

Packaging and Waste Policy

Budweiser Brewing Company APAC (Bud APAC)

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

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1. Introduction

- 1.1 This Packaging and Waste Policy (“Policy”) describes stance and approaches of Budweiser Brewing Company APAC (“Bud APAC” or “the Group”) to reducing packaging and waste. At Bud APAC, we are committing to building a **#FutureWithMoreCheers**. To do so, we are determined to sustain our company together with a healthy environment and thriving communities, while creating economic, environmental and social values for our stakeholders and business.
- 1.2 With improper handling and disposal, industrial waste and post-consumer packaging may end up in the natural environment. The global packaging and waste issues, such as the landfill problem in China and environmental pollution in India, require cross-boundary and cross-sector innovation, collaboration and education to tackle.
- 1.3 Beverage packaging has an intrinsic value and life that go beyond its initial use and can re-enter the system for recycling and reuse after proper treatment. With a circular model in place, waste to landfill can be minimized, resulting in reduced greenhouse gas (“GHG”) emissions¹, use of natural resources, operating and production costs.
- 1.4 Guided by our 2025 Sustainability Goals and in support of the United Nations Sustainable Development Goals (“UN SDGs”), including Goal 12: Responsible Consumption and Production, Bud APAC recognizes the significance of promoting circularity and eliminating waste. As part of this, we pledge to make 100% of our packaging returnable or made from majority recycled content².
- 1.5 We depend on diverse types of packaging to present and deliver our products to consumers and customers. As such, we recognize our unique role to influence the current linear consumption and production model and to turn it into a circular loop that repurposes waste as resourceful material.

¹ Packaging accounts for 42% of our overall GHG emissions in APAC in 2020. Reducing the footprint of our packaging waste will be a key part of our ambition to achieve net zero by 2040. Click [here](#) to see our **Climate Policy**.

² Our commitment to make our packaging made from majority recycled content means that at least half of the packaging material will be made of recycled content.



2. Scope of Application

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

Other Relevant Policies for Reference:

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

3. General Policy

3.1 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 will strive to:

- Comply with all relevant laws, regulations and standards in all countries in which Bud APAC operates;
- Contribute to international and local initiatives such as Circulate Capital³, the Trash Free Sea Alliance⁴, the Ellen MacArthur Foundation New Plastics Economy Global Commitment⁵ the Extended Producer Responsibility (“EPR”) system for packaging in South Korea⁶ and the Drink Without Waste initiative and the municipal solid waste charging scheme in Hong Kong⁷;
- Integrate industry best practices into our operations and through our Responsible Sourcing Policy encourage our suppliers to do the same;
- Anticipate and prepare for emerging environmental regulations and increasing societal expectations; and
- Transparently disclose our context-based targets and progress.

3.2 Accordingly, we will:

- Assess waste generation and waste diverted from/to landfill within our operations and in the value chain to identify reduction opportunities and integrate circularity;
- Adopt green procurement practices to reduce waste at source by eliminating single-use supplies and working with our suppliers through our Responsible Sourcing Policy;
- Optimize our processes to increase the reuse and recycling of packaging and other materials to reduce waste (e.g. advance “Zero Discharge” and “Zero Waste” strategies to treat and repurpose wastewater and waste materials in China and India) and energy;
- Engage with local governments and industry associations to strategize ways to address constraints in the markets we serve and operate in (e.g. legislative challenges to integrating recycled materials into food-grade packaging in China);
- Explore collaborations and partnerships with local green groups, industry associations, communities and suppliers and other business partners to promote the concept of circular economy in the markets we serve and operate in;
- Support start-ups that advance packaging innovations via our 100+ Accelerator platform and our APAC Sustainability and Procurement Innovation Hub; and

³ Circulate Capital:

<https://www.circulatecapital.com/>

⁴ Trash Free Sea Alliance:

<https://oceanconservancy.org/trash-free-seas/plastics-in-the-ocean/trash-free-seas-alliance/>

⁵ New Life Plastic:

<https://www.newplasticseconomy.org/>

⁶ EPR System for Packaging in South Korea:

https://www.keco.or.kr/en/core/operation_extended/contentid/1980/index.do

⁷ Drink Without Waste:

<https://drinkwithoutwaste.org/>

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- Adopt market-specific packaging strategies that focus on:
 - Reduce – Adopt technological innovations (e.g. lightweighting) and redesign our packaging to reduce the usage of material for the same type of packaging;
 - Reuse – Increase the returnability of our packaging (as part of our 2025 Sustainability Goals, 100% of our product packaging will be returnable or made from majority recycled content by 2025);
 - Recycle – Integrate recycled and/or recyclable contents into our packaging;
 - Recover – Work with local communities and governments to support the recovery rate of post-consumer packaging;
 - Record and report – Track our performance, transparently report to our stakeholders and share our experience and success cases with business partners;
 - Rethink – Challenge the status quo and be more innovative in our approaches; and
 - Educate and advocate – Provide sustainable packaging options with clear instructions to increase recovery and recycling of post-consumer packaging.

4. Implementation and Review

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

5. Abbreviations

| <u>Abbreviation</u> | <u>Full Description</u> |
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| Bud APAC | Budweiser Brewing Company APAC Limited |
| BUs | Business Unit(s) |
| ERP | Extended Producer Responsibility |
| KPIs | Key Performance Indicator(s) |
| UN SDGs | The United Nations Sustainable Development Goals |
| VPO | Voyager Plant Optimization |