Budweiser Brewing Co APAC Ltd - Climate Change 2021

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. Its principal markets are China, South Korea, India and Vietnam. Bud APAC operates more than 50 breweries and has over 25,000 colleagues across the Asia Pacific.

Bud APAC is listed on the Hong Kong Stock Exchange under the stock code "1876" and is a Hang Seng Composite Index member that is incorporated under the laws of the Cayman Islands. The company is a subsidiary of Anheuser-Busch InBev (“AB InBev”), which has over 600 years of brewing heritage and an extensive global presence.

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.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	2 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

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	Direct operations only [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/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

Budweiser 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 as our Scope 3 emissions and are disclosed in the current CDP climate change disclosure.

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

(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Evaluated but judged to be unimportant

Please explain

Both our upstream raw materials and downstream distribution are procured through leasing agreements with third-party suppliers where we do not have operational control. Because of this, we track and measure both emissions coming from our distribution activities, both upstream and downstream, which make up a portion of our Scope 3 emissions and would be recognized elsewhere in our value chain as downstream and upstream activities.

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. It makes up the majority of GHG emissions coming from agriculture (more than 60%) and less than 10% of our revenues.

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 less than 0.01% of GHG emissions coming from agriculture and less than 10% of our revenues.

Agricultural commodity
Other, please specify (Corn)

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

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 7% of GHG emissions coming from agriculture and less than 10% of our revenues.

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 less than 0.05% of GHG emissions coming from agriculture and less than 10% of our revenues.

Agricultural commodity
Other, please specify (Barley)

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

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 utilize Barley in their recipes including brands like Budweiser, Stella Artois, and Corona. It makes up around 24% of GHG emissions coming from agriculture and less than 10% of our revenues.

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(s)	Please explain
Chief Executive Officer (CEO)	Our CEO, also the Co-chair of the Board of Directors (the “Board”), oversees all relevant ESG departments such as Procurement and Sustainability, Supply and Logistics, and Legal and Corporate Affairs. Our Board of Directors (the "Board") is responsible for overseeing and approving ESG/sustainability strategies. This includes oversight over the Company’s Sustainability Goals including our Climate Action covering the targets to pursue 100% purchases electricity from renewable sources and 25% carbon reduction across our value chain. 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 for the implementation and achievement or targets concerning carbon reduction. In addition, our Board-level Audit Committee reviews ESG-related risks and makes suggestions. This covers updates on the Company’s safety, environment and quality and other sustainability-related issues. In addition, the Audit Committee oversees business risk management and monitors the implementation of related actions in response to the risks identified.

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 – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action	<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 2020 included the 2025 Sustainability Goals, climate change and its potential impact on the supply chain in the APAC markets.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Sustainability is our business and therefore is embedded in the discussion and decision-making process at the Board level. Climate change is perceived as a key issue of which we have already begun to address; it is a key part of our 2025 Sustainability Goals, which aligns with United Nations' Sustainable Development Goals (UN SDGs), especially Goal 13 Climate Action.

The CEO (also Co-chair of the Board) is responsible for overseeing all relevant ESG departments, such as Procurement and Sustainability, 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.

Co-chaired by the CEO, the Board is the ultimate decision-making body and responsible for the overall management of the Company. For example, the Board oversaw the establishment of the 2025 Sustainability Goals including our Climate Action covering the targets to pursue 100% purchases electricity from renewable sources and 25% carbon reduction across our value chain. These Sustainability Goals steer the Company’s strategy and roadmap moving forward while they align with the UN SDGs and AB InBev’s commitment to creating a better world for stakeholders.

This senior management position of the CEO also enables effective decision-making and timely communications at the Board level when it comes to climate-related issues. For instance, the Board is responsible for approving long-term objectives and overall strategy (as recommended by the CEO, and reviewing sustainability-related issues and performance each quarter or as necessary and creating respective plans of actions. Our Environmental Policy, which demonstrates our commitment and approach to how we reduce environmental impact across operations, is approved by our senior management team and the CEO and is reviewed regularly.

The Audit Committee (a Board Committee) is responsible for overseeing the internal control procedures and risk management systems of the Company and reviews sustainability-related updates together with the Board. From the internal risk assessment process, the Audit Committee also makes suggestions in response to risks identified. Leveraging this systemically governance and approach, we envisage to better incorporate climate-related risks into the process to identify and strategize corresponding actions.

In addition, the Board and the Senior Management team are responsible for establishing and maintaining adequate internal controls and risk management systems and reviewing their effectiveness. Sustainability issues, including climate-related issues, are considered in the risk management process to identify potential events that may affect the Company and to manage risks within the level of exposure acceptable to the Company. Within the Senior Management Team, our Vice President of Procurement and Sustainability is assigned to implement actions to achieve ESG goals and targets, and also to drive sustainability performance.

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	Senior management and relevant managers concerning ESG responsibility and oversight on business operations are incentivized by monetary to drive the goals and targets for the Company's climate actions. 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	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	The Vice President of Procurement and Sustainability (part of the Corporate Executive Team) oversees ESG initiatives internally and externally and implements actions. 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. The sustainability dashboard is reported regularly and linked to the compensation model. In particular, emissions reduction targets are one of the incentivized KPIs.
Other C-Suite Officer	Monetary reward	Emissions reduction target Other (please specify) (Company performance against a sustainability index which includes climate-related indicators)	The Chief Legal and Corporate Affairs Officer has incentives linked to higher ESG rating scores, and many of these ESG ratings 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 to achieve our Science-based decarbonization target can help improve scoring in these ESG ratings.
Business unit manager	Monetary reward	Emissions reduction target	Business unit managers are responsible for overseeing site/facility level implementation of corporate sustainability initiatives. These also cover the relevant sustainability goals and targets set in place, such as emission reduction in the business unit. These are directly tied to their compensation model.

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	1	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, which helps track our progress against the 2025 goals and compare 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	1	3	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 revaluate our impact. This is also in line with the time horizon defined by AB InBev.
Long-term	3	10	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 AB InBev.

C2.1b

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

Identification of substantive financial or strategic impact of climate-related risks and opportunities:

Following AB InBev's approach, this is defined using climate-scenarios and measuring impacts across the value chain in a matrix that measures financial impact (low-medium-high) and uncertainty of the event happening (Certain-Medium-Highly Uncertain). Highly uncertain plausible events that have the highest impact on the business (in millions of dollars) are given the highest punctuation. Uncertainty is measured on a scale of 0 to 1.

Definition of substantive impact:

Following AB InBev's definition, a substantive impact is referred to as a significant impact, which is defined as an event that has a net financial impact of greater than 3% over that facility and/or supply chain (commodities). This value varies for our direct operations as it is directly correlated to the net revenue of that specific facility. This is adopted to identify and assess climate-related risks that need to be prioritized and addressed.

Description of quantifiable indicators used to define and measure substantive impact:

We have leveraged our key performance indicators for our company and supply chain to measure the substantive change in various climate-related metrics to manage and reduce the likelihood of negative impacts from climate change occurring. Our goals are set at a level that measures substantive change for our company. The indicators are:

1. By 2025 - The company has published a public goal to measurably improve water availability and quality in high-risk watersheds. In each of the high-risk watersheds, specific targets and goals are being set based on the relevant local water risks and priority response areas.

In 2020, 100% of our sites in APAC have conducted local outreach activities, determined water solutions specific to their community and identified appropriate solutions. 17% water usage (hl/hl) reduction was achieved in our breweries since 2017.

2. By 2025 – Source 100% of our purchased electricity from renewable sources and reduce our carbon emissions by 25% across our value chain.

In 2020, 14.2% of our purchased electricity volume was from renewable sources. We also recorded a 12.7% reduction in carbon emissions and a 10.2% reduction in carbon intensity (in terms of kgCO2e per hl) compared to our baseline year 2017 across our value chain. In addition, we have achieved 100% renewable electricity at the brewery in Ziyang, China, the first in the Chinese brewing industry.

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

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 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 Sustainability Goals. The substance financial and strategic impact 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 because the process reviews issues concerning our 2025 Sustainability Goals, and also other targets and trends based on shorter terms and an annual basis. We track our progress regularly and review the gap and improvement areas in terms of achieving the targets (e.g. decarbonization target). 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 of 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. 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 through managing and minimizing our emissions, to prepare with emission-related requirements and standards that may come into effect in the near future.

Value chain stage(s) covered
Upstream

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
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 , and manage the environmental footprints underlying our supply chain. 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 (associated with climate-related risks) 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. In addition, over half of our overall GHG emissions come from the packagings (42%) and agriculture commodities (14%) sourced. We see this category as a key part of our GHG inventory (especially in Scope 3) and an area that we need to focus on in an effort to ultimately achieve our 25% carbon reduction across the value chain by 2025. In this connection, we engage our suppliers to assess their practices against our responsible sourcing policy using self-assessment questionnaires and third-party on-site audits. Under our responsible sourcing policy, we require business partners, including suppliers, to commit to setting carbon reduction targets in agreements with Bud APAC and implement programs that support the achievement of those targets. We also engage with suppliers to collect relevant ESG data and help them to collect such data (e.g. using the KisanHub platform which enables them to record data digitally). This also helps to record crop growth patterns and send timely messages to farmers about weather patterns to inform our procurement strategy and purchasing decisions. Through a systemic approach to supply chain management and active supplier management, we envisage to gaining higher visibility in the supply chain. In particular, we use this information and engagement opportunity to assess how physical climate risks (e.g. yield affected by changing weather patterns and disruption led by weather events) and traditional climate risks (e.g. implementation of the carbon tax and return on investment) impact the price and availability of key agricultural commodities we source.

Value chain stage(s) covered
Upstream

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
As part of AB InBev, we adopt a process using an internal risk assessment matrix to determine which risks and/or opportunities could have a substantive financial or strategic impact. This matrix identifies low, medium, and high-risk issues concerning each specific climate scenario's level of uncertainty. The majority of our emissions lie in our supply chain. Upstream risks are defined as those associated with our upstream supply chain, which includes agricultural commodities, packaging materials, disturbances in logistics, and/or changes in the regulatory landscape that may impact the availability of brewing inputs. To mitigate potential impact, we work alongside our suppliers to reduce the environmental impact of packaging and raw ingredients. This includes supplier assessments (through self-assessment questionnaires and third-party on-site audits) to review suppliers' compliance and ESG-related issues. We also provide training and guidance for suppliers and business partners to support our Responsible Sourcing Policy, which outlines our requirements concerning areas including carbon, recycled content and rate as well as water. As requested, suppliers are required to report relevant KPIs and certificates annually using the designated platforms to track their compliance and performance in relation to different environmental aspects.

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.
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. 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, we are aware that the Chinese government has recently launched the carbon trading platform (exact name to be confirmed) for the power/utility industry, and we anticipate there may be similar regulatory changes in the food and agriculture sectors 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 targets 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. We keep in view the substitution of existing products and services with lower emissions options, and also the costs and investments needed to transition to new and lower emissions technology. For example, we have been working to curb GHG emissions in the logistics channel by deploying alternative energy vehicles and electric forklifts. In 2020, we deployed 216 alternative energy vehicles in China, including 180 liquefied natural gas trucks, 31 electric trucks, and five newly-deployed hydrogen fuel cell vehicle trucks which are empowered by cutting-edge technology to reduce carbon emissions.
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 impacts of climate change, and may lead to financial implications associated with increased operating costs due to higher compliance costs. The Company strives to review the policy and legal obligations, and potential updates in the short-, medium- and long term. The Company is taking action to mitigate climate change and to address the impacts associated with climate change. For example, we made steady progress towards reducing carbon emission by 25% and securing 100% of purchased electricity from renewable sources by 2025.
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.
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. 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, sometimes 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.
Chronic physical	Relevant, sometimes 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. 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 meeting in 2020.

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

Market	Increased cost of raw materials

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Beverage manufacturing and distribution is an energy-intensive business and it consumes a great amount of fuel and electricity (7 million GJ in 2020). In this connection, increases in energy taxes and energy costs may be a potential risk that the Company is exposed to. In addition, the price and availability of agricultural commodities may

be affected by climate change due to the shifting weather pattern. This may potentially lead to an increase in the procurement budget. Moreover, the price for packaging materials with higher recycled contents and are recyclable/returnable is expected to be more expensive compared with the traditional packaging materials used.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure
Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosure more relevant information in the near future. Impacts associated with climate change may lead to the potential increase of our indirect (operating costs) associated with energy consumption as well as the procurement of agricultural commodities and packaging materials. We perceive these emerging trends and potential impacts to strategize our sustainability and procurement strategy.

Cost of response to risk
0

Description of response and explanation of cost calculation
In response to this potential financial impact, we are working towards initiatives under three folds. In our operations, we work towards reducing our reliance on non-renewable or higher-emission energy sources, we are switching fuel use by deploying electric vehicles, adopting natural gases and acquiring electricity from renewable sources. Regarding agriculture supplies, we are actively engaging with our suppliers to promote sustainable and smart agriculture practices, which will help with the yield of commodities. In addition, we regularly monitor our suppliers' compliance with the Responsible Sourcing Policy and track and support suppliers' targets on reducing emissions, water usage and waste. We also assess water stress in where we operate and source commodities to review our procurement strategy and sourcing from regions with more sustainable supplies. In terms of packaging materials, we are applying technology and innovations to reduce the amount of material used (e.g. lightweighting technology) and supporting recovery and reuse of bottles.

Comment

Identifier
Risk 2

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

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

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

Company-specific description
We rely on the reputation of our company and brands. Our success depends on our ability to maintain and enhance our image and reputation. Potential climate-related risks to our company reputation are related to consumer attitude and attention toward climate change and environmental issues in general. If consumers feel that we are not taking action to address climate change, there may be less demand for our products.

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure

Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosing more relevant information in the near future. We aim to continue monitoring the potential trend of customers' demands and preference towards more sustainable packaging solutions and review the financial implication associated with this trend.

Cost of response to risk
0

Description of response and explanation of cost calculation
To mitigate such reputational risk that may potentially lead to decreased revenues as a result of reduced demand for our products, we are working toward our circular packaging goals to pursue that 100% of products will be in packaging that is returnable or made from majority recycled content. In addition, we are also leveraging collaborations, initiatives and technologies (e.g. lightweighting and customer engagement) to reduce, reuse, recycle and rethink our packaging.

Comment

Identifier
Risk 3

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

Risk type & Primary climate-related risk driver

Chronic physical	Other, please specify (Water availability)

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 2020, we identified five sites within our operations that are under high-level of water stress. 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?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure
Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosing more relevant information in the near future. In 2020, five of our sites in India were identified and considered as located in "High-Risk" sites facing water stress.

Cost of response to risk
0

Description of response and explanation of cost calculation
To mitigate such risk that may impact water availability resulting in reduced production capacity, we have established and implemented a comprehensive seven-step watershed management process at sites located in water-stressed areas and also put in place initiatives to create measurable impact in watersheds facing water stress. For example, we contributed to building farm and village ponds, constructing recharge shafts for increasing recharge potential, installing check dams to collect water and training our farmers to improve their irrigations practices.

Comment

Identifier
Risk 4

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

Risk type & Primary climate-related risk driver

Chronic physical	Other, please specify (Lower than average precipitation and recent droughts as well as high rainfall variability and substantial runoff)

Primary potential financial impact
Increased indirect (operating) costs

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

Company-specific description
Telangana faces extreme high risk due to water shortages due to low rainfall and over-exploitation of groundwater resources. We also witnessed lower than average rainfall in 2020 and hence the water availability from the river was impacted. The water cost increased due to sourcing from Tanker water which was approximately 44% higher.

Time horizon
Short-term

Likelihood
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)
13465.09

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

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

Explanation of financial impact figure
The estimation takes into account the standard price of different water sources/types (e.g. river water and tanker water) and is calculated by comparing the water price in 2019 and 2020.

Cost of response to risk
100000

Description of response and explanation of cost calculation
An integrated watershed approach is taken to address the water challenges that exist in this region. A total investment of 0.3 mil USD was spent across 2019 and 2020 (0.2 mil USD in 2019 and 0.1 mil USD in 2020) to implement mitigative and remediation measures.

Comment
Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosing more relevant information in the near future. The financial figures provided are based on the event that took place in Telangana.

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
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
The production and distribution of our products require significant amounts of energy, including the consumption of fuel and electricity. We have implemented various measures to improve energy efficiency and reduce carbon emissions in our production and operations. We have replaced coal boilers with natural gas boilers, installed LED lighting, and installed a biogas collection system to recover biogas to produce steam that would be reused in the brewing process. The carbon emissions from our operations were reduced by 23% compared to our 2017 baseline. We also begin to use our scale to source and install more energy-efficient and eco-friendly chillers, coolers and refrigerants. In China, we required that only coolers labeled with Level 1 Energy Efficiency (representing the most energy-efficient models) should be purchased. Similar requirements were applied to our India operations concerning chillers. In addition, 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. In China, Ziyang brewery is 100% powered by renewable electricity and the first to achieve this goal in the Chinese beer industry in 2020. In Vietnam, we extended the capacity of our on-site solar project at two breweries to cover nearly 30% of the electricity consumption of the site. We have so far installed solar panels at 10 of our breweries (seven in China, two in Vietnam and one in India). Across the region, we also have one off-site solar farm in India. The total electricity contracted from renewable sources amount to 82.6 million kWh in APAC in 2020.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure
Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosing more relevant information in the near future.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
To enhance resource efficiency in our direct operations, we are working towards switching to energy sources with lower emissions and upgrading our breweries to equip them with high resource-efficiency installations. These initiatives and updates are also in support of achieving our 2025 Sustainability Goals to pursue 25% carbon emission reduction across the value chain and 100% electricity from renewable sources.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
We perceive the shifting preference in circular packaging as a potential opportunity to positively influence our competitiveness by maintaining our reputation and demonstrating our effort placed on environmental sustainability. Packaging materials contribute 42% of our total carbon footprint and therefore it is crucial that we establish strategies to reduce carbon emissions. We continue to follow our strategy of Reduce, Reuse, Recycle and Rethink to make progress towards our goal of having 100% of our products to be in returnable packaging or made from majority recycled content by 2025. In South Korea, one of our brands Cass became the first in the industry to use 100% recycled material for box packages. In addition, the plastic shrink film for Cass canned beer packaging has been reduced, saving nearly 100 tons of plastic annually. In 2020, 53.3% of our volume was in returnable packaging and 46.3% of our packaging was made from recycled content.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure
Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosing more relevant information in the near future.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
In response to customer's shifting preferences to focus more on the sustainability value of our products, we are moving toward our circular packaging vision, following the strategy of reducing, reusing and recycling our packaging, and rethinking our approach. This also associates with our Scope 3 emissions from packaging material and contributes to how we reduce Scope 3 emissions as part of the decarbonization target.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Returns on investment in low-emission technology

Company-specific description
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. In this regard, we work closely with our farmers to build resilience through crop management, improved varieties, and risk mitigation tools, while also exploring how agriculture can be part of the solution to reducing GHG emissions. We leverage our know-how to advance agricultural development and measure our impact through yields, resource efficiency, soil health and smallholder incomes. In particular, 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 engage with 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.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact figure
Currently, we do not have the projected financial impact figures that are specific to the APAC region as the climate risk assessment is conducted at the global level. However, we plan to conduct our climate-related assessment. As we enhance our disclosures and alignment around the TCFD, we anticipate disclosing more relevant information in the near future.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
We are committed to innovating and exploring new opportunities and partnerships in our supply chain. Through our 100+ Accelerator, we look for partners who can deliver breakthrough advancements in water stewardship, farmer productivity, product upcycling, responsible sourcing, green logistics and more. In addition, we launched our own local Innovation Hub to empower entrepreneurs who are solving challenges in and for our communities in APAC. We will continue to explore partnerships through our 100+ Accelerator and local innovation hubs to drive innovative and sustainable solutions.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	Yes, we intend to include it as a scheduled AGM resolution item	

C3.2

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

Yes, qualitative and quantitative

C3.2a

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

Climate-related scenarios and models applied	Details
2DS	As part of AB InBev, our Climate Action is aligned with targets covering greenhouse gas emissions from company operations (Scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C. The renewable energy procurement target covering Scope 2 emissions is consistent with reductions required to keep warming to 1.5°C. At the global level, the approved Science Based Target covers AB InBev's entire global organization, operations and footprints (including Bud APAC). When developing this Science Based Target, AB InBev adopted the Science-Based Target initiative's tool under the 2°C Scenario (2DS) using a time horizon of approximately 30 years, which is aligned with the UN Global Compact. The scope of scenario analysis covers the direct, indirect and also supply chain operations across AB InBev's footprints globally (including Bud APAC). We adopted the Sectoral Decarbonization Approach, developed by CDP, World Resources Institute and the World Wide Fund for Nature (WWF) in our scenario analysis to determine a carbon budget based on a company's relative contribution to the economy and uses a least-cost modeled below 1.5° C scenario developed by the International Energy Agency (IEA 2DS). The result of this process showed that we could set an ambitious yet realistic target to reduce emissions across the value chain (Scopes 1, 2, and 3) by 25% per beverage by 2025, from a 2017 base year and Scope 1 and 2 emissions by 35% in absolute emissions within the same timeframe, and informed our overall GHG emissions strategy as part of AB InBev's 2025 sustainability goals with a time horizon of approximately 8 years. The scenario analysis is in line with our 1.5°C pathway which has informed company-wide strategy. We considered this result the most robust target possible and it also helps guide long-term strategy and reduction beyond 2025. The results of the scenario analysis informed us that we could achieve an approximate 10% overall total emission reduction if we were to purchase 100% renewable energy at all breweries. This informed our strategy to secure 100% of our purchased electricity from renewable sources by 2025. As a result, our 2025 Sustainability Goal aims to pursue 100% of purchased electricity from renewable sources and a 35% reduction of our carbon emissions by 25% across our value chain by 2025. Procuring offsite renewable electricity is a big part of our strategy to ensure we can meet our goal of 100% renewable electricity. For instance, In China, Ziyang brewery is 100% powered by renewable electricity and the first to achieve this goal in the Chinese beer industry in 2020. Moreover, to drive these targets, we explore emission reduction opportunities in different aspects including packaging materials (e.g. through material lightweighting), product cooling and operations (e.g. through installing energy-efficient equipment), smart agriculture (e.g. through a soil health framework that can sequester atmospheric carbon dioxide) and supply chain (e.g. through supplier engagement to implement low-carbon production).

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 42% 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. At the global level, this 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 the majority 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. For a case study on Circular Packaging, in South Korea, in collaboration with the Korea Green Foundation and Novelis Korea, we hosted the "2020 Can Crush Challenge" campaign on social media. It was an environmental campaign initiated for the public, in which 'challengers' post on Instagram videos or photos of themselves stepping on or crushing aluminum cans and then tagging three users as the next "runners".
Supply chain and/or value chain	Yes	Agriculture represents 14% 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. For a case study related to our 100+ Accelerator (a program that helps us to achieve our sustainability goals by partnering with local startups), our team in India has carried out pilot tests with four eco-resin samples to identify the best-suited eco-resin that can be used to replace the keg caps. Keg caps made of eco-resin are estimated to help reduce approximately 1.7 million kgCO2e emissions, save approximately 50 million liters of water, and divert about 1000 tons of plastic waste in a year. In addition, we also have almost doubled our investment in R&D in 2020 in support of the development of innovative products, new technology development, and some special localization product.
Operations	Yes	Operations contribute to 12% of our overall GHG emissions 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. For a case study on how we reduce emissions from our direct operational footprints, we have replaced coal boilers with natural gas boilers, installed LED lighting, and installed a biogas collection system to recover biogas to produce steam that would be reused in the brewing process. The carbon emissions from our operations were reduced by 23% compared to our 2017 baseline.

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.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

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

Both absolute and intensity targets

C4.1a

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

Target reference number
Abs 1

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2017

Covered emissions in base year (metric tons CO2e)
917473

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
12

Target year
2025

Targeted reduction from base year (%)
35

Covered emissions in target year (metric tons CO2e) [auto-calculated]
596357.45

Covered emissions in reporting year (metric tons CO2e)
801871

% of target achieved [auto-calculated]
36.0001251885809

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
At the global level, AB InBev has a set of science-based targets approved by the Science-Based Targets initiative. Although our specific APAC decarbonization targets have not been approved by the Science-Based Targets initiative, they are in line with the method and scenarios adopted when developing the global targets. As such, we consider our target science-based. As part of AB InBev, we are also contributing to the global- and group-level science-based target. In particular, our target covers the APAC region, including operations across China, India, Korea and Vietnam.

C4.1b

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

Target reference number
Int 1

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) + 3 (upstream and downstream)

Intensity metric
Other, please specify (KgCO2e/hL)

Base year
2017

Intensity figure in base year (metric tons CO2e per unit of activity)
80.288

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2025

Targeted reduction from base year (%)
25

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
60.216

% change anticipated in absolute Scope 1+2 emissions
35

% change anticipated in absolute Scope 3 emissions
17

Intensity figure in reporting year (metric tons CO2e per unit of activity)
74.05

% of target achieved [auto-calculated]
31.0781187724193

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
At the global level, AB InBev has a set of science-based targets approved by the Science-Based Targets initiative. Although our specific APAC decarbonization targets have not been approved by the Science-Based Targets initiative, they are in line with the method and scenarios adopted when developing the global targets. As such, we consider our target science-based. As part of AB InBev, we are also contributing to the global- and group-level science-based target. In particular, our target covers the APAC region, including operations across China, India, Korea and Vietnam. In addition to our operations, this target also covers emissions from our value chain including packaging, end of life, logistics, product cooling, processing brewing ingredients and agriculture.

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

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
2017

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

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

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2016

Figure or percentage in base year
0

Target year
2025

Figure or percentage in target year
100

Figure or percentage in reporting year
14.2

% of target achieved [auto-calculated]
14.2

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes. It contributes to our Science-Based 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%. In addition, this target to pursue 100% purchased electricity from renewable sources is in line with the target set at the global level and supports a global-level science-based target.

Is this target part of an overarching initiative?
Science-based targets initiative

Please explain (including target coverage)
100% of purchased electricity across the world, covering brewing and vertical operations. In 2018, we are committed to achieving 100% renewable electricity by 2025. In APAC, 14.2% of our purchased electricity volume was from renewable sources in 2020.

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	6	0
To be implemented*	1	24789
Implementation commenced*	0	0
Implemented*	9	79187
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

Fugitive emissions reductions	Carbon capture and storage/utilization (CCS/U)

Estimated annual CO2e savings (metric tonnes CO2e)
2043

Scope(s)
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
421288

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

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
We have installed a biogas collection system to recover biogas to produce steam that would be reused in the brewing process. We also upgrade the system to improve performance, resulting in 2,043 tCO2e emission reductions annually.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (facility upgrade)

Estimated annual CO2e savings (metric tonnes CO2e)
826

Scope(s)
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
51107

Investment required (unit currency – as specified in C0.4)
98277

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment
We upgrade the facilities to enhance energy efficiency. In particular, we implemented measures to enhance efficiency in the heat center, resulting in 826 tCO2e emission reductions annually.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
9432

Scope(s)
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1945381

Investment required (unit currency – as specified in C0.4)
1575000

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
We adopted a very high gravity brewing process, which is highly efficient. Part of the investment was allocated to support relevant projects in collaboration with business partners to optimize the brewing process and maximize efficiency. This in return results in 9,432 tCO2e emission reductions annually.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (Biomass boiler)

Estimated annual CO2e savings (metric tonnes CO2e)
19206

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
244536

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

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
We are switching to the use of cleaner fuel with lower emissions. To do so, we replaced boilers to switch to using biomass, resulting in 19,206 tCO2e emission reduction annually.

Initiative category & Initiative type

Other, please specify	Other, please specify (Self-Sufficient CO2 Production)

Estimated annual CO2e savings (metric tonnes CO2e)
3410

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
409050

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

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
We reuse CO2 produced in the fermentation process as a by-product, resulting in 3,410 tCO2e emission reduction annually.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
16892

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
82500

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

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
We source and consume electricity from the renewable energy source, resulting in 16,892 tCO2e emission reductions annually.

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.
Internal incentives/recognition programs	We have provided incentives to our Senior Management team and many other employees across different departments, tying their compensation benefits linked 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.
Other (Partnerships)	We partner with different organizations to address the most pressing challenges of today through collaboration and partnerships. For instance, our 100+ Accelerator program helps us to achieve our sustainability goals by partnering with local startups. Bud APAC launched its own local Innovation Hub to empower entrepreneurs who are solving challenges in and for our communities in APAC. The Innovation Hub aims to establish an ecosystem of innovation and sustainability that not only creates value along our value chain and helps in achieving our sustainability goals but also accelerates the development of innovative solutions for the well-being of our environment and communities. It is a long and continuous journey and we are committed to embracing our entrepreneurial spirits to keep exploring and driving the change.
Other (Supplier engagement)	Mutual collaboration with our suppliers is a key element to creating a resilient supply chain that delivers value and contributes toward our 2025 Sustainability Goals. We implement appropriate, transparent and fair procurement practices, in line with the Responsible Sourcing Policy, which requires our suppliers to have a focus on setting reduction targets in agreement with Bud APAC and implement programs that support the achievement of those targets.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
439432.53

Comment

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 (market-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
478040.479

Comment

C5.2

(C5.2) 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
The Cool Farm Tool
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

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)
183980.585

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
257845.138

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
287350.188

Start date
January 1 2018

End date
December 31 2018

Comment

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

C6.3

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

Reporting year

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

Past year 1

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

Past year 2

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

C6.4

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

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Minor facilities and business office sites, such as sales offices.

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
Emissions and energy consumption associated with operations of minor facilities and business office sites are significantly low compared with other operations. This portion of our overall GHG footprint is also excluded in our decarbonization targets covering Scope 1, 2 and 3 across our value chain, given its relatively low proportion and insignificant contribution to our carbon reduction.

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

Metric tonnes CO2e
899692.453

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
80

Please explain
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

Metric tonnes 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 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.

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

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
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.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
13807

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
20

Please explain
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.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes 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 and do not contribute significantly to the Company's risk exposure. Therefore, they are deemed negligible and not relevant.

Business travel

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
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.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
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.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

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

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
295060.657

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
20

Please explain
We are working to standardize tracking and management systems across the APAC region. While capturing accurate estimates of carbon initiatives across operations is complicated, we are focusing our efforts to achieve consistency in our measurement and reporting tools. Distribution emissions are tracked through our Green Logistics program. Currently, this data covers emissions associated with road, rail and sea transport.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
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.

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1384223.469

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
50

Please explain
Following AB InBev's methodology, we use 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

Metric tonnes CO2e
139471.098

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
90

Please explain
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.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
We do not own any upstream leased assets that are relevant to the inventory. Therefore, this is deemed not relevant.

Franchises

Evaluation status
Not relevant, explanation provided

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

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
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.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
Other upstream emissions are considered not to be material (less than 1% of our value chain emissions)

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes 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
Other downstream emissions are considered not to be material (less than 1% of our value chain emissions)

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?
Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity
Agriculture/Forestry

Scope 3 category
Purchased goods and services

Emissions (metric tons CO2e)
899692.453

Please explain
These emissions come from the growing of raw ingredients including barley, rice, maize, and other commodities we use for the production of our products; from the processing of raw ingredients like processing from barley to malt; and from the manufacturing of packaging material such as cans, glass bottles, PET, steel, fiber, and other relevant packaging material we use to pack our product. The methodology used to calculate these emissions is in line with the Technical Guidance for Calculating Scope 3 Emissions developed by the World Resources Institute and WBCSD and the Agriculture Guide.

Activity
Distribution

Scope 3 category
Downstream transportation and distribution

Emissions (metric tons CO2e)
295060.657

Please explain
These emissions come from the distribution of our finished product starting from our breweries to our retailers. The methodology used to calculate these emissions are in line with the Technical Guidance for Calculating Scope 3 Emissions developed by the World Resources Institute and the World Business Council for Sustainable Development.

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

Please explain
We calculate emissions data using the hybrid method of market averages and supplier emissions. We gather the volume purchased across all our operations in the world in tons and use this weighted average by geography to estimate emissions from rice. In 2020, 539,673.39 tonnes of CO2 (60% of emissions from agricultural commodities sourced) were associated with rice agriculture.

Agricultural commodities
Wheat

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

Please explain
In 2020, 59.05 tonnes of CO2 (0.01% of emissions from agricultural commodities sourced) were associated with wheat agriculture.

Agricultural commodities
Other (Corn)

Do you collect or calculate GHG emissions for this commodity?
Please select

Please explain
In 2020, 60,942.37 tonnes of CO2 (7% of emissions from agricultural commodities sourced) were associated with corn agriculture.

Agricultural commodities
Other (Hops)

Do you collect or calculate GHG emissions for this commodity?
Please select

Please explain
In 2020, 433.41 tonnes of CO2 (0.05% of emissions from agricultural commodities sourced) were associated with hops agricultural.

Agricultural commodities
Other (Barley)

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

Please explain
In 2020, 215,366.25 tonnes of CO2 (24% of emissions from agricultural commodities sourced) were associated with wheat agricultural.

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

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Rice

Reporting emissions by
Total

Emissions (metric tons CO2e)
539673.392

Denominator: unit of production
<Not Applicable>

Change from last reporting year
Higher

Please explain
In 2019, 398,570.198 tonnes of CO2 were associated with rice agricultural. The emissions increased in 2020 compared with 2019.

Wheat

Reporting emissions by
Total

Emissions (metric tons CO2e)
59.049

Denominator: unit of production
<Not Applicable>

Change from last reporting year
Much lower

Please explain
In 2019, 698.19 tonnes of CO2 were associated with wheat agricultural. The emissions increased in 2020 compared with 2019.

Other

Reporting emissions by
Total

Emissions (metric tons CO2e)
276742.025

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
Other agricultural commodities include corn (60,942.37 tonnes of CO2), hops (433.41 tonnes of CO2) and barley (215,366.24 tonnes of CO2) in 2020. The emissions remained about the same in 2020 compared with 2019.

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
0.000116

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
646117

Metric denominator
unit total revenue

Metric denominator: Unit total
5588000000

Scope 2 figure used
Market-based

% change from previous year
1.3

Direction of change
Increased

Reason for change
In 2020, our Scope 1 and 2 emissions were reduced by 13.5% and revenue reduced by 14.6%, resulting in an overall increase in the intensity figure (metric tons CO2e per revenue).

Intensity figure
0.00815

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
646117

Metric denominator
Other, please specify (hectoliter of production)

Metric denominator: Unit total
79299180

Scope 2 figure used
Market-based

% change from previous year
5.02

Direction of change
Decreased

Reason for change
Although the volume of production decreased by 9%, our Scope 1 and 2 emissions also decreased by 13.5% as a result of the efficiency measures and carbon reduction activities we put in place, resulting in an overall decrease in the intensity figure (metric tons CO2e per hectolitre of production). Hectolitre of production is a common factor we use when reviewing our intensity figures for energy, water and GHG.

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/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
China	143649.673
India	6100.297
Republic of Korea	31499.139
Viet Nam	2731.474

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	183980.585

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)
183980.585

Methodology
Default emissions factor

Please explain
All of our Scope 1 emissions fall within the operations of processing/manufacturing activities

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
China	413535.81	379031.79		42665.13
India	27606.6	23786.59		3292.41
Republic of Korea	56383.83	56383.83		22380.71
Viet Nam	2934.38	2934.38		0

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	493633.97	455309.93
Processing brewing ingredients	6826.65	6826.65

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	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	51254.7	Decreased	7	This data refers to the electricity from renewable sources that is implemented in 2019 and 2020. In 2019, electricity from renewable sources was only implemented in China; while in 2020, it was implemented in China, India and South Korea (the only remaining market is Vietnam, which we have already contracted electricity from renewable sources to be implemented). Through electricity from renewable sources, we avoided emissions of 51,254.7 tons CO2e in 2020. Change in emission comparing 2020 and 2019: (Emission reduction in 2020 / emissions in 2019) *100 = (-51,254.7 / 747,163.6) * 100 = -7% (i.e. 7% decrease in emissions)
Other emissions reduction activities	101046.4	Decreased	13.5	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. Emission reduction in 2020 (compared with 2019): Emissions in 2020 – emissions in 2019 646,117.2 – 747,163.6 = -101,046.4 Change in emission comparing 2020 and 2019: (Emission reduction in 2020 / emissions in 2019) *100 = (-101,046.4 / 747,163.6) * 100 = -13.5% (i.e. 13.5% decrease in emissions)
Divestment	0	No change	0	We did not have significant divestments that impacted emissions in 2020.
Acquisitions	0	No change	0	We did not have significant acquisitions that impacted emissions in 2020.
Mergers	0	No change	0	We did not have significant mergers that impacted emissions in 2020.
Change in output	0	No change	0	We did not have changes in output in 2020.
Change in methodology	0	No change	0	We did not have changes in the methodology in relation to data collection, consolidation and calculations in 2020.
Change in boundary	0	No change	0	We did not have significant change in reporting/operating scope and boundary that impacted emissions in 2020.
Change in physical operating conditions	0	No change	0	We did not experience significant change in physical operating conditions that impacted emissions in 2020.
Unidentified	0	No change	0	We did not notice other significant change that impacted emissions in 2020.
Other	0	No change	0	No other changes.

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?

Market-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)	163494.57	681558.87	845053.44
Consumption of purchased or acquired electricity	<Not Applicable>	68338	542755.15	611093.15
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	495110.95	495110.95
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	86346.43	<Not Applicable>	86346.43
Total energy consumption	<Not Applicable>	318179	1719424.97	2037603.97

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	Yes
Consumption of fuel for the generation of steam	No
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.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
6645

MWh fuel consumed for self-generation of electricity
3720

MWh fuel consumed for self-generation of heat
0

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

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

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

Emission factor
3.298

Unit
kg CO2e per liter

Emissions factor source
IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
667074

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
<Not Applicable>

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

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

Emission factor
0.0561

Unit
metric tons CO2e per GJ

Emissions factor source
IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)
Biomass Municipal Waste

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
85910

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
<Not Applicable>

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

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

Emission factor
0.00353

Unit
metric tons CO2e per GJ

Emissions factor source
IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)
Heavy Gas Oil

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
7829

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
<Not Applicable>

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

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

Emission factor
0.0774

Unit
metric tons CO2e per GJ

Emissions factor source
IPCC (2017) and DEFRA (2017)

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	60568.97	1389.73	436.24	436.24
Heat	0	0	0	0
Steam	1263519.22	694062.27	85910.19	85910.19
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 emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type
Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling
China

MWh consumed accounted for at a zero emission factor
42665.13

Comment
We contracted a total of 468,333 MWh of electricity from renewable sources in China. 9.11% of that was implemented in 2020.

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling
India

MWh consumed accounted for at a zero emission factor
3292.41

Comment
We contracted a total of 33,324 MWh of electricity from renewable sources in India. 9.88% of that was implemented in 2020.

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Viet Nam

MWh consumed accounted for at a zero emission factor
0

Comment
We contracted a total of 6,615 MWh of electricity from renewable sources in India. 0% of that was implemented in 2020.

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Republic of Korea

MWh consumed accounted for at a zero emission factor
22380.7

Comment
We contracted a total of 98,420 MWh of electricity from renewable sources in India. 22.74% of that was implemented in 2020.

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

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?
In progress

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)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
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
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

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

Rationale for the coverage of your engagement
This coverage includes relevant data collected from our key strategy suppliers/tier 1 supports in relation to agricultural commodities, packaging materials and logistics. This excludes other contractors and service providers. Packaging, agriculture (agricultural commodities sourced) and logistics contribute to 42%, 14% and 5% of our overall GHG emissions, respectively. We see these three categories as the key focus areas of our decarbonization target and plan which covers emissions from our value chain.

Impact of engagement, including measures of success
To account for the associated Scope 3 emissions from this category, we actively engage with these suppliers to help collect relevant data to build to emission data inventory and strategize ways to reduce emissions in these areas. For example, in India, 1,224 farmers were supported by our agricultural development team during the pandemic. This was made possible, in part, through digitalizing our supply chain, notably with the KisanHub platform which enables our field team to record data digitally, as well as deploy real-time crop management protocols among farmers. We can also record crop growth patterns and send timely messages to farmers about crops, weather patterns and relevant government initiatives. The platform has helped us stay connected with our farmers, advising them on how to best store their grain and also informing our own purchasing decisions.

Comment

C12.1d

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

In addition to engaging with our suppliers and customers, we also work in partnership and supports entrepreneurs through the 100+ Sustainability Accelerator - our program to help to achieve our sustainability goals by partnering with local startups. Through our 100+ Accelerator, we look for partners who can deliver breakthrough advancements in water stewardship, farmer productivity, product upcycling, responsible sourcing, green logistics and more. We developed challenges with input from our colleagues and third-party experts around the world. Successful applicants receive mentorship, funding, and access to new networks. We envision empowering committed entrepreneurs who are solving problems in their local communities.

For instance, we worked with Yushuo, a startup that focuses on reusing retired batteries from electrical vehicles to store energy. Since our partnership began in the fall of 2018, we have installed a 6 MW storage unit at Suqian. We partnered with the World Bank Sustainability Fund to install a 20 MW unit at our brewery in Foshan. This new installation stores enough energy to supply power for approximately 2,000 households.

We also launched our local Innovation Hub to empower entrepreneurs who are solving challenges in and for our communities in APAC. The Innovation Hub aims to establish an ecosystem of innovation and sustainability that not only creates value along our value chain and helps in achieving our sustainability goals but also accelerates the development of innovative solutions for the well-being of our environment and communities. It is a long and continuous journey and we are committed to embracing our entrepreneurial spirits to keep exploring and driving the change.

For instance, 2020 was the first year that we launched the Innovation Hub in China. We met with over 60 startup companies and NGOs project submissions. After rounds of short-listing, we are working notably with KiWi Green Technology to establish the first brewery-spent-grain protein production line in Zhangzhou, Fujian. Innovation Hub India was launched in May 2020. The program attracted about 80 applications and has gained popularity due to its uniqueness and multitude of benefits. We shortlisted five startups, and after a successful round of pilot projects, we are closely working with Recube Energy Private Limited that converts spent malt into beer cups, coasters and ice buckets which we can provide to our consumers for a positive sustainability experience. Innovation Hub Korea was launched in November 2019. We short-listed four startups. We were able to make meaningful progress with Re-Harvest Company Limited, a food-upcycling startup. By December 2020, we had completed a pilot leading to the launch of the “Re-nergy” bars: granola bars made with our saved grains – one of our beer byproducts, through an online crowdfunding platform. We received recognition as the “first beer spent grain upcycler in Korea’s brewing industry.” We will continue to explore partnerships through our 100+ Accelerator and local innovation hubs to drive innovative and sustainable solutions.

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
We actively engage with farmers to produce high-quality malt barley and ensure a steady supply. For example, in China, we enhanced our partnership with Jiangsu Nongken, the eastern province's forerunner of modern agriculture, to initiate a new round of development for China's malting barley industry. A new tri-party partnership model was adopted where barley growers were included as a key contracting party, becoming financially empowered beneficiaries. This new model increases local farmers' income by offering them steady lease income and labor compensation, promoting sustainable development of the local economy. As the farmlands are being transferred for unified management under the local rural land circulation policy, the cooperation will further drive the standardization of local malting barley planting, maximizing the efficiency of local barley growing and land value. Through the cooperation, Budweiser APAC is committed to acquiring approximately 25,000 tons of barley on an annual basis, covering more than 3,000 hectares of farmland and benefiting up to 5,000 local smallholder farmers. In addition, during the COVID-19 pandemic, our agricultural development team in India worked closely with local farmers through digital solutions to maintain the quality of barley. We purchased over 4,000 tons of high-quality malting barley, exceeding our target amid a challenging period.

Your role in the implementation
Financial
Knowledge sharing

Explanation of how you encourage implementation
In the context of our Smart Agriculture goal, "skilled" is measured by the number of our direct farmers who have access to good barley varieties and technical training. "Connected", is measured by the number of our direct farmers with whom we are regularly in touch to share insights and information on crop management, pricing, and health and safety of their farms. "Financially empowered" is measured by the number of our direct farmers to whom we assisted in growing their business and accessing the financial tools they need. As of 2020, 92% of our farmers had access to good barley varieties and technical training.

Climate change related benefit
Increasing resilience to climate change (adaptation)

Comment

Management practice reference number
MP2

Management practice
Governmental or institutional policies and programs

Description of management practice
Water stewardship efforts by engaging in watershed protection partnerships with local stakeholders, focusing on high-stress areas across China and India. Together with local authorities, other water users and NGOs such as the World Wide Fund for Nature (WWF) and The Nature Conservancy (TNC), we invested financial and technical resources into green infrastructure initiatives, conservation and reforestation projects, habitat restoration efforts and soil conservation techniques. Through these initiatives, we are increasing water security and improving water quality and availability for our communities and operations.

Your role in the implementation
Financial
Knowledge sharing

Explanation of how you encourage implementation
Driven by our Water Stewardship goal, we aim to ensure that 100% of our communities in high-stress areas will have measurably improved water availability and quality by 2025. To realize this goal, we have ongoing water-related assessments in place and responding measures to support communities under high water stress. As of 2020, 100% of our sites in APAC have conducted local outreach activities, determined water solutions specific to their community and identified appropriate solutions.

Climate change related benefit
Increasing resilience to climate change (adaptation)

Comment

Management practice reference number
MP3

Management practice
Other, please specify (Soil health)

Description of management practice
Our barley farmers can face low crop productivity as a result of soil quality issues, including low soil organic carbon and salinization. Soil testing will help farmers understand and improve the quality of their soils. Soil testing can sometimes be underutilized and results from some testing methods can be spurious. In India, we are working with farmers to demonstrate the importance of and improve access to soil testing. Our team collects soil samples, sends samples to labs for analysis, and tailors farmer recommendations in light of these results. With soil test results, the team builds nutrient management plans and crop rotations which are important soil health practices to maintain good quality. In addition, 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 in different regions.

Your role in the implementation
Financial
Knowledge sharing

Explanation of how you encourage implementation
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)

Comment

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) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

China Alcoholic Drink Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The association calls for members' adhering to the ecological development concept of respecting nature, conforming to nature and protecting nature, actively build the ecological civilization system, promote the comprehensive transformation of the alcoholic drink industry, forming a complete carbon-neutral development mode.

How have you influenced, or are you attempting to influence their position?

We raised the ESG-related topics during the annual big five meetings held by the China Alcoholic Drink Association every year. We also engaged the China Alcoholic Drink Association in our climate change campaigns (e.g. World Environment Day – a commitment to carbon-neutral on June 5, 2021) by every means.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our Sustainability Goals, which include our commitments on Climate Action, and their implementation are approved and overseen by the Board of Directors of Bud APAC (the Board). Our Legal and Compliance officers lead day-to-day management of the activities, with support from our Procurement and Sustainability and Logistics department , to ensure all activities are consistent with our public commitments. In addition, the Board serves as an internal control to ensure publicly disclosed information related to policy/climate action commitments is free from material misstatement, whether due to fraud or error.

In addition, we follow the Voyager Plant Optimization (VPO) global management system which standardized policies and procedures adopted throughout our operations. We communicate our climate action strategy internally and externally. Internally, we have specific KPIs designed for responsible personnel, teams and/or departments across our APAC markets to align our initiatives and targets. Externally, we disclose our company-wide strategy and management approach, as well as goals and progress via our annual ESG reports. This helps to keep the process consistent across business units, departments and geographies. In case of any inconsistencies, our compliance officers are available around the clock to advise our people on specific issues. Colleagues can ask questions or raise concerns in person, via a mobile app or website, or anonymously through a global compliance hotline.

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

Status
Complete

Attach the document
BudAPAC_2020ESGReport.pdf

Page/Section reference
The entire document.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other, please specify (Targets and figures on other aspects such as water and energy management)

Comment

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?
Yield

Description of impacts
In India, 1,224 farmers were supported by our agricultural development team during the pandemic. This was made possible, in part, through digitalizing our supply chain, notably with the KisanHub platform which enables our field team to record data digitally, as well as deploy real-time crop management protocols among farmers. We can also record crop growth patterns and send timely messages to farmers about crops, weather patterns and relevant government initiatives. The platform has helped us stay connected with our farmers, advising them on how to best store their grain and also informing our own purchasing decisions. 92% of our farmers had access to good barley varieties and technical training.

Have any response to these impacts been implemented?
Yes

Description of the response(s)
We are committed to catalyzing sustainable transformation by partnering with a wide range of collaborators. In China, we enhanced our partnership with Jiangsu Nongken, the eastern province's forerunner of modern agriculture, to initiate a new round of development for China's malting barley industry. A new tri-party partnership model was adopted where barley growers were included as a key contracting party, becoming financially empowered beneficiaries. This new model increases local farmers' income by offering them steady lease income and labor compensation, promoting sustainable development of the local economy. As the farmlands are being transferred for unified management under the local rural land circulation policy, the cooperation will further drive the standardization of local malting barley planting, maximizing the efficiency of local barley growing and land value. Through the cooperation, Bud APAC is committed to acquiring approximately 25,000 tons of barley on an annual basis, covering more than 3,000 hectares of farmland and benefiting up to 5,000 local smallholder farmers.

C15. 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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Legal and Corporate Affairs Officer (member of the Executive Committee)	Board/Executive board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms