

Our Ambition to Achieve Net Zero

ABInBev

Our business is closely tied to the natural environment: agricultural crops and water are our key ingredients, we require raw materials for our packaging and we need energy and fuel to brew, transport and refrigerate our beers. We know that understanding the potential climate-related risks and opportunities for our business and value chain should inform our long-term climate strategy. This is why we have announced an ambition to achieve net zero across our value chain by 2040.

We are paving the way in climate action through our 2025 Sustainability Goals. We are proud to be one of the first 100 companies to have our climate action goal, which is consistent with a 1.5-degree pathway, validated by the [Science Based Targets](#) initiative. We have made progress: between 2017 and 2020, we reduced absolute GHG emissions in our direct operations (Scopes 1 and 2) by nearly 25% and our value chain emissions (Scopes 1, 2 and 3) by over 10% per hectoliter*.

Our approach is:

- **Strengthened by inclusivity:** Collaboration with suppliers and retailers, partnering with start-ups with breakthrough solutions and engaging with the wider industry will be key to decarbonize our value chain.
- **Underpinned by natural solutions:** Engagement with farmers in our value chain will help scale regenerative agriculture practices to enrich soil health while increasing its ability to capture carbon. In addition, we believe implementing nature-based solutions to improve watershed health will help tackle climate change.
- **Focused on local impact:** We are prioritizing local emissions reduction in our operations and across our value chain, including through investment to drive local innovation.



“Building on the progress we have made towards our 2025 Sustainability Goals, we are mapping decarbonization pathways and aim to continue investing in partnerships and innovation towards our ambition to achieve net zero across our value chain by 2040.”

Michel Doukeris, CEO

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2017 >>

2025 >>

2030 >>

2040

ACHIEVED 2017 ENVIRONMENTAL GOALS*

2025 SUSTAINABILITY GOALS ON TRACK**

-  100% renewable electricity
-  35% absolute emissions reduction (Scopes 1 and 2)
-  25% emissions reduction per hectoliter across value chain (Scopes, 1, 2 and 3)
-  100% packaging either returnable or made from majority recycled content
-  100+ Accelerator identifying breakthrough solutions
-  Supplier collaboration platform Eclipse
-  3 carbon neutral facilities as best practice

CATALYZING ACTION ACROSS OUR VALUE CHAIN

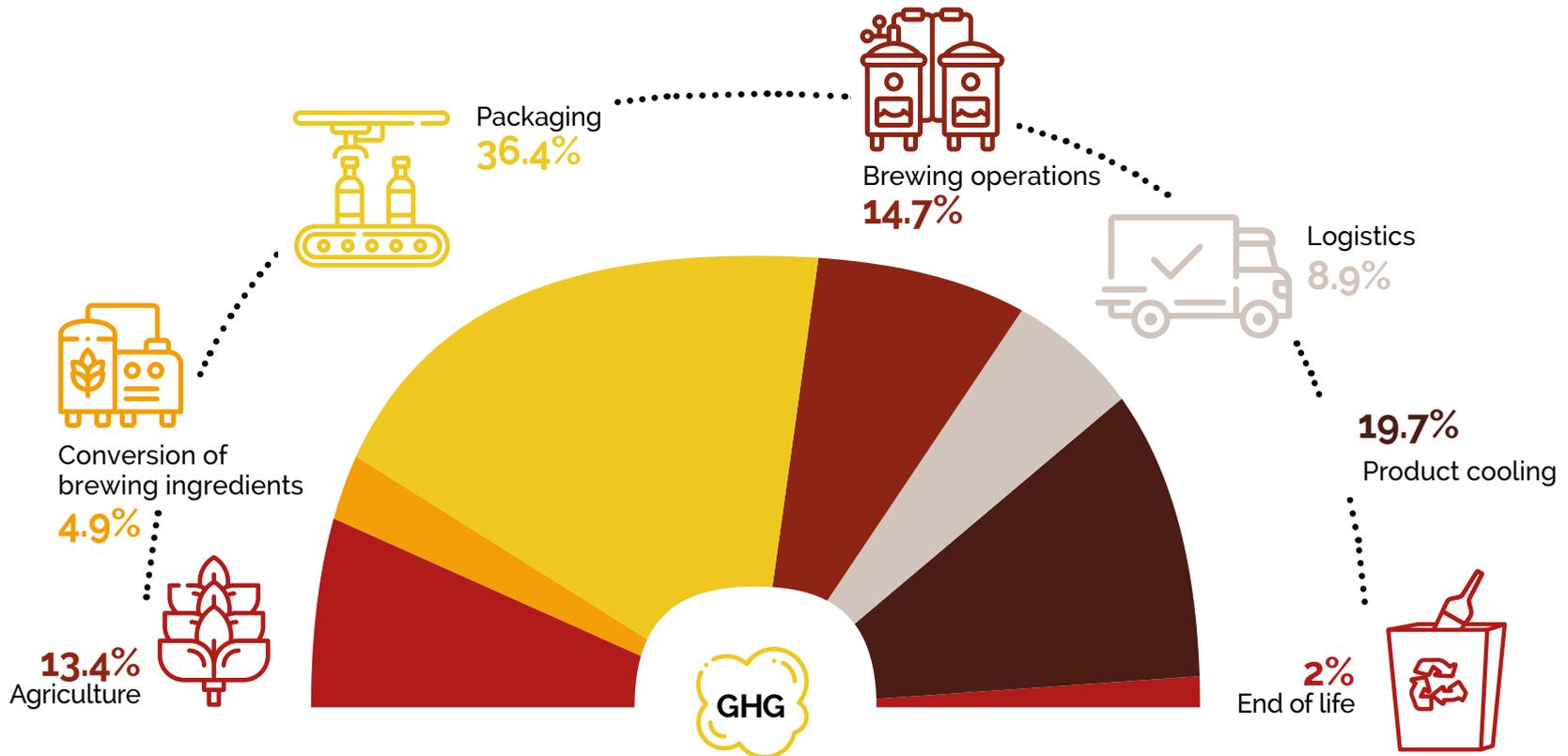
-  Reset short-term target
-  Scale energy efficiency and renewable thermal energy solutions
-  Scale renewable electricity in retailers
-  Accelerate low-carbon packaging solutions
-  Implement green logistics initiatives
-  Expand regenerative agriculture practices

OUR VISION FOR A SUSTAINABLE FUTURE

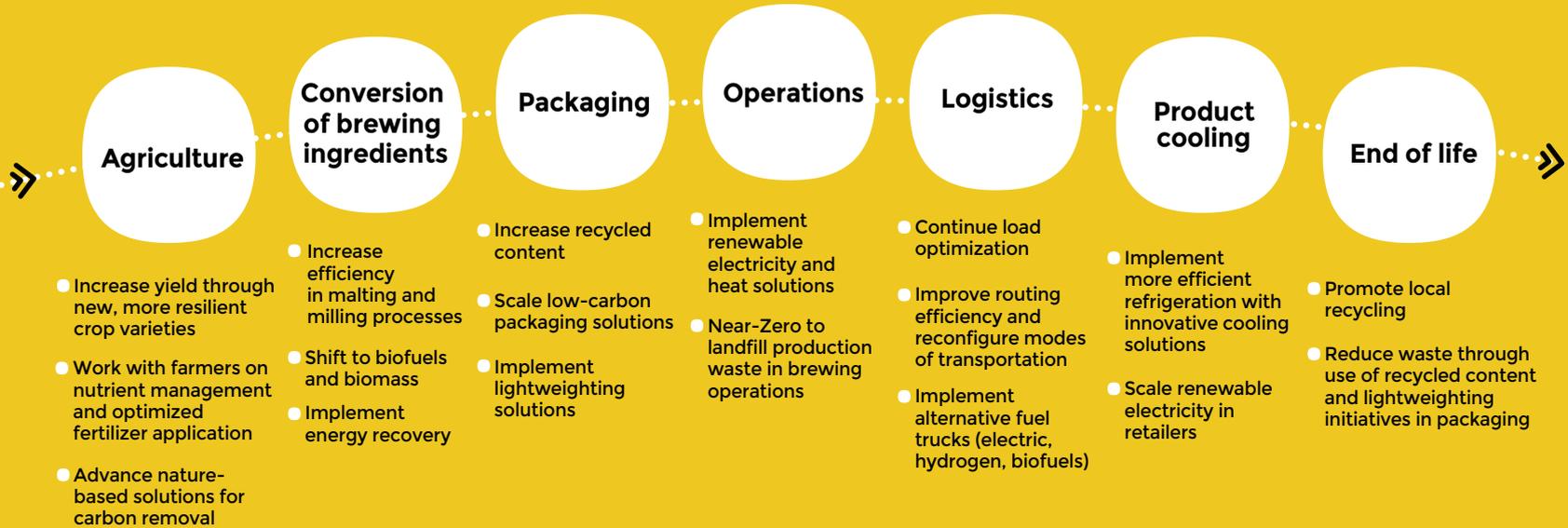
-  Advanced agtech solutions
-  Alternative fuel fleet
-  Integrated solutions with suppliers
-  Innovative cooling solutions
-  Nature-based solutions for remaining emissions

Analyzing Our Carbon Footprint

We assess and measure emissions across our entire value chain. In 2020, we estimated Scope 3 emissions represented over 85% of our total footprint which is why we aim to engage with our value chain partners to develop innovative solutions.



Actions and Opportunities Across Our Value Chain



Transparency and Disclosure

We believe that transparency and disclosure are key in reporting our progress on our 2025 Sustainability Goals and our ambition to achieve net zero. We also will continue to pursue assurance for key performance metrics.

We currently disclose to CDP Climate and Water on a yearly basis. In 2020, we received an A score for both questionnaires.

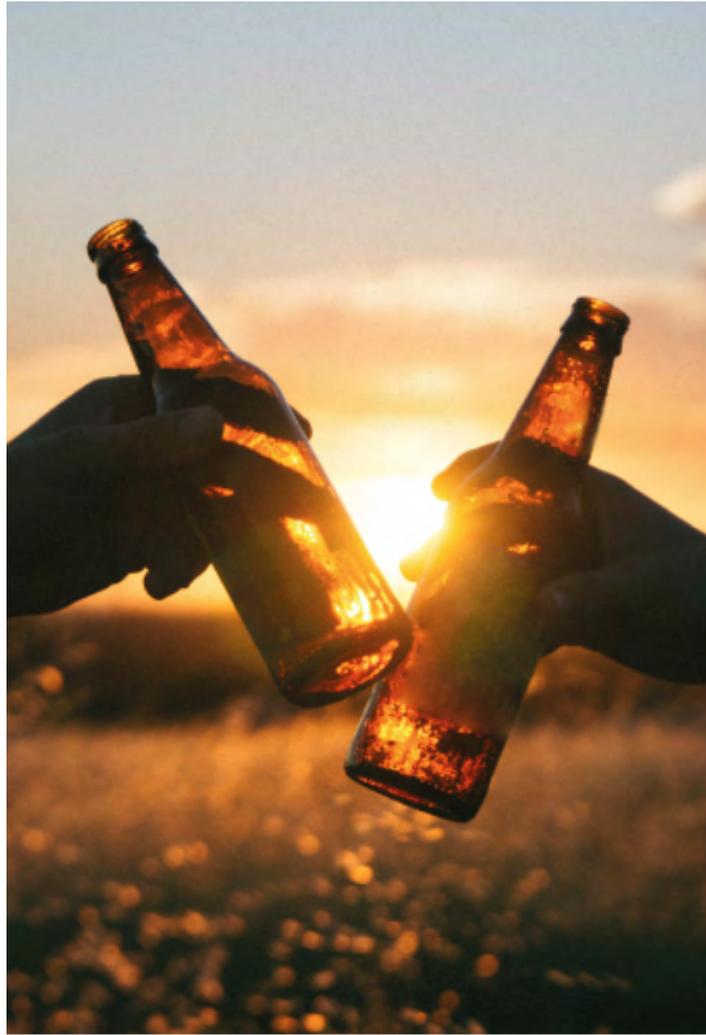


CLIMATE

WATER



2020



Hybrid approach to measurement

In order to measure Scope 3 data today, we enlist a hybrid approach, using a mix of supplier-reported data and industry-available data. We expect that our ambition to achieve net zero and the supporting data may be revised as measurement standards, modelling methodology and level of granularity improve.



We leverage the framework developed by the Task Force on Climate-related Financial Disclosures to evaluate the potential impacts of climate change on our business. We use a multipronged approach, engaging with academia, NGOs, government institutions and industry alliances to understand climate patterns and evaluate future risk. We will continue to leverage and further develop the framework to learn and unlock new opportunities as we decarbonize.

Legal Disclaimer

This report contains forward-looking statements regarding estimations into the future. These generally include words and/or phrases such as “will likely result”, “aims to”, “will continue”, “is anticipated”, “it is estimated”, “anticipate”, “estimate”, “project”, “result”, “is predicted”, “may”, “might”, “could”, “believe”, “expect”, “plan”, “potential”, or other similar expressions. These statements are subject to uncertainties and are out of scope of assurance. Actual results may differ from those stated in this report due to, but not limited, impact to climate change, water stress, financial distress, negative publicity, our availability to hire and/or retain the best talent, emerging regulations and reputation of our brands, the ability to make acquisitions and/or divest divisions, access to capital, volatility in the stock market, exposure to litigation and other associated risks not mentioned as well as risks identified in our Form 20-F filed with the US Securities and Exchange Commission. Additional information about AB InBev’s climate and water risks, management and performance of such is available through CDP.

Global goals on water, energy purchased and GHG emissions presented here, as well as KPIs such as energy usage, include AB InBev’s wholly owned operations unless stated otherwise in text or footnotes. Energy usage and purchased excludes the energy exported to third parties and certain projects under construction. The excluded energy use and purchase does not reflect the amount of energy used in our beer brewing processes.

For 2020, renewable electricity is reported by two metrics: operational electricity and contracted electricity. Our primary strategy is to help fund new build renewable electricity projects, and as these can take time to build, we believe it is important to report both metrics. The contracted electricity metric tracks the commitments we have already made to our 100% renewable electricity goal, while our operational electricity measures our actual annual realization.

For recycled content calculation, a weighted average of recycled content is calculated based on purchases for each supplier and recycled content in the material. Our packaging goal applies to our primary packaging which represents more than 85% of our total

packaging volume by weight globally, though our work in circularity extends to secondary packaging and post-consumer waste. For packaging that is not returnable—namely one-way glass bottles, aluminum cans and PET bottles—we are committed to reaching a minimum of 50% recycled content. Data on recycled content percentage is provided by suppliers and tracked on a regular basis. Packaging purchases are derived from AB InBev’s owned procurement system.

In the scope of our reported Sustainability Goals, both our beverage and vertical operations are included in addition to our Scope 3 emissions regarding information beyond our operations and that impact our supply chain with exception of the KPIs on energy and water usage and the KPI on Scope 1 and 2 emissions per hectoliter of production (in kg CO₂/hl), as the relative KPI regarding Scope 1 and 2 emissions also excludes vertical operations. For our beverage and vertical operations, including malting and packaging facilities, we use our VPO global management system. This data is reported annually to CDP. Specific data tables contain footnotes for additional data. Scope 3 emissions are estimated values based on a mix of own and third-party data and total percentage follows the Science Based Target initiative, where at least 66% of emissions are to be included in target scope. Approximately 50% of Scope 3 data is own data and data provided by suppliers via CDP. CDP data is used to calculate supplier-based emissions of raw and packaging materials used in the manufacturing of beer. A hybrid approach, that has been validated by the Science Based Target initiative and CDP is used, which entails a mix of own data, supplier data and market estimates. Scope 3 includes the following out of the 15 categories: Purchased Goods and Services, Upstream and Downstream Distribution, Use of Product (Product Cooling including on and off premise and excluding home cooling) and End of Life. Categories excluded include: Capital Goods, Waste generated in operations (more than 99% of waste generated is recycled), Business Travel, Employee Commuting, Upstream and Downstream leased assets, Processing of sold products, Franchises, Investments. These categories represent approximately less than 20% of total Scope 3 emissions.