternative fuel vehicles, which we have piloted across all our zones.

With our Smart Barley Program in China, we focus on improving the quality of local products and keeping our supply chains short to reduce carbon emissions in the supply chain. We purchased 40000 tons of local barley with a 60% increase from 2021 and aim to produce the first ton of low GHG barley in China in 2024.

As packaging is accountable for a significant proportion (49.26%) of our overall GHG emissions, circularity is essential for reducing emissions. We design our packaging to optimize the use of materials and source materials that are recyclable, returnable and/or contain recycled contents. Through working closely with our suppliers, we reduced the use of packaging materials by 8473 tons and will continue to develop can-to-can recycling and rPET packaging plans.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2018

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2017

Consumption or production of selected energy carrier in base year (MWh)
3061641

% share of low-carbon or renewable energy in base year
0.1

Target year
2025

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
36.1

% of target achieved relative to base year [auto-calculated]
36.036036036036

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes. This target of adopting 100% renewable electricity contributes to our 'Abs 1' target of reducing Scope 1 and 2 emissions by 35% by 2025; this commitment will reduce our operational carbon footprint by 30% and total carbon footprint by close to 7%. It will also contribute to our 'Int 1' target of reducing GHG emission intensity by 25% across our value chain (Scope 1,2 and 3) by 2025, which is in line with our science-based target for the industry.

Is this target part of an overarching initiative?
RE100
Science Based Targets initiative

Please explain target coverage and identify any exclusions
This target is to increase purchased electricity from renewable sources to 100% by 2025, covering all of our brewing and vertical operations. Our progress is on track, with 25.6% achieved in 2021 and 36.1% achieved in 2022. This target is part of our absolute Scope 1 & 2 emissions reduction target Abs 1. It is also part of our 2025 sustainability goals that are the foundation for Bud APAC's ambition to achieve net zero across our value chain by 2040.

We participated in the global corporate renewable energy initiative RE100 since 2017, and have been working towards increasing the RE100 coverage across APAC. However, the rollout largely relies on local country policies and applications of RE100. For example, in China, it is becoming easier to become RE100, due to the national promotion of renewable energy and China's "dual carbon" goals. In South Korea, we were the first company from the private sector to install solar panels. We try to maximize our Power Purchase Agreement (PPA) opportunities in India. We are exhausting all other options before buying carbon credits, as we would like to bring structural change to our renewable energy transition and ambition.

Plan for achieving target, and progress made to the end of the reporting year
By FY22, we had achieved 36.1% of purchased electricity from renewable sources. We contracted 43% of our electricity from renewable sources in China, 11.7% in South Korea, 25.9% in India, and 24.4% in Vietnam. We are planning to bring structural change to our renewable energy transition and ambition in our breweries across APAC. Our strategy to reach this goal is based on adding additional renewable capacity to the grids of the countries where we operate, taking a market-by-market approach to identify solutions for each individual grid.

Nine breweries in China have installed solar panels for the on-site generation of renewable electricity, generating a total 31.7 million kWh of electricity in 2022. Four breweries are now 100% powered by electricity from renewable sources and therefore achieved RE100. For example, Our Kunming brewery self-generates 1.6 million kWh from on-site solar panels and purchases the remaining electricity from a certified wind energy supplier. In order to support green logistics and transportation, charging stations for electric vehicles were installed in the parking area of Kunming brewery.

Three breweries in South Korea are contracted to implement solar panels for the on-site generation of renewable electricity, with one brewery started installation in 2022. All of the forklifts used in our breweries are powered by electricity instead of diesel. Our transition to renewable energy in South Korea is on track and pioneering in the industry.

Five breweries in India have in installed solar panels for the on-site generation of renewable electricity. The solar panels installed in the five breweries generated a total 11.6 million kWh of electricity in 2022. Our brewery in Karnataka 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 electricity ratio to 80% in the brewery.

Two breweries in Vietnam have installed on-site solar panels for the on-site generation of renewable electricity. The solar panels installed in the two breweries generated in total 1.3 million kWh of electricity in 2022.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Int1

Target year for achieving net zero
2040

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Please explain target coverage and identify any exclusions
At Bud APAC, we have the ambition to achieve net zero across our value chain (Scope 1, 2 and 3) by 2040 as a long-term strategy, while our 2025 Sustainability Goals serve as our short-term targets.

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. Scope 2 represents emissions from purchased electricity and steam. 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, End of Life and Packaging.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	2	6292810
Implementation commenced*	3	0
Implemented*	4	40460
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
28332

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
Nine breweries in China have installed solar panels for the on-site generation of renewable electricity. The solar panels installed in the nine breweries generated a total 31.7 million kWh of electricity in 2022.

Five breweries in India have in installed solar panels for the on-site generation of renewable electricity. The solar panels installed in the five breweries generated a total 11.6 million kWh of electricity in 2022.

Two breweries in Vietnam have installed on-site solar panels for the on-site generation of renewable electricity. The solar panels installed in the two breweries generated in total 1.3 million kWh of electricity in 2022.

Initiative category & Initiative type

Low-carbon energy generation	Biogas

Estimated annual CO2e savings (metric tonnes CO2e)
3600

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
7960

Investment required (unit currency – as specified in C0.4)
0

Payback period
4-10 years

Estimated lifetime of the initiative
Ongoing

Comment
To process the waste water from the brewery, we take initiatives that can create both environmental and economic value. By launching profitable Biological Treatment System (BTS) across APAC, we continue reduce operational cost and maximize the recovery of biomass. We recovered a total of 12.5 million m^3 of biogas in 2022, increasing 23% compared to the baseline year of 2020. We also achieved a GHG reduction of 3.6 million kgCO2.

Our biogas is from sustainable biomass(anaerobic reaction of biological treatment system).

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (Electric vehicles and forklifts)

Estimated annual CO2e savings (metric tonnes CO2e)
828

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
All of the forklifts used in our South Korean breweries are powered by electricity instead of diesel. Oriental Brewery Co., Ltd (OBC) transformed 100% of sales employees from gasoline power to eco-friendly hybrid. We expect to reduce carbon emissions by 828 tons per year by replacing those vehicles with ecofriendly hybrids.

Initiative category & Initiative type

Energy efficiency in production processes	Waste heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)
7700

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
4-10 years

Estimated lifetime of the initiative
Ongoing

Comment
The heat pump system of Nantong brewery adopts the “hot & cold dual-effect” mode to address the specific beer brewing process. By fully recycling the low-quality waste heat, the high-temperature heat pump unit is used to heat the water to above 90°C, thus replacing the purchased steam as much as possible. The heat pump system helped us to reduce heat consumption by 40% per hl of beer production throughout the year, reaching the global benchmark. The heat pump system combined with solar panel projects is estimated to reduce 7.7 million kgCO2 annually, and reduce the carbon emission intensity by more than 50% per hl.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	We continuously engage with our employees to raise awareness on, develop and support our sustainability initiatives around water and energy efficiency, waste management, supply chain management and capacity building through our data management system, informing best practices, training sessions, sustainability activities, intranet and other forms of engagement. Every year, on World Environment Day, we recognize the zone that has set an example on energy usage. In addition to this, employees are encouraged to participate as mentors in the 100+ Accelerator, providing guidance and expertise to the different start-ups in the program.
Internal incentives/recognition programs	We have provided incentives to our Senior Management team and many other employees across different departments, tying their compensation benefits to the achievement of emission reduction targets. Through the provision of financial incentives, we reinforce their motivation to support the achievement of our 2025 Sustainability Goals. In addition, best practices are recognized at the regional and global levels through a variety of communications and formal recognition events. Our internal data management system allows us to share goals, data, progress, and best practices across the company. By tracking and documenting this information, these systems enable us to provide internal incentives and recognition programs throughout our operations.
Other (Partnerships)	We partner with different organizations to address the most pressing environmental challenges of today through collaboration and partnerships. For instance, we joined the Climate Change Agriculture & Food Industry Partnership (CCAFIP) this year as an industry leader on climate action. we are using both our internal experts and our global partners to enhance our approach to soil regeneration in our agricultural development program and promote carbon sequestration through healthy soils and plantations. Together with other nine companies, we work together to achieve a low carbon value chain. Our Accelerator 100+ program and Innovation Hub also help us to achieve our sustainability goals through exploring new opportunities to create greater impact and creating an inspiring ecosystem that empowers entrepreneurs to drive change in APAC communities. For example, in China, we collaborated with SJTU’s College of Smart Energy to launch the Campus Hackathon this year, which aims to give young changemakers who care about sustainable development the opportunity to put their know-how and innovative ideas into practice.
Other (Supplier engagement)	Scope 3 emissions account for 92% of our GHG emissions. With a clear understanding of our carbon emissions within our value chain, we have developed our decarbonization plan and identified reduction opportunities. In particular, we have initiatives that leverage our extensive supply chain network and expertise to reduce Scope 3 emissions and help facilitate the low-carbon transition of the beer industry exponentially. Starting with suppliers in China, we plan to expand to South Korea and other APAC markets in due course. We designed a new initiative to build upon and accelerate the various capacity-building efforts. In 2022, we obtained the baseline carbon emission data from 7 suppliers and visited 8 sites. In 2023, we plan to provide training on the GHG Protocol, TCFD, CDP & PAS 2060 and introduce the concept of science-based target setting to these suppliers. We will also engage an additional 20 suppliers and 53 sites to help them develop a site-specific carbon footprint map, which will cover 32% of the carbon emission footprint within our value chain. Empowering our 6238 suppliers and contractors on their low-carbon transition journeys is critical to achieving our target. Through our pioneering Supplier Strategic Alliance (SSA) program, we join efforts with our upstream suppliers of malt, rice and packaging materials to minimize the environmental footprint has led to reduced emissions. We also worked closely with our suppliers to lightweight our bottles, cans and other packaging materials in each market in 2022. A total of 8,473 tons in weight was reduced across packaging materials including aluminum, glass, paper, plastic and steel. Reducing the weight means a reduction in overall energy consumption and GHG emissions.
Dedicated budget for low-carbon product R&D	We also rely on new disruptive technologies to address our sustainability challenges, and in 2018, we launched “Accelerator 100+” to develop partnerships with entrepreneurs with the goal of accelerating sustainable innovation within our supply chain. Through remote programming and mentoring from key experts, funding, and access to new global networks, we help successful applicants bring their solutions to market faster. For example, we have hosted a scope of work session with three APAC start-ups: Shanghai Vegatex from China (vegan leather with BSG as an ingredient), Virenxia from India (IOT based soil-testing smart agriculture solution), and UET from China (water-saving solution by increasing cycles of concentration). We have also installed new lightweight solar panels, which are 60-70% lighter and also more flexible, on our fermentation tanks at the brewery in Wuhan and Nantong breweries. This new technology is an invention of Sunman, a start-up company that participated in our 100+ Accelerator. Inside our operations, We are constantly looking for new equipment and technology, including renewable energy projects, hydrogen and biomass boilers, to drive carbon neutrality. Our brewery in Karnataka, India, is using the heat generated from biomass-fueled boilers in the wort boiling, bottle washing and pasteurization. By launching profitable Biological Treatment System (BTS) across APAC, we process the waste water from breweries while reducing operational cost and maximizing the recovery of biomass to achieve GHG reduction. Our Putian brewery increased the capacity of its advanced reclaimed water treatment in 2022 and committed RMB three million (approximately USD435,155) in a project to magnetically coagulate wastewater from biological treatment systems (BTS). Within circular packaging, we adopt technological innovations (e.g. lightweighting) and redesign our packaging to reduce the usage of materials for the all types of packagings. Also, we support start-ups that advance packaging innovations via our 100+ Accelerator platform and our APAC Sustainability and Procurement Innovation Hub. With a focus on reducing the need for virgin materials where possible and instead increasing recycled content, we have developed a new technology to achieve 90% recycled content in our glass bottles in China.
Other (Setting goals)	Setting clear, integrated goals that are cascaded throughout our organization drives investment in emissions reduction activities to which we hold people accountable. In 2018 we launched our 2025 Sustainability Goals, our most ambitious set of sustainability commitments yet, focused on smart agriculture, water stewardship, circular packaging and climate action. As IPCC recommendations were updated in December 2018, we also updated our Science Based Target in order to be in line with the most ambitious pathway of 1.5 degrees and we continue to advance on our renewable electricity commitment.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
The IEA Energy Technology Perspectives Clean Energy Technology Guide

Type of product(s) or service(s)

Other	Other, please specify (Beers)

Description of product(s) or service(s)
Following our Wuhan brewery, Jinzhou brewery has become the second carbon neutral brewery within Bud APAC in 2022. All beers from these two breweries are carbon neutral beers.

4 breweries in China achieved RE100. 17 breweries across APAC installed solar panels onsite; contracted 43% of our electricity in China from renewable sources. More and more of our breweries are adopting these changes. All our other products are low-carbon. We have achieved 49.6% decrease in carbon emission intensity and 45.9% absolute reduction within our operations against the 2017 baseline.

We have an ambition to achieve 100% of our purchased electricity will come from renewable sources and 25% of carbon emissions are reduced across our value chain, so we consider all our products are low carbon products.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
Yes

Methodology used to calculate avoided emissions
Evaluating the carbon-reducing impacts of ICT

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
Use stage

Functional unit used
Our Jinzhou brewery is 2nd carbon brewery after Wuhan. We leverage carbon capture, utilization and storage (CCUS) technology. We used biomass boilers replacing LNG boilers to brew our beer, which generate CO2 in the process. We captured and store the CO2 during the earlier stage of beer brewing i.e. fermentation then we used the captured CO2 to the later stage of beer production i.e. carbonization.

Reference product/service or baseline scenario used
Carbon capture, utilisation and storage (CCUS) CCUS involves the capture of CO2, generally from large point sources like power generation or industrial facilities that use either fossil fuels or biomass as fuel. If not being used on-site, the captured CO2 is compressed and transported by pipeline, ship, rail or truck to be used in a range of applications, or injected into deep geological formations such as depleted oil and gas reservoirs or saline aquifers.

Life cycle stage(s) covered for the reference product/service or baseline scenario
Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
0.002763

Explain your calculation of avoided emissions, including any assumptions
Our Jinzhou brewery is 2nd carbon brewery after Wuhan. We leverage carbon capture, utilization and storage (CCUS) technology. We used biomass boilers replacing LNG boilers to brew our beer, which generate CO2 in the process. We captured and stored the CO2 during the earlier stage of beer brewing i.e. fermentation then we used the captured CO2 to the later stage of beer production i.e. carbonization.

In 2022, our GHG Emissions Intensity (Scope 1 and 2) was 5.66 kgCO2e/hl and we have recorded 49.6% decrease in carbon emission intensity. After calculation and unit convertion, we have an estimated avoided emission of 0.00276 tCO2e/hl.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
36.1

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
439432.53

Comment
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.

Scope 2 (location-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
483404.184

Comment
Scope 2 represents emissions from purchased electricity and steam.

Scope 2 (market-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
478040.479

Comment
Scope 2 represents emissions from purchased electricity and steam.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
4810228

Comment
The methodology used: GHG Protocol Corporate Value Chain (Scope 3) Standard. This includes estimated emissions from Agriculture, Malting and Adjunct processing, and packaging materials. These emissions have been calculated based on both custom and industry emission factor averages. Input includes tons of raw materials and packaging materials, as well as geography, where raw materials were grown or sourced from. We also take into account the recycled content in our primary packaging. Scope 3 emissions constitute estimates based on a mix of supplier-based numbers, APAC emission factors and assumptions. To estimate emissions associated with the primary packaging material, we also take into account recycled content collected directly from our suppliers.

Scope 3 category 2: Capital goods

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
These emissions do not contribute significantly to value chain emissions, and do not contribute significantly to the company's risk exposure. The company also has very limited influence over capital goods emissions. This was determined via an exercise to set the operational boundary of value chain emissions calculations. Therefore, they are deemed negligible and not relevant.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
Emissions associated with Transfer and Distribution (T&D) from grid electricity and well-to-tank (WTT) emissions associated with fuels combusted in the manufacturing process are already covered in our Scope 1 and 2 emissions.

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
73193

Comment
GHG Protocol Corporate Value Chain (Scope 3) Standard Data is compiled using an internal collection system where distance (KM) data are provided by the zones every month, by transportation mode and flow. Emission factors are provided per transport mode and energy by the zones. Emissions associated with upstream transportation and distribution include the transportation of ingredients (e.g. malt and syrups) and packaging materials (e.g. glass, PET bottles and cans) sourced from suppliers. Specific emission factors are taken into consideration to calculate emissions by distance travelled.

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
These emissions do not contribute significantly to Scope 3 emissions and do not contribute significantly to the Company's risk exposure. Therefore, they are deemed negligible and not relevant.

Scope 3 category 6: Business travel

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
Business travel emissions do not contribute significantly to Scope 3 emissions and do not contribute significantly to the company's risk exposure. Therefore, they are deemed negligible and not relevant.

Scope 3 category 7: Employee commuting

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
Employee commuting emissions do not contribute significantly to Scope 3 emissions, and do not contribute significantly to the company's risk exposure. Therefore, they are deemed negligible and not relevant.

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
We do not own any upstream leased assets that are relevant to the inventory. Therefore, they are deemed negligible and not relevant.

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
222753

Comment
GHG Protocol Corporate Value Chain (Scope 3) Standard Data is compiled using an internal collection system where distance (KM) data are provided by the zones every month, by transportation mode and flow. Emission factors are provided per transport mode, tier and energy by the zones. Emissions in tons of CO2e are estimated by multiplying the distance driven (converted to liters of fuel) and appropriate emission factor. This data covers emissions associated with road, rail and sea transport.

Scope 3 category 10: Processing of sold products

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
There is no processing of sold products within our value chain processes. Once our products are packaged, they are ready for consumption by the consumer. Therefore, they are deemed negligible and not relevant.

Scope 3 category 11: Use of sold products

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
1300715

Comment
GHG Protocol Corporate Value Chain (Scope 3) Standard. These emissions relate to the trade refrigeration of our products. Emission factors have been used based on assumptions of both energy use and refrigeration emissions for product cooling. Following AB InBev's methodology, Bud APAC uses the energy consumption data provided by our suppliers together with grid emission factors to estimate emissions associated with coolers that we installed in the market. The remaining portion is calculated using the market.

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
144252

Comment
GHG Protocol Corporate Value Chain (Scope 3) Standard. Emissions are calculated based on recycling rates and recycled content in each country we operate in and emission factors of each of the packaging materials we utilize in our process. End of life of sold products (cardboard disposed to landfill) accounts for approximately 2% of our Scope 3 inventory. Recycling rates of various packaging materials are taken into consideration to estimate emissions from the end of life. Of our products, only packaging materials remain after the product has been consumed. We continue our efforts on increasing recycled content and maintaining returnable packaging to reduce end of life impact on our value chain.

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
We do not own any downstream leased assets that are relevant to the inventory. Therefore, this is deemed not relevant.

Scope 3 category 14: Franchises

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
We do not own any franchises that are relevant to the inventory. Therefore, this is deemed not relevant.

Scope 3 category 15: Investments

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
We do not hold any significant investments that are not already included in our emissions reporting (in Scope 1 and 2). Therefore, they are deemed not relevant.

Scope 3: Other (upstream)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
Other upstream emissions are considered not to be material.

Scope 3: Other (downstream)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment
Other downstream emissions are considered not to be material

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IEA CO2 Emissions from Fuel Combustion
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
The Cool Farm Tool
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
137529

Start date
January 1 2022

End date
December 31 2022

Comment
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.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
158733

Start date
January 1 2021

End date
December 31 2021

Comment
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.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
183980.585

Start date
January 1 2020

End date
December 31 2020

Comment
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.

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
257845.138

Start date
January 1 2019

End date
December 31 2019

Comment
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.

Past year 4

Gross global Scope 1 emissions (metric tons CO2e)
287350.188

Start date
January 1 2018

End date
December 31 2018

Comment
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.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

In APAC, we are collecting our Scope 2 emission data in our global web-based system Anaplan. Our breweries are reporting their electricity and purchased heat use in the system on a quarterly basis. On the basis of the electricity and heat use per brewery, we calculate the Scope 2 emissions (both market and location) for the entire Group.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
487457

Scope 2, market-based (if applicable)
358425

Start date
January 1 2022

End date
December 31 2022

Comment
Scope 2 represents emissions from purchased electricity and steam.

Past year 1

Scope 2, location-based
509169

Scope 2, market-based (if applicable)
434077

Start date
January 1 2021

End date
December 31 2021

Comment
Scope 2 represents emissions from purchased electricity and steam.

Past year 2

Scope 2, location-based
500460.621

Scope 2, market-based (if applicable)
462136.583

Start date
January 1 2020

End date
December 31 2020

Comment
Scope 2 represents emissions from purchased electricity and steam.

Past year 3

Scope 2, location-based
510531.018

Scope 2, market-based (if applicable)
489318.433

Start date
January 1 2019

End date
December 31 2019

Comment
Scope 2 represents emissions from purchased electricity and steam.

Past year 4

Scope 2, location-based
670691.837

Scope 2, market-based (if applicable)
658380.852

Start date
January 1 2018

End date
December 31 2018

Comment
Scope 2 represents emissions from purchased electricity and steam.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4009530.18

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The methodology used: GHG Protocol Corporate Value Chain (Scope 3) Standard. The emissions of this category includes estimated emissions from Agriculture, Malting and Adjunct processing, and packaging materials. These emissions have been calculated based on both custom and industry emission factor averages. Input includes tons of raw materials and packaging materials, as well as geography, where raw materials were grown or sourced from. We also take into account the recycled content in our primary packaging. Scope 3 emissions constitute estimates based on a mix of supplier-based numbers, APAC emission factors and assumptions. To estimate emissions associated with the primary packaging material, we also take into account recycled content collected directly from our suppliers.

Capital goods

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category does not contribute significantly to value chain emissions less than 1% of total GHG emissions. and significantly to Bud APAC's risk exposure. The company also has very limited influence over capital goods emissions. This was determined via an exercise to set the operational boundary of value chain emissions calculations. Therefore, they are deemed negligible and not relevant.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This part is very small less than 1% . Therefore , we did not calculate.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

264769

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

GHG Protocol Corporate Value Chain (Scope 3) Standard Data is compiled using an internal collection system where distance (KM) data are provided by the zones every month, by transportation mode and flow. Emission factors are provided per transport mode and energy by the zones. Emissions associated with upstream transportation and distribution include the transportation of ingredients (e.g. malt and syrups) and packaging materials (e.g. glass, PET bottles and cans) sourced from suppliers. Specific emission factors are taken into consideration to calculate emissions by distance traveled.

The amount of Downstream transportation emissions is summed up with the Upstream transportation emissions. The sum of the values is disclosed under this category.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
These emissions do not contribute significantly to Scope 3 emissions less than 1% and do not contribute significantly to the Bud APAC risk exposure. Therefore, they are deemed not relevant.

Business travel

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore , we did not calculate.

Employee commuting

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore , we did not calculate and deemed it as not relevant.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore, we did not calculate and deemed it as not relevant.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
175565

Emissions calculation methodology
Supplier-specific method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
GHG Protocol Corporate Value Chain (Scope 3) Standard Data is compiled using an internal collection system where distance (KM) data are provided by the zones every month, by transportation mode and flow. Emission factors are provided per transport mode, tier and energy by the zones. Emissions in tons of CO2e are estimated by multiplying the distance driven (converted to liters of fuel) and appropriate emission factor. This data covers emissions associated with road, rail and sea transport.

The amount of Downstream transportation emissions is summed up with the Upstream transportation emissions, hence no separate data for this category.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1%. Therefore, we did not calculate and deemed it as not relevant.

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1379484.66

Emissions calculation methodology
Methodology for indirect use phase emissions, please specify (Calculation method for indirect use-phase emissions from products that indirectly consume energy (fuels or electricity) during use)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
These emissions relate to the trade refrigeration of our products. Emission factors have been used based on assumptions of both energy use and refrigeration emissions for product cooling. Following AB InBev's methodology, Bud APAC uses the energy consumption data provided by our suppliers together with grid emission factors to estimate emissions associated with coolers that we installed in the market. The remaining portion is calculated using the market.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
199831.89

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions are calculated based on recycling rates and recycled content in each country we operate in and emission factors of each of the packaging materials we utilize in our process.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore , we did not calculate and deemed it as not relevant.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore , we did not calculate and deemed it as not relevant.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1%. Therefore, we did not calculate and deemed it as not relevant.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore, we did not calculate and deemed it as not relevant.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This part is very small less than 1% . Therefore , we did not calculate and deemed it as not relevant.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2022

End date
December 31 2022

Scope 3: Purchased goods and services (metric tons CO2e)
4001910.592

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
90515.213

Scope 3: Upstream transportation and distribution (metric tons CO2e)
89204.601

Scope 3: Waste generated in operations (metric tons CO2e)
0

Scope 3: Business travel (metric tons CO2e)
0

Scope 3: Employee commuting (metric tons CO2e)
0

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
192635.429

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
1377957.121

Scope 3: End of life treatment of sold products (metric tons CO2e)
198013.092

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
same as previous answer, no further comment

Past year 2

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
4021380.179

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
125674.555

Scope 3: Upstream transportation and distribution (metric tons CO2e)
91503.776

Scope 3: Waste generated in operations (metric tons CO2e)
0

Scope 3: Business travel (metric tons CO2e)
0

Scope 3: Employee commuting (metric tons CO2e)
0

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
202502.663

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
1380905.017

Scope 3: End of life treatment of sold products (metric tons CO2e)
183272.621

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
same as previous answer, no further comment

Past year 3

Start date
January 1 2020

End date
December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)
3899683.003

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
153652.562

Scope 3: Upstream transportation and distribution (metric tons CO2e)
94356.608

Scope 3: Waste generated in operations (metric tons CO2e)
0

Scope 3: Business travel (metric tons CO2e)
0

Scope 3: Employee commuting (metric tons CO2e)
0

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
200704.049

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
1384223.469

Scope 3: End of life treatment of sold products (metric tons CO2e)
139471.098

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
No further comment.

Past year 4

Start date
January 1 2019

End date
December 31 2019

Scope 3: Purchased goods and services (metric tons CO2e)
4625711.317

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
131394.057

Scope 3: Upstream transportation and distribution (metric tons CO2e)
85616.576

Scope 3: Waste generated in operations (metric tons CO2e)
0

Scope 3: Business travel (metric tons CO2e)
0

Scope 3: Employee commuting (metric tons CO2e)
0

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
273909.878

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
1561729.14

Scope 3: End of life treatment of sold products (metric tons CO2e)
177365.327

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
No further comment.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?
No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities
Rice

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
414450.359

Denominator: unit of production

<Not Applicable>

Change from last reporting year
Higher

Please explain
Sales volume increased with more rice usage.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

Agricultural commodities
Other, please specify (Barley)

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
141418.624

Denominator: unit of production
<Not Applicable>

Change from last reporting year
Higher

Please explain
Sales volume increased with more barley usage.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

Agricultural commodities
Other, please specify (Corn)

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
51524.615

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
In FY2022, GHG emissions of corn agriculture was 51,524.6 tons CO2e.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

Agricultural commodities
Other, please specify (Hops)

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
791.749

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
In FY2022, GHG emissions of hops agriculture was 791.7 tons CO2e.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

Agricultural commodities
Other, please specify (Wheat)

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
609.038

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
In FY2022, GHG emissions of wheat agriculture was 609 tons CO2e.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

Agricultural commodities
Sugar

Do you collect or calculate GHG emissions for this commodity?
Yes

Reporting emissions by
Total

Emissions (metric tons CO2e)
182.711

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
In FY2022, GHG emissions of sugar agriculture was 182.7 tons CO2e.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future
<Not Applicable>

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000077

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
495954

Metric denominator
unit total revenue

Metric denominator: Unit total
6478000000

Scope 2 figure used
Market-based

% change from previous year
11.49

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Other emissions reduction activities
Change in revenue

Please explain
2022 Revenue: 6,478,000,000 USD; 2022 Scope 1+2 emissions: 495,954 tCO2e.

Intensity figure
0.005656

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
495954

Metric denominator
Other, please specify (hectoliter of production)

Metric denominator: Unit total
87679406.96

Scope 2 figure used
Market-based

% change from previous year
18.63

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Other emissions reduction activities
Change in output

Please explain
2022 hectoliter of production: 87,679,406.96; 2022 Scope 1+2 emissions: 495,954 tCO2e.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
China	95888
India	4682
Republic of Korea	34504
Viet Nam	2455

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Operations (including all brewing and vertical operations, and operations of cogeneration plants that generate on-site electricity)	137529

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

137529

Methodology

Region-specific emissions factors

Please explain

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.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	397209	276180
India	30021	22017
Republic of Korea	55964	55964
Viet Nam	4262	4262

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Operations	478317	349284

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	28243.97	Decreased	4.77	In 2022, electricity from renewable sources was implemented in China, India, South Korea and Vietnam. We increased the generation and consumption of renewable energy from our facilities from 755,719 GJ in 2021 to 1,141,080 GJ in 2022, which is nearly 51% more than 2021. Hence, this aspect of Scope 1 & 2 emissions becomes higher than 2021. Change in emission comparing 2022 and 2021: (Scope 1&2 emissions reduction in 2022 / Scope 1&2 emissions in 2020) *100 = (28,243.97 / 592,624) * 100 = 4.77% (i.e. 4.77% increase in emissions)
Other emissions reduction activities	124913.97	Decreased	21.08	We have our Carbon Tool that we update quarterly to track our GHG emissions across Scope 1, 2 and 3. We also have a third - party audit of our data which is consolidated globally at AB InBev Group level on an annual basis. To manage our GHG risk, we work closely with our Supply and Corporate Affairs teams as well as with external partners such as NGOs. Working toward our decarbonization target, in line with AB InBev's Science - Based Targets, to reduce 25% carbon emissions by 25% across our value chain by 2025, we have implemented energy - efficient measures and carbon reduction initiatives across our operations. We managed to reduce our consumption of non-renewable energy from 6,233,099 GJ in 2021 to 5,295,214 GJ in 2022, which equals to around 15% reduction. Therefore, in 2022, approximately 124,913.97 metric tons of CO2e was reduced based on our carbon reduction measures. Change in emission comparing 2022 and 2021: (Emission reduction in 2021/ emissions in 2020) *100 = (- 124,913.97 / 592,624) * 100 = - 21.08% (i.e. 21.08% decrease in emissions)
Divestment	0	No change		Not applicable
Acquisitions	0	No change		Not applicable
Mergers	0	No change		Not applicable
Change in output	0	No change		Not applicable
Change in methodology	0	No change		Not applicable
Change in boundary	0	No change		Not applicable
Change in physical operating conditions	0	No change		Not applicable
Unidentified	0	No change		Not applicable
Other	0	No change		Not applicable

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	109450	599723	709173
Consumption of purchased or acquired electricity	<Not Applicable>	207517	401081	608598
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	134755	335334	470089
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1279	<Not Applicable>	1279
Total energy consumption	<Not Applicable>	453001	1336138	1789139

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
LHV

Total fuel MWh consumed by the organization
108942

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
108942

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
The biomass we use for steam generation is from rice husk/wood, which is sustainable biomass.

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
The biomass we use for steam generation is from rice husk/wood, which is sustainable biomass.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
No further comment.

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
None of our breweries uses coal as fuel. We choose clean energy like biomass or nature gas instead of coal.

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
8005

MWh fuel consumed for self-generation of electricity
4145

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
3860

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
No further comment.

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
591870

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
591870

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
We use nature gas boilers instead of coal boilers to reduce carbon emission.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
No further comment.

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
708817.72

MWh fuel consumed for self-generation of electricity
4145.45

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
704672.27

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
No further comment.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	45866	45866	44505	44505
Heat	0	0	0	0
Steam	704672	704672	109094	109094
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
China

Sourcing method
Project-specific contract with an electricity supplier

Energy carrier
Electricity

Low-carbon technology type
Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
157572

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2012

Comment
We have 9 breweries in China that installed solar penal on-site and purchased green power from a 3rd party(energy as a service model). In addition, we also purchase electricity generated from solar power from the grid.

Country/area of low-carbon energy consumption
China

Sourcing method
Project-specific contract with an electricity supplier

Energy carrier
Electricity

Low-carbon technology type
Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
16333

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2021

Comment
Wind power is rich in northeast of China and our breweries located in that area purchase electricy generated by wind power.

Country/area of low-carbon energy consumption
China

Sourcing method
Project-specific contract with an electricity supplier

Energy carrier
Electricity

Low-carbon technology type
Small hydropower (<25 MW)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
22060

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2019

Comment
Some provinces in China have good hydropower facilities and policies, on which our local breweries can leverage.

Country/area of low-carbon energy consumption
China

Sourcing method
Heat/steam/cooling supply agreement

Energy carrier
Steam

Low-carbon technology type
Sustainable biomass

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
1338380

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Comment
We purchased steam generated by sustainable biomass boiler instead of coal or nature gas to reduce carbon emission.

Country/area of low-carbon energy consumption
India

Sourcing method
Project-specific contract with an electricity supplier

Energy carrier
Electricity

Low-carbon technology type
Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
11551

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
India

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2013

Comment
We purchased green power generated by solar project in India breweries, which accounts for 24% of total electricity consumption.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
China

Consumption of purchased electricity (MWh)
458216

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
420321

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
878537

Country/area
India

Consumption of purchased electricity (MWh)
39686.36

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
917

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
40603.36

Country/area
Republic of Korea

Consumption of purchased electricity (MWh)
100244

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
100244

Country/area
Viet Nam

Consumption of purchased electricity (MWh)
6749.53

Consumption of self-generated electricity (MWh)
1279

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
1874.87

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
9903.4

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
6440000

Metric numerator
GJ of energy usage per hectoliter of production

Metric denominator (intensity metric only)
hectoliter of production

% change from previous year
7.87

Direction of change
Decreased

Please explain
36% reduction of the energy intensity of our own operations by 2025 against our baseline year of 2017 is one of Bud APAC's 2025 Sustainability goals, which lay the foundation for our 2040 net zero ambition. By FY22, we are on track and have achieved 26.6% reduction. We have implemented measures to improve energy efficiency and reduce GHG emissions in our production and operations across our breweries and distribution centers. We install energy-efficient and reduced-environmental impact chillers, coolers and refrigerants. We explore ways to repurpose low-quality waste heat and minimize any waste generation to promote a circular loop within each brewery.

Description
Waste

Metric value
1400310

Metric numerator
Ton

Metric denominator (intensity metric only)
n/a

% change from previous year
1.84

Direction of change
Decreased

Please explain
Bud APAC is committed to eliminating waste and creating circular economies through recycled and returnable packaging. This commitment focuses on minimizing waste from our operations and repurposing waste into resources, and increasing the recyclability, recycled content, and returnability of our packaging. We pledge to ensure 100% of our products will be in packaging that is returnable or made from majority (>50%) by 2025. Our implemented initiatives include: the Zero Waste Brewery strategy in China, and circular packaging design to optimize the use of materials via returnable bottles, lightweighting and increasing recycled contents in packaging.

Description
Other, please specify (Packaging)

Metric value
1900725

Metric numerator
Ton

Metric denominator (intensity metric only)
n/a

% change from previous year
4.58

Direction of change
Decreased

Please explain
As part of our 2025 Sustainability goals, we pledged to ensure 100% of our product are in packaging that is returnable or made from majority recycled content. In FY22, we managed to reduce 8,473 tons of packaging material usage and also disclose the breakdown of reduced weight in tons: Aluminum: 58.2; Glass: 5,130.6; Paper: 2,567.2; Plastic: 628.4; Steel: 88.2. We successfully reduced our carbon intensity by 18.2% compared to the 2017 baseline with our circular packaging initiatives.

Description
Other, please specify (Water usage)

Metric value
2.2

Metric numerator
hectoliter of water use

Metric denominator (intensity metric only)
hectoliter of production

% change from previous year
5.93

Direction of change
Decreased

Please explain
Bud APAC is committed to achieving its water stewardship goal of enhancing water availability and quality in the communities where we operate. Aligned with our 2025 Sustainability Goals and the UN SDGs, our water stewardship goal delivers a clear strategy and measurable, positive impact on the environment and our communities. Water withdrawal, consumption and discharge are addressed at a basic level. As such, we establish context-based strategies for the water basins we rely on and have set ambitious brewery-level water usage targets. In addition, we debuted our water usage and intensity goal across all of our breweries in our 2022 ESG report. Our water usage target is to achieve an average water usage of 2.0hl/hl in APAC by 2025, and this includes our breweries in high water risk areas.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
22ESGR_EN_compressed.pdf
Assurance.pdf

Page/ section reference
Bud APAC 2022 ESG Report, p.139-142.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
22ESGR_EN_compressed.pdf
Assurance.pdf

Page/ section reference
Bud APAC 2022 ESG Report, p.139-142.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Downstream transportation and distribution
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
22ESGR_EN_compressed.pdf
Assurance.pdf

Page/section reference
Bud APAC 2022 ESG Report, P. 40 and P139-142.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Energy purchased per hectoliter of production)	ISAE 3000 (Revised)	To reduce the energy intensity of our own operations by 36% by 2025 against 2017 base year is one of our 2025 Sustainability Goals under climate action. We have an annual verification/ assurance cycle in place. We disclosed additional ESG data points in 2022 to increase transparency, supporting our engagement with the leading rating agencies.
C8. Energy	Other, please specify (Percentage of renewable electricity)	ISAE 3000 (Revised)	To increase purchased electricity from renewable sources to 100% by 2025 against 2017 base year is one of our 2025 Sustainability Goals under climate action. We have an annual verification/ assurance cycle in place. We disclosed additional ESG data points in2022 to increase transparency, supporting our engagement with the leading rating agencies.
C9. Additional metrics	Other, please specify (Total packaging materials used for finished products)	ISAE 3000 (Revised)	Reducing packaging materials used for finished products is essential for lowering our Scope 3 emissions, as packaging accounts of 49.3% of our GHG emissions. We have an annual verification/ assurance cycle in place. We disclosed additional ESG data points in 2022 to increase transparency, supporting our engagement with the leading rating agencies.
C9. Additional metrics	Other, please specify (Percentage of recycled content in packaging)	ISAE 3000 (Revised)	To ensure all our products in packaging are made from > 50% recycled content is one of our 2025 Sustainability Goals under circular packaging. We have an annual verification/ assurance cycle in place. We disclosed additional ESG data points in 2022 to increase transparency, supporting our engagement with the leading rating agencies.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Korea ETS

Tianjin pilot ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Korea ETS

% of Scope 1 emissions covered by the ETS
100

% of Scope 2 emissions covered by the ETS
100

Period start date
January 1 2022

Period end date
December 31 2022

Allowances allocated
100000

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
0

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
We are not required to pay for ETS as our carbon emissions is lower than the emission allowance set by the government. In 2022, our allowance was 100,000 metric tons of CO2e. Our actual emissions were 93,000 metric tons of CO2e hence we don't need to purchase an extra carbon emission allowance.

Tianjin pilot ETS

% of Scope 1 emissions covered by the ETS
100

% of Scope 2 emissions covered by the ETS
100

Period start date
January 1 2022

Period end date
December 31 2022

Allowances allocated
0

Allowances purchased
10000

Verified Scope 1 emissions in metric tons CO2e
0

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
Our Wuhan brewery purchased 10,000 tons of Chinese Certified Emission Reduction (CCER) through Tianjin Climate Exchange in 2022. The emission reductions could be used to neutralize carbon emissions from Anheuser-Busch InBev (Wuhan) Brewing Co. Ltd. Scope 1 & 2 of 2022", to achieve carbon neutrality.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Although Bud APAC's operation is not among the highest emitting sectors, we anticipate carbon pricing policies and rates may escalate in the long term as an economic instrument to mitigate climate change, resulting in higher operating expenditures (OPEX) for the business. Bud APAC's main strategy is to reduce 35% of our absolute scope 1 and 2 emissions by 2025. Our 2025 sustainability goals on Climate Action will pave the way for our 2040 net zero ambition. These short-term and long-term targets will prepare our company for regulatory developments in a low-carbon transition.

We have already undertaken a number of measures to comply with the ETS and mitigate the potential effects of carbon pricing. We participated in the global corporate renewable energy initiative RE100 since 2017, and our target is to increase the RE100 coverage across APAC. However, the rollout largely relies on local country policies and applications of RE100. For example, in China, it is becoming easier to become RE100, due to the national promotion of renewable energy and China's "dual carbon" goals. In South Korea, we were the first company from the private sector to install solar panels. We try to maximize our Power Purchase Agreement (PPA) opportunities in India. We are exhausting all other options before buying carbon credits, as we would like to bring structural change to our renewable energy transition and ambition. By 2022, we have 2 carbon neutral breweries, 4 breweries in China achieved RE100, 17 breweries across APAC installed solar panels on site and more in the pipeline.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Provide training, support, and best practices on how to make credible renewable energy usage claims
Provide training, support, and best practices on how to set science-based targets
Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms
Climate change performance is featured in supplier awards scheme

% of suppliers by number

15

% total procurement spend (direct and indirect)

60

% of supplier-related Scope 3 emissions as reported in C6.5

5

Rationale for the coverage of your engagement

Scope 3 emissions account for 92% of our total Greenhouse Gas (GHG) emissions in 2022. Empowering our strategic suppliers on their low-carbon transition journeys is critical to Bud APAC's net zero ambition across our value chain by 2040. Therefore, we need to have a scope 3 reduction among suppliers. We have 173 suppliers (our spending over 500 million USD annually) contributing 60% of total spending and the majority of our scope 3 emissions that's why we want to engage them. We launch programs to engage the target suppliers and provide some incentives for them to go on low carbon transition （for example: contract term extension for logistics partners to use E trucks）

Impact of engagement, including measures of success

We have launched a new sustainability program in 2022 for reducing our Scope 3 emissions, reinforcing our commitment to empowering our value chain partners in their low-carbon transition journey. It is a critical step for us to realize our own net zero ambition across our value chain by 2040. Under this initiative, we will provide training on the GHG Protocol, TCFD, CDP and PAS 2060 and introduce the concept of science-based target setting to our suppliers. We had 173 suppliers (all under scope 3 emissions) with spending over 500 million USD annually. Since these suppliers contribute the majority of our Scope 3 emissions, which represent 92% of our GHGs emissions, these 173 suppliers are our target for the program. In the beginning, we target 7 suppliers but with great response from suppliers. The company helped 26 suppliers and 48 sites, accounting for 15% of target suppliers The measure of success is the percentage (more than 50%) of our major suppliers (more than 500 million USD annual spending) has improved their carbon footprint reduction targets, and knowledge and started their low-carbon transition in the coming year.

The success of engagement helps our supplier to low-carbon transition and therefore supports Bud APAC's sustainable supply chain future/ strategy. For example, our glass supplier Huaxing is currently transitioning towards generating electricity from renewable sources in support of our renewable energy (“RE”) strategy and installing solar panels. Huaxing Group then expanded the solar project to seven other plants, which will cover approximately 311km2 of rooftop area in total. This entire solar project contributes 28 million kWh of self-generated electricity, saving more than 21,000 tons of GHG emissions each year. We also helped Huaxing to map its own carbon emission baseline at one of their sites and Huaxing will extend the baseline setting practice to more sites in the coming years.

In addition to the 173 suppliers (more than 500 million USD annual spending), we have additional 300 suppliers under scope 3 emissions (in total around 500 suppliers). We require all (100%) Scope 3 suppliers to provide their carbon footprint data through our supplier carbon platform so that we can calculate our Scope 3 emissions.

Comment

Starting with the suppliers in China, Bud APAC plans to expand the initiative to other APAC markets in due course and empower its partners across the supply chain to achieve their low-carbon transition.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

A sustainability initiative that leverages our extensive supply chain network and expertise to reduce Scope 3 emissions and helps facilitate the low carbon transition of the beer industry. Intending to bring structural change and long-term impact on its value chain, Bud APAC designs the initiative to build upon and accelerate the various capacity-building efforts. In 2022, the company helped seven suppliers measure their carbon footprint and visited eight supplier sites. Under the 2023 initiative, Bud APAC plans to provide training on the GHG Protocol, TCFD, CDP and PAS 2060 and introduce the concept of science-based target setting to these suppliers. Bud APAC will also engage an additional 20 suppliers and 53 sites to help them develop a site-specific carbon footprint map.

We work closely with our farmers to support sustainable farming practices through crop management, improved varieties and risk mitigation tools, whilst one of our suppliers is also exploring carbon sequestration as a method to offset residual carbon emission for achieving net zero. We are building a soil health framework to promote carbon sequestration through healthy soils and plantations. We are using both our internal experts and our global partners to enhance our approach to soil regeneration in our agricultural development program. We joined the Climate Change Agriculture & Food Industry Partnership (CCAFIP) this year as an industry leader on climate action.

We are also working with our logistic partners on fuel switch and extending our energy reduction program to the distribution centers to further reduce carbon emissions. In China, our logistic partners have rolled out 310 liquefied natural gas (LNG) trucks, 55 electric vehicles (EV) heavy trucks and four hydrogen-powered trucks in 2022. We apply green logistics technology to constantly assess the greenhouse gas emissions of the logistics supply chain, including all means of transport used. We compare the KPIs on a rolling three-month basis with the previous year to assess efficiency and impact on greenhouse gas emissions. We also minimize our emissions from logistics through route optimization, change in transportation mode, and replacing the lightings in the distribution centers. As a result, our green logistics program can contribute to a reduction of up to 20% of tail pipe emissions in China compared to diesel vehicles every year. We reduced the carbon intensity in logistics by 11.4% including all distribution centers vs. the 2017 baseline.

Together with our suppliers, we have been using recycled materials and lightweighting our packaging design to reduce overall energy consumption and GHG emissions. In 2022, 8,473 tons of packaging materials was saved as a result of our joint effort. In terms of recycling, we work closely with the government and collectors to promote the recovery and reuse of packaging. We aim to create closed-loop business models to align related industries and collectively reduce our impact.

Last but not least, we have been developing partnerships with entrepreneurs with the goal of accelerating sustainable innovation and work with them to identify pressing environmental and social challenges within supply chains. For example, we have installed new lightweight solar panels, which are 60-70% lighter and also more flexible, on our fermentation tanks at the brewery in Wuhan and Nantong breweries. This new technology is an invention of Sunman, a start-up company that participated in our 100+ Accelerator.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Other, please specify (Responsible Sourcing Policy and Climate Policy)

Description of this climate related requirement
Bud APAC requires all suppliers, contractors and other business partners working on the Group's behalf to comply and refer to our Climate Policy and Responsible Sourcing Policy, and provide products and services in an environmentally responsible way through efficient use of natural resources in our focus areas - Climate Action, Circular Packaging and Waste, Water Stewardship.

Responsible sourcing is integrated into our supply chain. By communicating our expectations and sharing our rigorous requirements with suppliers, vendors, agents and contractors, we ensure a supply chain that is free from non-compliance and promotes responsible social and environmental practices. In 2022, we have compliance with social and environmental regulations at 100% of existing suppliers.

We incorporate ESG considerations and sustainability risk assessments into our procurement and also provide ESG training to our suppliers, service providers and business partners. Sustainability performance is one of the criteria of the suppliers selection, especially on carbon footprint. We annually review our contract terms and service agreements with our existing suppliers and will terminate our contracts with those suppliers that pose a high sustainability risk and are not willing to engage in climate risk mitigation actions as well as those that do not comply with our Responsible Procurement Policy.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

Mechanisms for monitoring compliance with this climate-related requirement
Certification
Supplier self-assessment
Off-site third-party verification
On-site third-party verification
Other, please specify (Annual supplier assessment)

Response to supplier non-compliance with this climate-related requirement
Exclude

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?
Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number
MP1

Management practice
Knowledge sharing

Description of management practice
Under our Smart Agriculture Program in India, we regularly collaborate with the Indian Institute of Wheat and Barley Research (IIWBR) and the National Skill Foundation of India (NSFI) to further educate our farmers and ensure optimal barley growing conditions. In addition, By using technologies such as FOSS, we can guarantee that the barley purchased from our farmers meets our quality requirements. To support improvements in agricultural production, we have reviewed farming practices and identified gaps and opportunities, such as fertilizer usage, and to promote water conservation, we have trained our farmers in water-saving irrigation techniques. Our farmers received on-farm training on barley cultivation and responsible sourcing practices (RSP), such as pest and disease management, safe use of machinery and post-harvest storage.

Your role in the implementation
Financial
Knowledge sharing

Explanation of how you encourage implementation
We have our Field Officers met with each farmer at least five times per year (totaling more than 4,500 visits). To drive continual improvement in barley production, we worked in partnership with NSFI on barley cultivation and on-farm Responsible Sourcing Practices (“RSP”) initiatives with a focus on Farmer Health & Safety and Women Empowerment.

Climate change related benefit
Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)

Comment
no further comments

Management practice reference number
MP3

Management practice
Other, please specify (Soil testing)

Description of management practice
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. Our Soil Health framework in India supports our farmers, promote biodiversity and water quality, and sequester carbon by providing practices and tools our farmers need to understand and improve the quality of their soils.

Our internal experts in India also conducted a soil testing initiative with a selected group of farmers. The soil testing aims to develop tailored farm-level protocols that farmers can use to achieve the right quality and yield in barley production. Soil testing analyzes the levels of available nutrients such as nitrogen, phosphorus, potassium and micronutrients in the soil along with other physical parameters such as soil type, pH and organic matter, etc. These parameters are critical to understanding the nature of the soil and analyzing the nutrient levels required to maintain quality and yield. As part of this process, the team takes soil samples for laboratory analysis and uses the findings to develop recommendations. These recommendations allow for optimization of agricultural inputs to grow high-quality crops and create sustainable gains for local farmers.

Your role in the implementation
Financial
Knowledge sharing

Explanation of how you encourage implementation
We stay in touch with our farmers to effectively gather evidence and provide recommendations for additional action. In 2022, we have expanded coverage of the Soil Health Framework to 75% of our farmers in India and conducted 2,500 soil tests before seeding (the largest soil testing program among Bud APAC’s breweries).

Our agronomists will continue to expand the number of farmers in the soil testing program. With increased soil data collection, the team is eager to demonstrate and share the connection between soil health practices and barley yield and quality. Innovative solutions and partnerships with startups, NGOs and multilateral organizations will be key to building resilience in agricultural activities. We will continue taking a farmer-centric approach in our commitment to support sustainable agricultural practices including promoting soil health.

Climate change related benefit
Increasing resilience to climate change (adaptation)
Reduced demand for fertilizers (adaptation)

Comment
No further comments.

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?
Yes

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

We work with international organizations/ campaigns to influence climate-related policy, law or regulation, for example, RE100, SBTi, TCFD, UN Global Compact and Women's Empowerment Principles. Please refer to the attachment for more supporting information.

C12.3_supporting.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

We work closely with governments and relevant organizations in each country including delivering our climate commitments. Our corporate affairs teams will meet with the official and policymakers to share the data points and our practice for the industry standards-setting and overall improvement.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

We participated in the HKEX corporate discussion on Scope 3 disclosure of listed companies in Hong Kong, in terms of methodologies and frameworks. We are working with the HKEX on the TCFD framework obligation among issuers to provide feedbacks. In addition, we also work with the HKEX on overall risk management and governance matters.

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Climate-related reporting
Emissions – CO2
Emissions – other GHGs
International agreement related to climate change mitigation
Low-carbon, non-renewable energy generation

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

Hong Kong SAR, China

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

As the largest beer company listed in Hong Kong, HKEX often invites us for regular close-door and discussions with other large-cap companies for corporate governance listing rules and ESG disclosure, to provide regular feedbacks.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

As a leading player in APAC beer market and the largest beer company listed in Hong Kong, disclosure requirements and frameworks are essential to our transition development. In fact, Bud APAC values transparency and always discloses more than required for market benchmarking and stakeholders' consideration. Bud APAC refers to many global disclosure frameworks to provide comprehensive and market-leading disclosure content. We hope sharing our experience and engaging the policy makers could help build better disclosure practice in Hong Kong.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (China Alcoholic Drinks Association)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Our Wuhan brewery became carbon neutral in 2021 which was China's first in the industry. Therefore, CADA would like to work with us to set up the industry standard(Zero Carbon Factory) for peer to refer and practice.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
0

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
22ESGR_EN_compressed.pdf

Page/Section reference
p.11-14 (ESG highlights and achievements),
p.38-49 (Working Toward our Net Zero Ambition - Climate Action),
p.136 (Environmental performance table),
p.139-142 (External assurance report).

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
As we seek to transition to a more sustainable, low-carbon economy, we have examined our business using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to communicate risks and opportunities related to climate change. We have identified the potential risks and opportunities to our business and reputation that may come from changes in policy and law, new technology, evolving consumer sentiment and market conditions, as well as acute and chronic physical risks.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Global Reporting Initiative (GRI) Community Member RE100 Science Based Targets Network (SBTN) Task Force on Climate-related Financial Disclosures (TCFD) Task Force on Nature-related Financial Disclosures (TNFD) UN Global Compact Other, please specify (WaterAid (India))	Bud APAC's 2022 ESG Report is prepared in accordance with The Global Reporting Initiative (GRI) Standards (2021), The United Nations Global Compact and also Task Force on Climate-related Financial Disclosure (TCFD) to further demonstrate our commitment to climate action. We disclosed additional ESG data points in 2022 to increase transparency, supporting our engagement with the leading rating agencies such as MSCI, Sustainalytics and CDP. As members of the global corporate renewable energy initiative RE100 since 2017, we follow the initiative's guidelines with our renewable electricity sources coming from solar, wind, biomass, biogas, geothermal and water. We also follow RE100 guidelines on energy generation, leveraging self-generated energy through either on-site installations or off-site PPAs. Our target is to increase the RE100 coverage across APAC. By 2022, we have 2 carbon neutral breweries, 4 breweries in China achieved RE100, 17 breweries across APAC installed solar panels on site and more in the pipeline. We are an active member of the TNFD Taskforce, which comprises 40 senior executives from financial institutions, corporates and market service providers representing sectors with the largest impacts and dependencies on nature. At Bud APAC, we are working toward adopting TNFD disclosure framwork in the coming years. We work closely with WaterAid, who are supporting the implementation of on the-ground actions of our community and watershed programs to recharge water and promote access to clean water in stressed communities.

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Other, please specify (Yield quality)

Description of impacts

In India, 100% of our farmers were supported by our agricultural development team and received capacity-building training. All of our direct farmers 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. The rejection rate (for barley grown by our farmers that does not meet quality requirements) is limited to less than 2%.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

More than 60% of our farmers were retained.

Management practice reference number

MP3

Overall effect

Positive

Which of the following has been impacted?

Yield

Description of impacts

The soil analysis tests and resulting guidance on fertilizer use have enabled our farmers in India to reduce the cost of fertilizers while increasing their yields, thus improving their profit margins.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Our farmers continue to collaborate with Bud APAC to receive knowledge and guidance on fertilizer usage.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Our Company has a “one-tier” governance structure whereby the Board is the ultimate decision-making body and is responsible for the overall oversight of the Group, except for the powers reserved to the Shareholders by law, the Articles of Association or the Listing Rules. The Board delegates authority and functions to the Board Committees and the Executive Committee as appropriate to effectively manage and carry out the Group’s daily business operations, while aligning the corporate culture with the company’s purpose, values and strategy and ensuring the linkage between corporate governance and ESG. With direct oversight from the Board and executive management, the cross-departmental ESG Committee supervises the Company’s overall ESG strategies and goals (including those for biodiversity). The ESG Committee is responsible for overseeing, planning and reviewing matters related to Bud APAC’s ESG journey, and leads the ESG Working Group to implement ESG initiatives. Through our commitment and actions outlined in our Biodiversity Policy, we aim to minimize our environmental footprint and maximize opportunities for biodiversity and ecosystem conservation. This Policy is approved by the Procurement Director – Sustainability and regularly reviewed considering legislation, public policy and organizational changes and development in sustainability best practices, or at a minimum, every three years. Updates of the Policy will be presented to the ESG Committee for endorsement. The Board eventually review and give final approval.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Other, please specify (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)	SDG

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Response indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In other regulatory filings	Content of biodiversity-related policies or commitments Biodiversity strategy	Aiming to build Corona into the first plastic-neutral beer brand, we launched an initiative to protect ocean biodiversity by recycling approximately 155 tons of plastic waste in 2022. For the announcement Q1 results 2022, please refer to ESG part. Assurance.pdf 1Q22 Annoucement.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Biodiversity strategy	2022 ESG report, p.67-75. Biodiversity Policy.

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

No futher comment.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Co-chair of the Board and CEO	Board chair

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms