

C0. Introduction

C0.1

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

Anheuser-Busch InBev is a publicly traded company (Euronext: ABL) based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). We are the world’s leading brewer and everything we do is driven by our dream of bringing people together for a better world. Beer, the original social network, has been bringing people together for thousands of years. We are a strong, diversified company with an unrivaled geographic footprint, portfolio of brands, talent pool, and clear commercial strategy, committed to building great brands that stand the test of time and to brewing the best beers using the finest natural ingredients. Our diverse portfolio of well over 500 beer brands includes global brands Budweiser®, Corona® and Stella Artois®; multi-country brands Beck’s®, Castle®, Castle Lite®, Hoegaarden® and Leffe®; and local champions such as Aguila®, Antarctica®, Bud Light®, Brahma®, Cass®, Chernigivske®, Cristal®, Harbin®, Jupiler®, Klinskoye®, Michelob Ultra®, Modelo Especial®, Quilmes®, Victoria®, Sedrin®, Sibirskaia Korona® and Skol®. Our brewing heritage dates back more than 600 years, spanning continents and generations. From our European roots at the Den Hoorn brewery in Leuven, Belgium; to the pioneering spirit of the Anheuser & Co. brewery in St. Louis, US; to the creation of the Castle Brewery in South Africa during the Johannesburg gold rush; to Bohemia, the first brewery in Brazil. We pride our geographical diversity and balanced exposure within developed and developing markets, leveraging the collective strengths of approximately 200,000 employees based in more than 50 countries worldwide. For 2020, AB InBev’s reported revenue was 46.9 billion US dollars (excluding joint ventures and associates).

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	No	<Not Applicable>

C0.3

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

Argentina
Belgium
Bolivia (Plurinational State of)
Botswana
Brazil
Canada
Chile
China
Colombia
Dominican Republic
Ecuador
El Salvador
Eswatini
Germany
Ghana
Guatemala
Honduras
India
Lesotho
Luxembourg
Mexico
Mozambique
Namibia
Netherlands
Nigeria
Panama
Paraguay
Peru
Republic of Korea
Russian Federation
South Africa
Spain
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Viet Nam
Zambia

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

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 emissions coming from our distribution activities, both upstream and downstream, which make up a portion of our Scope 3 emissions and would be recognized as 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

10-20%

Produced or sourced

Sourced

Please explain

Rice is one of the key agricultural commodities used in the production of many of the iconic brands at Anheuser-Busch InBev, including Budweiser, Bud Light, and Michelob ULTRA, among many others. Rice accounts for more than 40% of GHG emissions from agriculture; in the United States, we are working with partners and our farmers to trial and expand sustainable, emissions production practices for the crop. Approximately 10% of our revenue depends on rice. In order to estimate this share of revenue, we considered rice purchases in relation to total revenues coming from brands that utilized the commodity.

Agricultural commodity

Other, please specify (Barley)

% of revenue dependent on this agricultural commodity

60-80%

Produced or sourced

Sourced

Please explain

Barley is the most critical agricultural commodity used for brewing beer and AB InBev is the world's largest purchaser of malted barley. All iconic Anheuser-Busch InBev brands utilize barley in their recipes including brands such as Budweiser, Stella Artois, and Corona. We are committed to sourcing sustainable barley and we have a research center in Ft Collins, CO, in the United States dedicated to breeding varieties that will be resilient in the future. Approximately 70% of our revenue depends on barley. In order to estimate this share of revenue, we considered barley purchases in relation to total revenues coming from brands that utilized the commodity.

Agricultural commodity

Other, please specify (Maize)

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain

Maize is one of the key agricultural commodities used in the production of many of the iconic brands at Anheuser-Busch InBev, including Stella Artois and Corona, among many others. Approximately 15% of our revenue depends on maize. In order to estimate this share of revenue, we considered maize purchases in relation to total revenues coming from brands that utilized the commodity.

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 used in the production of specialty beers such as Hoegaarden. Less than 5% of our revenue depends on wheat. In order to estimate this share of revenue, we considered wheat purchases in relation to total revenues from brands that utilized the commodity.

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
Board-level committee	The Finance Committee (a Board-level committee of the Board of Directors) oversees legal and regulatory affairs as well as environmental and social responsibilities. In 2020 the Committee met four times. The Finance Committee is composed of non-executive Board members, with at least one member qualifying as an independent director. The Committee oversees and approves the company's Sustainability Goals and commitments, including those related to climate change. One of the Sustainability Goals overseen is the commitment to reduce ABI emissions by 25% across our value chain (Scopes 1, 2, and 3) as well as an absolute emissions reduction of 35% in Scopes 1 and 2 by 2025 considering a 2017 baseline. As climate is a top priority for the Committee, topics such as barley crop yield and implementation of our SmartBarley program across the world are discussed and approved during the Committee's meeting. In 2020, topics discussed specifically were risk along our supply chain, both from an agricultural standpoint to packaging materials. Another relevant topic discussed was physical risks such as water risk across the world, focusing on our high-risk watersheds and the work we do in those areas. In addition to these, transition risks such as emerging regulations and carbon taxation across the organization are also discussed during these committee meetings. These discussions resulted in the Board of Directors' decision to prioritize sustainability funding within the organization. In addition to this, we continued performing climate scenarios and predicting plausible crop yield loss in function of a Representative Concentration Pathway as per IPCC standards.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures 	<Not Applicable>	Sustainability topics are reviewed during all board meetings and regularly with the Sustainability Council. These topics include all climate-related issues and updates on progress towards 2025 Goals and yearly target progression such as reducing our emissions by 25% across our value chain and 35% on Scopes 1 and 2 by 2025. Other specific sustainability topics are included as major Board of Directors agenda items such as: achievement of targets for both environmental Sustainability and Smart Drinking; diversity and inclusion and how they are impacted by our Sustainability strategy; governance and board succession planning; and proposed strategic and significant plans to reach our sustainability goals are reviewed and approved. The board-level committee (Financial) monitors and oversees progress against company-wide goals and targets for addressing climate related issues. Monthly updates are given to the CEO by the CSO where climate-related topics are also discussed as part of the agenda.

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 Sustainability Officer (CSO)	<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).

While the Chief Procurement and Sustainability Officer has full accountability for Sustainability, the Sustainability Council has the highest level of direct responsibility for climate change within AB InBev and is comprised of the following C-Suite officers: Chief Sustainability and Procurement Officer (CSO), Chief Legal and Corporate Affairs Officer (CLO), Chief Supply Officer, Chief Marketing Officer (CMO), Chief Finance Officer, and Chief People Officer. These positions were chosen to oversee climate-related issues due to their leadership within operations that manage and interact with climate-related issues. The CSO is responsible for fully developing and overseeing the full AB InBev sustainability agenda as well as leading the Sustainability Council; reporting directly to Chief Executive Officer (CEO). In addition, the CSO oversees procurement operations, ensuring full engagement with our supply chain partners on sustainability initiatives throughout the value chain process. Through leading procurement operations, the CSO focuses on supplier partnerships targeted towards carbon footprint reductions across the supply chain. Working in collaboration with our suppliers is key in order to reduce emissions, such as working with suppliers to switch to alternative fuels at their sites, increasing recycled content, and assisting in piloting novel solutions that could reduce energy usage. Some recent examples of this includes the design of new packaging materials and implementing recycling partnerships in markets such as Brazil and Colombia. The CLO oversees company-wide policies, including those specifically targeted to address climate-related risks, such as transition risks, specifically current and emerging regulations in markets where we operate including the European Union, United Kingdom, South Africa, and China, among all others. The CLO is responsible and accountable for the AB InBev Smart Drinking and Road Safety and well as Product Labelling agenda, which is further overseen by the Council. The Chief Supply Officer oversees emission reduction programs for direct operations and indirect supply chain logistics. In addition, the Chief Supply Officer is responsible for developing and implementing climate-related innovations within the company, such as multi-step boiling and the design of a net-zero brewery. The Chief Supply Officer works with the CMO to innovate more sustainable products in line with consumer studies. The CMO works to bring consumer insights into innovation considerations while simultaneously working to sustainability market AB InBev products.

The Sustainability Council was created to guarantee execution of all sustainability matters including, but not limited to, considering how company compensation is structured and cascading sustainability targets from the highest level of the organization to all operating units. Sustainability priorities include the organization's work to establish a greenhouse gas strategy that includes setting emission reduction targets and measuring progress, as well as setting goals and measuring progress around water stewardship, smart agriculture, renewable energy, circular packaging, and other climate-related activities. The Council monitors and reports progress towards the AB InBev 2025 Sustainability Goals (SGs) at least twice a year to the full Board of Directors; in 2020 the Council met 6 times. Progress towards SGs is assessed through clear targets aligned with the 2025 SGs for each member that include key performance indicators (KPIs) related to achievements. Individual and Council-level progress is tracked through a comprehensive sustainability dashboard. Examples of SGs tracked include percent renewables utilized, and emission reductions within Scope 1, Scope 2, and Scope 3 emissions. Individual annual performance reviews are tied to these SGs which directly affects compensation.

Through the company's Corporate Governance Charter, sustainability is a foundation of the company's operations. The Governance Charter states that "AB InBev's ambition is to become the Best Beer Company, Bringing People Together for a Better World. In pursuing this dream, the company strives to strike a balance between generating great business results and managing its environmental and social responsibilities."

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	Management levels throughout the company are incentivized through both monetary and non-monetary methods to reach goals identified for relevant climate-related issues. Compensation goes from C-level to management. More detail about the various positions 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 incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Efficiency target Supply chain engagement	The corporate executive team oversees our 2025 Sustainability Goals. Progress is tracked through a comprehensive sustainability goal dashboard. The sustainability goal dashboard includes our 2025 sustainability goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program. The corporate executive team oversees strategic planning at the highest levels of the organization and cascades initiatives throughout the organization to beverage and vertically integrated facilities. Target progress is shared throughout the organization and linked to a variable executive compensation structure to ensure accountability for achievement and best-practice sharing.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Efficiency target Supply chain engagement	The CSO is a member of the corporate executive team, which is upheld to overseeing the 2025 Sustainability Goals. Progress is tracked through a comprehensive sustainability goal dashboard. The sustainability goal dashboard includes our 2025 Sustainability Goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program. The CSO oversees the strategic planning of the Sustainability Council and carries this target (or KPI) and is directly accountable for achievement of dashboard KPIs. Target progress is shared throughout the organization and directly linked to a variable executive compensation structure to ensure accountability for achievement and best-practice sharing.
Board/Executive board	Monetary reward	Emissions reduction target Efficiency target Supply chain engagement	The Executive Board oversees public climate-related sustainability disclosures and the progress of several 2025 sustainability goals. The goals overseen entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program.
Business unit manager	Monetary reward	Emissions reduction target Efficiency target Supply chain engagement	Business Unit Managers oversee site/facility level implementation of corporate sustainability initiatives to advance the 2025 Sustainability Goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program. These are part of 2 other targets that these employees carry throughout the year. Targets are directly tied to their compensation model.
Environment/Sustainability manager	Monetary reward	Emissions reduction target Efficiency target Supply chain engagement	Sustainability managers oversee implementation of sustainability initiatives in each of the 6 zones of the world in which we operate. Sustainability managers are responsible for zone sustainability dashboards that include our 2025 Sustainability Goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program. The dashboard is directly linked to employees' variable compensation structure. These dashboards add up to the global dashboard overseen by the CSO.
Other, please specify (Top performing facilities)	Non-monetary reward	Emissions reduction target	AB InBev rewards top performing facilities that contribute exceptional efforts towards meeting their energy and greenhouse gas targets as well as other climate-related targets. Recognition for accomplishments relating to energy and greenhouse gas emissions strategies and targets includes acknowledgement in public reports, opportunities to present results and approaches related to energy and greenhouse gas emissions at meetings and conferences, recognition of facilities as a benchmark, and opportunities to share best practices related to energy and greenhouse gas emissions across the organization.
Energy manager	Monetary reward	Energy reduction target	Energy managers oversee site/facility-level implementation of corporate sustainability initiatives. Site/facility-level targets include: Total energy purchased per hectoliter and GHG emissions target across the value chain. These are part of 2 other targets that these employees carry throughout the year. Targets are directly tied to these managers' compensation model.
Facilities manager	Monetary reward	Energy reduction target	Facilities managers oversee site/facility-level implementation of corporate sustainability initiatives. Site/facility-level targets include: Total energy purchased per hectoliter, GHG emissions target, Water use target, and Watershed protection target. Incentives are tied to site/facility-level progress in addition to individual manager roles and responsibilities and directly tied to their compensation model.
Other, please specify (Employees)	Monetary reward	Energy reduction target	In some regions in which we operate, site/facility employees are eligible to receive monetary rewards for achieving performance targets that include energy and greenhouse gas emissions targets as well as other climate-related targets. These incentives are directly tied to individual employee roles and responsibilities.
Other, please specify (Various groups and individual employees)	Monetary reward	Energy reduction target	Various roles and individual employee assignments are responsible for goals that can directly impact energy reduction performance. As an example, barley experts are rewarded for the agricultural development goal, and packaging experts for the packaging reduction goal. Responsibility for these role-related goals is cascaded throughout the organization. This approach reflects a level of functional integration that we believe will yield long-lasting results.
Chief Financial Officer (CFO)	Monetary reward	Company performance against a climate-related sustainability index	The CFO is a member of the corporate executive team, which is upheld to overseeing the 2025 Sustainability Goals. The goals overseen entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), and % of recycled content in primary packaging.

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	Time horizon based on ABI-specific profile of climate-related risks for the sectors and geographies in which we operate. 1-year plans are developed and executed every year. These plans are in line with our medium- and long-term strategies although these are reevaluated to address current and immediate business needs.
Medium-term	1	3	Time horizon based on ABI-specific profile of climate-related risks for the sectors and geographies in which we operate.
Long-term	3	10	Time horizon based on ABI-specific profile of climate-related risks for the sectors and geographies in which we operate.

C2.1b

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

The substantive financial or strategic impacts of climate-related risks and opportunities are identified using climate scenarios and measuring impacts across our value chain in a matrix that considers 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.

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% for a facility and/or supply chain (commodities). Net financial impact varies across our direct operations as it is directly correlated to the net revenue of a specific facility. For supply chain risk, this impact is measured as 3% of the overall net revenue dependent on a specific commodity. For example, in the case of barley, this is approximately equivalent to 1 million dollars in impact. This exercise is executed by the Sustainability Team, which is led by the VP of Sustainability, and presented on an annual basis to both the Sustainability Council and Risk Management team.

In addition to this quantifiable financial impact indicator, we leverage our key performance indicators for our company and beverage supply chain to measure substantive change in various climate-related metrics to manage and reduce the likelihood of negative impacts from climate change. Our goals are defined to facilitate measurement of substantive change for our company. The indicators are:

1. By 2025 – Source 100% of our purchased electricity from renewable sources and reduce our carbon emissions by 25% across our value chain. By the end of 2020, we reached 71% of our 100% renewable purchased electricity goal and had reduced our Scope 1 and 2 emissions by 24% in absolute value and 24% in intensity (kgCO2e/hl) from our 2017 baseline.
2. By 2025 - The company has published a public goal to measurably improve water availability and quality in high-risk watersheds in which we operate. For each high-risk watershed, specific targets and goals are set based on relevant local water risks and priority action areas.

Finally, facility-level goals are developed in alignment with corporate indicators. Goals drive our performance, and the collaborative process we use to set these goals helps ensure success. All levels of our organization are aligned on this approach and are intensely focused on achieving set goals. AB InBev defines a substantive change as a risk that has a net financial impact of no less than 3% of the overall EBITDA of the facility. Once identified, these financial risks are fed into the broader, group-wide risk assessment reporting system. Most material risks will be addressed by adequate mitigation actions for which appropriate CAPEX and OPEX may be required. This definition of substantive change is applied to both our direct operations and to our supply chain.

C2.2

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

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

At AB InBev we have developed a process using an internal risk assessment matrix to determine which risks and/or opportunities could have a substantive financial or strategic impact, e.g. a net financial impact of 3% or more for a facility and/or supply chain for our commodities. This matrix identifies low, medium and high-risk issues associated with each specific climate scenario's level of uncertainty. More than 80% 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 availability of brewing inputs. When the Sustainability Team identifies significant risks, it presents them to the Sustainability Council for input and develops mitigation plans. For scenario risk assessment, we use IPCC Representative Concentration Pathways (RCP) to identify climate-related risks. Historical and future climate data according to each scenario help us assess the potential risk of lower crop yields. In addition to this, we model climate-related scenarios to understand potential supply chain risks for specific packaging materials. For example, aluminum and glass supply are dependent on the possible supply and demand models linked to IPCC climate scenarios. The results of these analyses are included in the 1-year, 3-year, and 10-year plans for commodities and identify plausible scenarios and associated impacts. To mitigate potential negative impacts, we work alongside our suppliers in order to reduce the environmental impact of packaging and raw material inputs. A case study of how the described process is applied to Physical risks is that we analyze weather patterns via data analytics to understand future risks in our agricultural supply chain. For barley, we pair agronomic data from SmartBarley with historical and predicted weather data from NASA to forecast crop productivity potential and variability scenarios across sourcing regions. The Sustainability team uses the results of this analysis alongside those from the RCP assessment to inform sourcing decisions. In India, these results have helped us refine our current sourcing within the states of Haryana and Rajasthan; in Mexico, these results are helping us identify future sourcing regions in response to growing climate risks. A case study of how the described process is applied to Transitional risks would be that twice a year, we assess the risk of current and emerging legislation and the facilities that may be impacted by such legislation. We have identified emerging climate-related legislation related to transitional risks in new legislation in Mexico that will place a tax on carbon emissions. This legislation could potentially impact four of our facilities in the country. Mitigation plans are

currently in place to prepare impacted facilities; plans include switching fuels to less carbon-emitting fuels and accelerating the design of both net zero breweries and glass facilities at a local level.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Our downstream risks are defined as those associated with distribution, product cooling, and end of life, activities that comprise close to 30% of total GHG emissions. We manage distribution and cooling risks through our policy and technology processes. To mitigate identified risks, we work with our distribution partners across the world. For example, we continue to implement our green logistics program that constantly evaluates GHG emissions from the distribution supply chain, including all modes of transportation utilized. This is included in our executive risk assessment process via monthly analysis through our Green Logistics platform, where we assess the distance traveled, the type of vehicles used, and type of fuel used. We compare this to the previous year on a 3-month rolling basis to compare efficiency and impact on GHG emissions. Specifically, logistics accounts for approximately 9% of our total GHG emissions. An example of a case study is that in 2020, we built upon our efforts to develop greener logistics in China. We started working on green logistics in China in 2014, and in 2019 we achieved 62% use of electric forklifts at distribution warehouses in the country and piloted hydrogen-fueled trucks in partnership with FoQi. Following that, in 2020, we deployed more than 200 vehicles using alternative energy, such as liquefied natural gas, electric and four newly deployed hydrogen trucks. These initiatives, among others, will continue to be tested going forward, and we estimate they will reduce our emissions coming from logistics in China by 11% in 2021 compared to 2018.

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

Our direct operations risks are defined as those associated with all our breweries and verticalized operations across the world, including glass, can, malt, and crown cap manufacturing. Facilities are included in our climate-related risk assessment, including physical risk (both acute and chronic such as water scarcity, sea level rise, and flood risk) and transitional risk (technology, policy, and legal). AB InBev committed to a target in line with a 1.5-degree trajectory reduction through the Science Based Target initiative and we continue to look for ways to mitigate the negative impacts of climate change. We recognize the evolving impact of climate change and the resulting effect on our reduction commitment; therefore, we updated our Science Based Target. The change was approved in December 2019 and this target now states a reduction by 35% in absolute emissions on Scopes 1 and 2 by 2025 from a 2017 baseline. In 2020, we completed contracting of more than 70% of our purchased electricity from renewable sources, which will represent a more than 10% absolute reduction by 2025 vs 2017 baseline.

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	AB InBev constantly evaluates current regulation linked to climate-related risks using TCFD recommendations. We work closely with our legal advisors in every country in which we operate in order to evaluate current regulation and subsequent risks and opportunities to our operations. Based on this evaluation, we make strategic decisions on investments and plans to address current regulatory risks. An example of a regulatory risk is carbon taxation in EU countries, where current regulation impacts 5 of our facilities. To address this risk, we are accelerating our decarbonization of these facilities. We identified additional facilities that could potentially be included in the expansion of the EU ETS and the Green New Deal, and part of the mitigation plan includes accelerating our decarbonization of these facilities, potential new facilities that could be impacted, and finally all facilities across the pan-European countries. In total we have identified more than 6 million USD of carbon tax saved in logistics through implementing distance reduction projects across the world. We assess risks and opportunities related to current regulations across the business.
Emerging regulation	Relevant, always included	We regularly evaluate emerging regulation in every country in which we operate using TCFD recommendations to inform our strategic decisions on investments and plans. Emerging regulation is a transitional risk that may impact our direct operations and costs of materials (such as packaging materials) and logistics. Emerging regulation is evaluated based on possible future scenarios such as the current policies scenario and sustainable development scenario from IEA in the World Energy Outlook 2019. An example of an emerging regulation risk is we identified additional facilities within the EU that could potentially be included in the expansion of the EU ETS; part of the mitigation plan now includes accelerating our decarbonization of these facilities. We have also identified possible impacts in Mexico that were implemented in 2020. This emerging trading scheme could potentially impact at least 3 of our current facilities in the Middle Americas Zone.
Technology	Relevant, always included	When making strategic decisions based on our short- and medium-term strategy we include technology in our risk assessment. An example of a technology risk is that as a company we face the risk of additional implied costs related to obsolete technology which could result in increased taxes on fossil-fuel based technologies. In order to address this risk, we continuously work to pilot and implement innovative solutions that are lower carbon or carbon-free. In the development of new products, we consider technologies that mitigate the use of energy and water overall and conduct LCAs to assess the carbon footprint of new products being developed. Additionally, we use our 100+ Accelerator to identify start-ups across the world that have developed unique technologies that can be scaled and implemented across our operations. One of the 100+ Accelerator startups, Green Mining, expanded its operations this year by using reverse logistics technology to collect and recycle glass in Brazil. Since 2018, Green Mining has collected and recycled over 1,000 tons of glass and preventing the generation of 180 metric tons of carbon. In March, Green Mining partnered with the supermarket Pão de Açúcar to create glass waste drop-offs at stores, another successful initiative that has already expanded. The development of new technologies mitigates our risk of future possible scenarios evaluated through our risk assessment process.
Legal	Relevant, always included	Legal risks are always evaluated before making any climate-related decisions. An example of a legal risk is that Transition risks due to legal issues can impact our supply chain by increasing the cost of inputs such as packaging materials; regulation such as the EU ETS can directly impact our operations as regards enforcing efficiency and accelerated decarbonization strategies; risks associated with fuel transition which would impact the cost of moving our finished products. An example of how we currently address legal risk is the switch from coal to natural gas in China and initiatives addressing carbon tax implemented in several countries over the last few years. Another example is how we have reduced our energy usage per hl across the world, which has contributed to an emission reduction across Scopes 1 and 2 by 24% since 2017. Legal risk is included in climate-related risk assessments through continuous assessments as projects emerge throughout the year. Legalities are assessed by the innovation group and also by the supply team, more specifically energy and environment teams across the world. As a global company, we are impacted by these regulations all over the world.
Market	Relevant, always included	Market trends are the basis of our business and our main client is the consumer. We evaluate market trends for strategic planning within sustainability. Market risks are included in our risk assessment processes by following market trends to help us predict what future behaviors will be and how the market will evolve. An example of market risk includes not keeping up with current market trends on how packaging is used to communicate certain information to customers who are demanding more purpose-driven products. Failing to effectively communicate with our customers could result in a decrease in market share. Our review process on market trends in packaging is done once a year during the 3- and 10-year planning sessions. As packaging volume is predicted, so is the impact on the environment as type of packaging affects overall carbon footprint. In addition to this, consumer preference towards purpose-driven products is evaluated. An example of this is how we included our RE100 initiative into our packaging, communicating to consumers that Budweiser is brewed with 100% renewable electricity as each market reaches the commitment. Another example is Michelob ULTRA Pure Gold in the United States. In February 2020, Michelob ULTRA Pure Gold committed to transform 6 square feet of conventional farmland into organic farmland for every 6-pack sold.
Reputation	Relevant, always included	Our reputation is key for the future success of our business as it directly impacts our brand value. Strategic decisions always include a reputational risk assessment. Reputational risk is included in climate-related risk assessments through an assessment performed on a continuous basis and is included in our innovation design template. When a new product is developed, the impact on corporate reputation is taken into account. For example, ZX Ventures is our global growth and innovation group whose mandate is to invest in and develop new products and businesses that address emerging consumer needs. We seed, launch, and even scale new products that deliver innovative products. An example of a reputational risk is that if consumers feel that we are not taking action to address climate change, there may be less demand for our products. A real-world example of how we are responding to this risk is our implementation of an internal fiber policy. Through the fiber policy, we addressed the subject of deforestation, committing to eliminate deforestation from our direct supply chain as early as 2025.
Acute physical	Relevant, always included	We assess physical risks that are event-driven. Acute physical risk is included in climate-related risk assessments through evaluating the risk at facilities. Although the probability and frequency of severe weather events is difficult to predict, an example of an acute physical risk is that we have identified sites where weather, such as drought, can affect water availability in the short and long term. We work with teams across our zones to mitigate this risk. Although the probability of extreme weather events is difficult to predict, the impact of such events affecting our facilities is estimated to be more than 10 Mio on average.
Chronic physical	Relevant, always included	We assess the risks associated with longer-term shifts in climate patterns. Chronic physical risk is included in climate-related risk assessments through evaluating the risk of facilities, both when making the decision to build a greenfield and when evaluating the risk of long-term climate related disasters, especially on water-stressed areas. An example of a chronic physical risk is that water scarcity due to climate change could impact our operations more significantly every year. Through our water risk tool, we are able to assess current water-stressed areas and through scenario modeling, we are able to predict that over 50 facilities will be in highly water-stressed areas within the next 10 years.

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

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The ETS review process will begin in early 2022, once the European Climate Law setting 2050 carbon neutrality in law has been adopted in autumn or winter 2021. After

passing 2050 carbon neutrality, the EU will increase the 2030 emission reduction targets from the current 40% (compared to 1990) to 50% or 55% reduction to define the pathway to carbon neutrality by 2050. The current ETS system has been calibrated to deliver 40% reduction by 2030 and needs to be readjusted. We expect that new sector(s) will be included in the ETS, most importantly for us the maritime transport sector. This will certainly increase maritime transport costs. There are talks about including the wider transport sector but that most likely will not be the case but instead the fuel tax for transport will be increased to facilitate decarbonization of transport, which will likely increase transport costs for us. Currently we have 5 breweries in the ETS system and need to buy emission allocations to cover their emissions. At the moment, the allocations are trading at about 25 euros per allocation and we spent about USD 1.5 Mio in 2019 and 2020 BU was just under USD 2 Mio. We can expect this to increase quite considerably by 2030 due to recalibration to make sure the ETS is aligned with the increased 2030 targets. Another emerging regulation risk identified is in Mexico where the new environment trading scheme was expected to be implemented starting 2020. This new regulation, which includes the food and beverage sector, will allow sites to emit up to 100,000 tons CO₂e. This new scheme can potentially impact the 3 facilities in the country including our largest brewery in the world. The expected financial impact is unknown until the trading price of the allowance is published.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

30471141

Explanation of financial impact figure

In Europe, if we are not compliant with Phase I of the ETS there is a penalty of 100 Euro per ton CO₂e (subject to inflation) should we not be able to report facility emissions by the regulatory deadline. Currently, we have 5 facilities under the EU ETS. With the Green New Deal, the risk of having more facilities under the scheme exists. In 2020, our facilities in the EU emitted 304,711.41 tons of CO₂e. The size of the risk is still unknown, however at the maximum end of the risk, should the penalty be applied to the entirety of our EU CO₂e emissions (2020), it could be as large as \$30,471,141.

Cost of response to risk

2500000

Description of response and explanation of cost calculation

We actively manage our participation in the EU ETS program and ensure compliance with our regulatory obligations. As a case study example, the company currently has identified five facilities in Europe that are part of the EU ETS (Situation). Our Zone Brewery Support group for Europe is responsible for managing our participation in this program (Task). We will continue our strategy to reduce emissions through energy efficiency and purchase allowances as opportunity and need arise (Action), as we have a potential gap of approximately 245,000 allowances through the end of 2020. The figure for the cost of managing the risk was calculated based on whether we are able to carry emissions rights from Phase II to Phase III, and we have conservatively placed the cost of the management to be the mid-point of the 1.3 to 3.7 million euros cost we may incur in response to this risk. We have implemented energy efficiency projects in a number of our facilities in response to this risk (Result).

Comment

Identifier

Risk 2

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
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AB InBev is exposed to fuel and energy taxes on energy purchased by the company as well as within its supply chain. Potential risks associated with increases in these types of taxes include higher direct operational costs and supply chain costs that are passed on to the company. The production and distribution of our products requires significant amounts of energy, including the consumption of oil-based products, natural gas, biomass, coal and electricity. In the case of AB InBev, Scope 3 emissions represent the highest percentage of total emissions and we focus on working with our suppliers to mitigate risk as it can be reflected in supply prices. In addition to that we identify the risk on our thermal and electric energy separately and focus on specific projects including PPAs and renewable energy to reduce emissions globally, such as our partnership with Enel Green Power's Thunder Ranch in Oklahoma, US.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

10000000

Explanation of financial impact figure

Our annual energy costs are close to 1 billion USD. Hypothetically, as an example of the financial implications of increased energy costs associated with energy taxes or regulation, a one percent increase would add approximately 10 million USD to our cost of energy (0.01*1,000,000,000=10,000,000).

Cost of response to risk

10000000

Description of response and explanation of cost calculation

We reduce our risk exposure to fuel/energy taxes and regulation as much as possible by working to lower our energy use. The method we use to manage this risk long term is to take a comprehensive approach to reducing both costs and emissions by improving efficiency, switching to lower emission and more cost-effective fuels, using renewables when feasible, and participating in carbon markets when doing so aligns with business goals. Our cost of management was calculated by assessing the approximate amount dedicated to these projects out of total capital expenditures in 2020 (10,000,000 USD = 2020 efficiency improvements + 2020 lower emission fuels and renewables + 2020 carbon market purchases). As a case study example, we have ambitious goals to reduce our risk through our commitment to brew with 100% renewable electricity by 2025 (Situation). We have set our facilities on the road to achieve this goal (Task). When they have achieved the goal, they are adorned with a renewable energy symbol. The symbol was launched in the US and Chile and will be rolled out in other markets around the world by 2025 (Action). Every day, approximately 41 million Budweisers are sold globally. Transitioning to 100% renewable energy during brewing translates into the equivalent of taking more than 50,000 cars off the road per year for the brand. The results have been positive to date, showing 60% completion (Result). In addition, we set a science based target to reduce our greenhouse gas emissions by 25% per beverage across our supply chain by 2025, considering a 2017 baseline.

Comment

Identifier

Risk 3

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
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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. For example, if we did not address potential reputational risk by creating awareness for our low-carbon products, such as the fact that Budweiser is brewed with renewable electricity, there could be negative changes in consumer purchasing behavior.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

469000000

Explanation of financial impact figure

The financial implications on reputation for not taking climate-related actions are difficult to quantify. However, inaction could affect our brand value negatively should it result in a decline in our products sold. To provide a perspective on the financial implications, in 2020, our portfolio of more than 500 beers included seven of the top 10 global beer brands and 19 brands that generated more than 1 billion USD in retail sales per year. Just a 1% decrease in revenue from negative brand value would result in a loss of 469 million USD based on 2020 revenues of 46.9 billion. In addition, we have identified that consumers prefer products that have a purpose and leave a positive impact in the world as well as promote transparency. This trend, although hard to measure, has increased over the past 5 years, and actions towards sustainable solutions need to be put in place to meet consumer demands.

Cost of response to risk

94000000

Description of response and explanation of cost calculation

The methods we use to reduce reputational risk include ensuring that the appropriate internal policies, accountability measures, and environmental management systems

continue to support these measures, guiding our behavior and performance throughout the company. The systems in place that address this are our '10 Principles' that embody our company's culture and our internal (VPO) data management system. The company ensures that its efforts surrounding climate change are clearly and accurately communicated through our annual report and marketing. The company monitors the attitudes in the marketplace through social media, focus groups and other mechanisms. VPO is a formal data management system that is used from top management through operational levels, for areas such as environment, maintenance, quality, people, health and safety, and logistics. Costs associated with taking action to reduce reputation risk are difficult to estimate for the organization. The figure for the cost of managing the risk was calculated by summing the investments we have made in management systems, outreach and communication efforts, water, and energy projects in 2020 which total approximately 94 million USD. As a case study example, we have used our stakeholder engagement to help improve our supply chain relationships (Situation). We set a goal that 100% of our direct farmers will be skilled, connected and financially empowered by 2025 (Task). We are engaging with our direct farmers in countries in which we have Agricultural Development programs (Action). As a result, our more than 20,000 direct farmers across 13 countries are becoming empowered to ensure full transparency and success of farmers in our direct supply chain (Result).

Comment

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

Beverage manufacturing and distribution is an energy-intensive business, with annual energy costs reaching close to 1 billion USD. For that reason, energy conservation and emission reduction are areas of strategic focus. Our comprehensive approach to managing this critical resource curtails greenhouse gases, mitigates our business risks, and ultimately, enhances our cost effectiveness and competitiveness. To help achieve this, we have adopted disruptive brewing technologies that help reduce emissions significantly. The COVID-19 pandemic brought about significant challenges. In regions most affected, our brewery teams reduced the baseload energy usage of our plants. From these learnings we have been able to reduce our fixed energy usage by an estimated 40% in regions most impacted by COVID-19. In addition to this, we increase our efforts to implement low-carbon and net zero initiatives through R&D. We are currently testing different technologies in 6 facilities across the world, 1 in each zone. The potential of reducing Scope 1 emissions through the implementation of these technologies is up to 3 million tons CO2e and close to 1 million euros in ETS allowances.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

50000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Our current energy costs are more than 1 billion USD per year. Improving energy efficiency can therefore yield significant savings. In 2020 our purchased energy has resulted in a reduction of 10.4% kgCO2 e/hl vs our 2017 baseline of total scope 1, 2 and 3 emissions. Furthermore, we have reduced our Scope 1 and 2 emissions by 24% in absolute value and 24% in intensity (kgCO2 e/hl) vs our 2017 baseline. Through a rigorous process, we measure results and share best practices internally. In 2020, the value captured was approximately 50 million USD in decreased energy costs (sum of company-wide savings) as a result of our implemented energy efficiency projects.

Cost to realize opportunity

15000000

Strategy to realize opportunity and explanation of cost calculation

We continue working on improving our energy efficiency. As a case study example, we measure and share best practices through an internal formal process, benchmarking the 6 zones of the business to understand where opportunities lie (Situation). Through the process, we are able to quantify the size of the opportunity and return on investment for each initiative. The initiatives, which add up to hundreds of individual activities, are tracked and monitored throughout the 3 following years (Task). These include fuel switch from coal to natural gas (China) and implementation of Simmer and Strip Technology (34 facilities across the world) (Action). As a result, in 2020

we implemented innovative solutions such as reducing our base load by 40% on our breweries worldwide (Result). This was the result of a best practice developed in China and scaled throughout the world. The figure for the cost to realize the opportunity was calculated based on the sum of implementing all of our current energy efficiency projects including capital expenditures (or investments) and operational costs. These projects add up to a total of approximately 15 million USD. These projects include energy efficiency projects to reduce energy per hectoliter produced, projects related to fuel switch on our breweries, and implementation of innovative ways of brewing (an example includes our Simmer and Strip technology which continues to be implemented across the globe). Our work to reach our sustainability goals also extends to our brands. This year Budweiser served as a representative at the World Economic Forum Annual Meeting in Davos, covering how the private sector can positively impact our climate emergency. Budweiser has been an ambassador of renewable energy, producing nearly 7 billion bottles of beer with the 100% renewable energy symbol this year. By placing the RE 100 logo on each bottle, Budweiser aims to champion products that are produced in a more sustainable way and give consumers the power to choose lower-carbon products.

Comment

Identifier

Opp2

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

Increased value of fixed assets

Company-specific description

ABI depends on a reliable, quality supply of agricultural crops to create its products – the company employs crop research and development teams, agronomy teams, and agriculture technology to manage raw materials costs and ensure this supply as climate stressors intensify and extreme weather events become more frequent. Across ABI's sourcing regions, research and development teams work to develop higher yielding, higher quality brewing crop varieties that are also resource efficient, disease resistant, and resilient to climate stressors such as drought. Research and development teams also develop crop management protocols tailored to crop varieties and ABI sourcing regions that teams of agronomists use to advise farmers. For barley in particular, farmers share data on their crop production practices and outcomes through ABI's SmartBarley program – this fuels analytics and insights including performance benchmarking, that agronomists use to advise farmers to make better crop management decisions from season to season. For example, agronomists leverage barley sowing, fertilizer application, and harvest data from SmartBarley to recommend and scale management practices that optimize yield, quality, and sustainability outcomes for each variety and sourcing region. In addition, ABI pairs farmer data with historical and predicted weather data from NASA to forecast crop productivity and variability scenarios across sourcing regions, helping ABI anticipate and respond to climate risks to barley production.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

469000000

Explanation of financial impact figure

After water, barley is the primary ingredient in beer and our key agricultural focus. We also source hops, rice and maize as well as local crops such as sorghum and cassava in Africa and Brazil and continually assess possible financial risks. Action to secure access to high quality agricultural inputs at a competitive price is essential to the success of our business. The financial implications are difficult to quantify; however, improvements in the volume and quality of the barley produced by the farmers could affect revenues. For example, just a 1% increase in revenue of 46.9 billion USD would result in a gain of 469 million USD based on 2020 revenues.

Cost to realize opportunity

2000000

Strategy to realize opportunity and explanation of cost calculation

Our management methods of our agricultural commodities are comprehensive. We are an active participant in the UN Environmental Programme, the Beverage Industry Environmental Roundtable, and the UN CEO Water Mandate (steering committee). For the past seven years we have organized a technical advisory group of outside experts to focus on barley water management and watershed protection. The cost to realize the opportunity was calculated based on the sum cost of our investment in our SmartBarley program in support of sustainable, resilient crop production, which is approximately 2 million USD. Program costs have included database development, mobile application development and updates, API integrations, and reporting and visualization tools for agronomic data. Since its inception, SmartBarley has impacted and engaged 20,000 farmers; our continuous efforts to improve the program support our engagement with the nearly 17,000 barley farmers with whom we partner each year. As a case example, in 2020, we expanded SmartBarley to include real-time weather data and remote sensing satellite imagery for our farmers' fields by integrating technology from agriculture technology leader Senterra (Situation). Our agronomists began using the technology to identify and share tailored insights and recommendations during critical crop growing seasons (Task). Our agronomists were able to detect and address specific disease, moisture, and nutrient issues both remotely and more quickly (Action). Through SmartBarley, our agronomists were better equipped than ever to advise farmers on sustainable practices, even as the pandemic inhibited face-to-face interactions (Result).

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

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 have the opportunity to positively impact our competitiveness by maintaining our reputation as a good corporate citizen. We have identified a shift in packaging preferences and market maturity in the beer industry from one-way packaging to returnable (and recyclable) packaging. We are utilizing partnerships and innovation to reduce the carbon emissions in our packaging, currently the largest contributor of emissions by sector in our value chain compared to all other segments within the operational boundary and Scope 3 categories in scope. This year we formed a partnership with Rio Tinto to deliver a new standard of sustainable aluminum cans in the US. The low-carbon aluminum is produced with renewable hydropower, offering a potential reduction in carbon emissions of more than 30% per can compared to similar cans produced using traditional manufacturing techniques. The first pilot is expected to go live in 2021 with a Michelob ULTRA low carbon can. The partnership will also utilize outcomes from the development of ELYSIS, a disruptive low carbon aluminum smelting technology.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

10000000

Explanation of financial impact figure

The financial implications on reputation as a benefit of addressing climate change are difficult to quantify. Consumer attitude and attention towards the issue of climate change and the environment in general can create opportunities for companies that are aligned to address those concerns. While it is difficult to quantify, this may be reflected in increased sales as consumers make alternative choices that are more aligned with their concerns and values. We have many areas of opportunity from a consumer perspective. To provide a perspective of the financial implications, our portfolio of more than 500 beers includes seven of the top 10 global beer brands and 18 brands that generate more than 1 billion USD in retail sales per year. An increase in reputation amongst consumers leading to just a 1% increase in sales from one of the 18 worldwide brands that generated more than 1 billion USD in sales last year would be equivalent to \$10 million USD. This assumption was utilized to calculate an increase in revenue due to brand reputation.

Cost to realize opportunity

6000000

Strategy to realize opportunity and explanation of cost calculation

Costs associated with taking action to maintain our reputation as a leading corporate citizen are difficult to estimate in total. A case study example of our reputational efforts is our support of Water.org through our brand Stella Artois (Situation). Today, 750 million people around the world lack access to clean water, something that we wanted to address (Task). In response, Stella Artois developed the 'Buy a Lady a Drink' campaign (Action). As a result of this campaign, we have donated to Water.org to help provide clean water to more than 1 million people in the developing world annually (Result). The approximate investment as a sum of data collection efforts, outreach and communication efforts, and research conducted to ensure we effectively consider the attitudes of key stakeholders and consumers is 6 million USD which is considered the total number reported. The addition of all initiatives is the investment realized for each individual initiative in the specific year (2020 in this case).

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

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	Yes	Sustainability is central to our business and discussed in all General Meetings that take place as is our transition to a low-carbon business. Our Science Based Target, which is championed by several of our brands (through renewables with Budweiser and low carbon packaging with Michelob Ultra), is part of the strategy of the business and presented to key stakeholders in these meetings.

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	Scenario analysis was identified to inform ABI's GHG reduction targets, which have been developed in conjunction with the Science Based Targets initiative (SBTi). In December 2017, we signed the commitment to set a Science Based Target, with an understanding of the need for the entire AB InBev organization to work towards contributing their fair share to achieve a 2DS by 2050; a time horizon of approximately 30 years. This time horizon is relevant to AB InBev as it aligns with the UN Global Compact. We used an analytical method, called the Sectoral Decarbonization Approach (SDA), which was developed by CDP, WRI, and the WWF. The SDA employs scenario analysis to determine a carbon budget based on a company's relative contribution to the economy, using a least-cost, below 1.5° C modelled 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 time frame, and informed our overall GHG strategy as part of ABI's 2025 sustainability goals with a time horizon of approximately 8 years. The areas of our organization that have been considered as part of the scenario analysis include direct, indirect, and supply chain operations across our global organization to reinforce AB InBev's commitment towards mitigating the impacts of climate change. 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. An example of how the results of the scenario analysis have directly influenced our strategy is through our Power Purchase Agreements (PPA) in place in both Mexico and the United States, where our agreement with Enel Green Power has resulted in the construction of the Thunder Ranch Wind Farm in Oklahoma. Our scenario analysis is in-line with our 1.5-degree pathway which has informed a company-wide strategy. We considered this result the most robust target possible and it also helps guide long-term strategy and reduction beyond 2025. Specifically, the way in which the results of our scenario analysis have directly influenced our business objectives and strategy is that we have adapted our climate strategy to further engage members of our value chain where close to 87% of our emissions lie. 2020 marked the second year of supplier collaboration through our Eclipse platform, which convenes our supply chain partners to address shared sustainability issues. In November, we held a second annual summit in the US and launched Eclipse Activate to further collaborate with North America suppliers on reducing greenhouse gas (GHG) emissions. To kickstart supply chain collaboration in Brazil, we hosted a virtual event that was recognized by the Brazil Chapter of the UN Global Compact. In addition, we were able to stay close to our suppliers throughout the pandemic through a series of webinars in which we covered topics such as renewables and Scope 3 accounting. We have also invited external experts to share their knowledge. These webinars are now live on the platform and available for public viewing, providing educational tools to our broader community of partners. The platform was recognized by RE100, the global initiative bringing together the world's most influential businesses committed to 100% renewable electricity, as being a finalist for the 2020 RE100 Awards for "Best Green Catalyst."
RCP 8.5	In order to measure potential risk due to climate change and following TCFD recommendations, we modelled transition and physical risks using the IPCC RCP pathways. RCP 8.5 which suggests a business-as-usual pathway, with a temperature increase of approximately 4.3C, shows a future scenario of the risks our organization would face in a business-as-usual scenario. Although regulation risks are lower in this scenario, market risks, especially those regarding commodities within the supply chain are significant. In the particular case for AB InBev, risks associated to transition risks in market are related to yield decreases and volatility for crops such as barley, wheat, rice, and maize, among others. As an example, in our supply chain, we pair agronomic data for barley from SmartBarley with historical and predicted weather data from NASA to forecast barley yield potential and variability scenarios across sourcing regions over the next decades. We use the results of this analysis alongside those from the RCP assessment to understand risks and opportunities and, subsequently, guide our sourcing decisions. The analysis indicates a promising, positive yield outlook for some current, key barley sourcing regions, including those in the United States and Argentina, but yield risks in other sourcing regions. The analysis also helps us identify and assess opportunities for future barley sourcing regions where growing, stable yields are expected. In India, these results have helped us refine our current sourcing within the states of Haryana and Rajasthan; in Mexico, these results are helping us identify future sourcing regions in response to growing climate risks. The model is updated annually; we therefore assess and monitor the forecast annually. Another physical risk we monitor is water; regardless of the target pathway, we observe this physical risk over the next 10 years. In our case, a business-as-usual scenario increases physical risk due to water scarcity at more than 50 facilities across the world based on the location of each of our facilities globally. Some specific examples related to physical risks include risks related to extreme weather events such as hurricanes, floods, and drought. These events are more likely to occur and be severe, posing risks to our locations in coastal regions such as our brewery in the Dominican Republic and our malting site in Cartagena, Colombia. Chronic risks such as water scarcity will increase in the next 10 years. Especially as additional, emerging geographies become water stressed, our risk due to water will increase across the world and put billions of dollars at risk.
RCP 2.6	In order to measure potential risk due to climate change and, following TCFD recommendations, we modelled transition and physical risks using the IPCC RCP pathways. RCP 2.6 which suggests a sustainable pathway with emissions declining to zero by 2100, and with a temperature increase below 2C. In this scenario we model a future and the risks our organization would face. Future risk due to regulation is extremely high, with governments implementing carbon taxes or trading schemes across the world. In the particular case for AB InBev, risks associated with a slower transition to carbon neutral are identified and equivalent to millions of US dollars per year in the different countries. To model this, assumptions based on current regulations and policies in line with "below 2 degrees" were simulated in the top 10 markets across the world to assess the potential risk. Identified risks related to crop yield decreases and volatility are lower than in the business-as-usual scenario. As an example, in our supply chain, we pair agronomic data for barley from SmartBarley with historical and predicted weather data from NASA to forecast barley yield potential and variability scenarios across sourcing regions over the next decades. We use the results of this analysis alongside those from the RCP assessment to understand risks and opportunities and, subsequently, guide our sourcing decisions. The analysis indicates a promising, positive yield outlook for some current, key barley sourcing regions, including those in the United States and Argentina, but yield risks in other sourcing regions. The analysis also helps us identify and assess opportunities for future barley sourcing regions where growing, stable yields are expected. In India, these results have helped us refine our current sourcing within the states of Haryana and Rajasthan; in Mexico, these results are helping us identify future sourcing regions in response to growing climate risks. The model is updated annually; we therefore assess and monitor the forecast annually. Water is a physical risk we monitor as well; we saw that in the next ten years, we saw that physical risk is regardless of the target pathway.

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	We recognize that climate-related risks and opportunities may impact our products; if we do not take action to address climate change, there may be less demand for our products. This has been identified as a high risk for our business and therefore has heavily influenced our long-term strategies in this area. Proactively anticipating and reacting to climate-related risks was viewed as an opportunity and has influenced substantial strategic decisions; for example, in 2018 we set new, more ambitious 2025 Sustainability Goals. In addition to these holistic goals, we set climate-specific goals through our Science Based Target and RE100, further demonstrating our commitment to combating climate change. Recognizing the importance of climate change, Budweiser, the largest beer brand in the world, has focused its strategy to openly talk about a transition to a low-carbon economy by including a 100% renewable electricity logo on every Budweiser brewed with renewable electricity. In January 2020, we announced the largest pan-European corporate solar power deal in history to purchase 100% renewable electricity for our Western European breweries. The new capacity is expected to be added and connected by March 2022 with the goal to brew all Budweiser in Western Europe with renewable electricity and include the 100% renewable electricity logo. In addition, AB InBev continuously participates in key stakeholder events, where we continue making strategic partnerships that mitigate our reputational risk. For a case study of a substantial strategic decision, in 2020 we started to implement our learnings from our renewable electricity projects in our downstream value chain which represents 20% of our value chain emissions. In Brazil, in the region of Minas Gerais, we are piloting a solution with Lemon Power, a São Paulo based company that connects producers of renewable energy with small and medium-sized businesses (SMBs). Through this agreement, we are able to act as an intermediary and provide a renewable and less costly electricity solution to our retailers. In 2021, we expect to reach 1,000 points of sale. We are piloting a similar solution in Mexico through Modelo Power where we are installing solar panels on the roofs of the Modeloramas across the country.
Supply chain and/or value chain	Yes	More than 85% of our emissions lie in our supply chain. We recognize the importance of addressing our supply chain and accelerated decarbonization. According to TCFD recommendations, market risks such as supply chain risks are latent in our organization. The opportunity we have recognized to influence climate-related risks associated with our supply chain is more efficient production and distribution processes spanning our entire value chain and addressing our barley, water, energy, packaging, transportation and refrigeration use. We have already experienced crop losses and impacts in agricultural supply chains specifically in several of our markets including Brazil and Mexico from which we source barley, representing a significant portion of our total country volume. This has influenced our strategy through emphasizing the importance of our active engagement with our largest suppliers to set their own sustainability goals so we can scale and accelerate impact. To help achieve this, we use agronomic data alongside historical and predicted weather data from NASA to model and analyze future scenarios in our barley sourcing regions. Through such analysis, we have been able to quantify the financial impacts of expected yield declines and volatility. This analysis provides us with guidance on where we need to continue developing programs in anticipation of risks and where we should consider launching new programs in the near- and long-term futures in line with our time horizon for our 2025 Sustainability Goals. The most substantial strategic decision made in this area influenced by the scenario analysis was to create a platform to enable collaboration and conjoint decarbonization of our supply chain. Eclipse, our supplier-focused collaboration platform, aims to do this. 2020 marked the second year of supplier collaboration through our Eclipse platform, which convenes our supply chain partners to address shared sustainability issues. In November, we held a second annual summit in the US and launched Eclipse Activate to further collaborate with North American suppliers on reducing greenhouse gas (GHG) emissions. To kickstart supply chain collaboration in Brazil, we hosted a virtual event that was recognized by the Brazil chapter of the UN Global Compact.
Investment in R&D	Yes	Both internal and external research and development has been realized as an opportunity to advance our climate-related goals in-line with our time horizon of 2025. The opportunity we have recognized to influence climate-related risks associated with our investment in R&D is more efficient production and distribution processes. We hope that strategically focusing on R&D to reduce our exposure to fuel price volatility will decrease our climate-related risks. Our internal R&D department is focused on decreasing the impacts of climate-related risks through innovation in both our beverage and its associated packaging. We continue to invest in the design of more efficient brewing processes and the use of renewable energy sources. Our R&D team is currently working on transforming our current facilities into net zero ones. Capital allocation has been prioritized and projects to achieve success go through the Net Zero Steering Committee that meets 6 times throughout the year. The design of such net zero facilities takes into consideration Sustainable Development Scenario depicted by IEA's World Energy Outlook 2018, where both transition to low-carbon technologies as well as energy efficiencies are taken into consideration. The most substantial strategic decision made in this area influenced by the scenario analysis was to allocate resources to an external facing initiative: the 100+ Sustainability Accelerator. Through the Accelerator, challenge statements are issued across a range of supply chain sustainability issues, including water stewardship, farmer productivity, product upcycling, responsible sourcing, climate action, green logistics and others. In the two years since launching the 100+ Accelerator, the startups with which we work have created impact worldwide and helped us become more sustainable, innovative and transformative. So far, the 100+ Accelerator has worked with 36 startups from over 15 countries, with more than half of the startups securing long term contracts with our company and attracting over 200 million USD in capital from investors.
Operations	Yes	The opportunity we have recognized to influence climate-related risks associated with our operations is through positively impacting our competitiveness. The strategy that we have developed to realize this opportunity is actively maintaining our reputation as a good corporate citizen. This strategy has been directly influenced by our '10 Principles' that embody our company's dream and culture and is reflected within our data management system. In addition to this, once a year we hold an internal process in order to prioritize operations projects. This process prioritizes projects that deliver both financially and promise reduction in terms of both energy efficiency and emission reduction. This prioritization is taken into consideration for capital expenditure allocation. Our annual strategy is based on this prioritization at a regional and global level. A case study of the most substantial strategic decision is our green logistics campaign. In 2020 we continued our transition to more sustainable fleets by using low-carbon fuel technologies. We recognize that solutions need to be local and we are continuously looking for alternative ways to reduce emissions in our logistics supply chain. We continue investing in mileage reduction and load optimization and are exploring partnerships to reduce empty mileage. We have started transitioning to alternative fuels by scaling pilots we launched in past years. In China we rolled out the use of 5 hydrogen electric fuel trucks after a successful pilot in 2019. In the US, we were recognized by Greenbiz for our work implementing 20 electric trucks with BYD in the state of California and for the announcement to replace long-distance haul trucks with vehicles using Renewable Natural Gas in the states of Missouri and Texas. We also began the electrification of our fleet in Colombia, Mexico, Dominican Republic and Panama.

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 Indirect costs Capital expenditures Acquisitions and divestments Assets Liabilities	As of 2020, our revenue at AB InBev has not been impacted by climate related risks/opportunities. We continuously assess the market and long-term trends to understand future consumer and market risks and opportunities, which we have identified as a continuously shifting towards a preference for sustainable and purpose-driven products. This preference gains more relevance every day, which we believe can potentially shift the preferences of our consumers. As our products are made from natural ingredients, it is our responsibility to protect the environment where we operate. Our revenue for 2020 was \$46.9 billion USD which could be impacted significantly due to climate change as resources become scarce. As our products are made from natural ingredients, if the right measures are not in place, reduced availability of raw materials (barley, cassava, maize, sorghum, among others) could affect our bottom line. However, we do not anticipate an impact on revenue to occur in the near future; if such an impact does occur, we expect it to be low, less than 1 percent. As consumer preferences shift to more purpose-driven products, we see the need to develop brands that champion climate-related topics. Studies have shown that 66% of consumers are willing to pay a premium for products that are committed to making positive environmental impacts. Our work to reach our sustainability goals also extends to our brands. This year, Budweiser served as a representative at the World Economic Forum Annual Meeting in Davos, covering how the private sector can make an impact on our climate emergency. Budweiser has been an ambassador of renewable energy, producing nearly 7 billion bottles of beer with the 100% renewable energy symbol this year. By placing the RE 100 logo on each bottle, Budweiser aims to champion products that are produced in a more sustainable way and give consumers the power to choose lower-carbon products. As a case study, climate-related risks and opportunities influence how we make strategic decisions on capital expenditures/capital allocation based on performance of risk assessments associated with each country in which we have operations (Situation). Through this we have realized that our capital expenditure and capital allocation have been impacted by emerging regulations. For example, we have allocated capital resources to reduce our risk from emerging climate-related regulations (Task). Between 2018 and 2020 (Time Horizon) we invested more than 200 million USD to implement new technology in more than 50 of our facilities (Action). As a result, that has created a savings of more than 10% on annual emissions at a brewery level (Result).

C3.4a

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

At AB InBev, our internal data management system (VPO), provides quantified measures that influence our business strategy which are then implemented and communicated consistently across our global operations. VPO is the foundation for our process optimization at our production facilities and it was designed to drive efficiency through uniform processes, metrics and standards, targets, best practices sharing, roles and responsibilities, and consistent reporting. It is our internal process for collecting and reporting information that influences and supports our climate-related business strategy, including our key climate-related issues of energy and water. Used throughout AB InBev, VPO includes information in categories such as environment, maintenance, quality, health and safety, people and logistics. Facilities that do not meet our global expectations in any of these categories receive "gaps" in those processes and lose their internal certification. These facilities are required to close any gaps through following a defined process to close the gaps and recover their certified status. In addition to this, we use other data management systems to manage external targets such as those within our supply chain. All organizations throughout the company operate as cross-functional teams helping ensure strategic alignment and ensuring strong commitment to the climate change strategy. We believe businesses can play a critical role in a global transition to a low-carbon economy to combat climate change, recognizing that our responsibility lies beyond our walls and into our value chain. Therefore, we have committed to having 100% of our purchased electricity come from renewable sources by 2025. We also set a science-based target to reduce our greenhouse gas emissions by 25% per beverage across our supply chain by 2025, with a baseline of 2017, and by 35% across our internal operations within the same timeframe. Our commitment to RE100 is well under way, with more than 60% of our global volume under contract to date and 16% already implemented/operational. Our work to reduce our carbon footprint transcends our brewery walls. In 2018, we increased the scope of our carbon footprint to include Scope 3 emissions which accounted for an estimated 25 million tons of CO2e that year. Our Scope 3 footprint includes our primary purchased goods and services, upstream and downstream logistics, and product use (such as cooling). In 2020, we estimated a reduction of 10.35% kgCO2/hl vs 2017 on the total scope 1,2 and 3 emissions. Our Scope 3 emissions are estimated based on a screening which utilized a mix of supplier data provided through CDP supply chain numbers, global emission factors, and assumptions. We are continuing to advance our methodologies and becoming more and more accurate by aligning to industry best practices as they evolve. Climate-related risks, opportunities, and associated emissions reduction targets influence AB InBev business strategy through assessing our VPO and our commitments described above. VPO processes ensure that short- and long-term operational implementation directly influences business strategy, programs, measurements, and goals. We have identified that the most important components of influencing our short-term strategies are within operational changes and employee awareness opportunities. For example, our breweries work to reduce energy use through improved implementation of energy management procedures alongside optimization projects which has affected compressed air management, packaging, and water reclamation. We have identified that the most important components influencing our long-term strategies include the steps we take to ensure we continue to be a growing, vibrant, and responsible business. For example, investing in programs with continuous and long-term benefits to our company and the environment such as: integrating renewable energy sources; ensuring efficient and cost-effective use of water; a continuing commitment to reduce GHG emissions and energy use; actively engaging our supply chain; and decreasing impacts associated with logistics. We take a comprehensive, collaborative approach to reducing costs and emissions by continuously improving efficiency, switching to lower emission and more cost-effective fuels, using renewables when feasible, and participating in carbon markets when it makes business sense. Our long-term strategy has been influenced by climate-related risks and opportunities in relation to our operations and our supply chain. For example, we have shifted to increasingly low-carbon fuel sources and in January 2018, at the World Economic Forum in Davos, Switzerland, Budweiser revealed a renewable electricity symbol to champion its commitment to brew with 100% renewable electricity. The symbol was launched in the US and Chile and will be rolled out in other markets around the world by 2025.

In 2020, Budweiser served as a representative at the World Economic Forum Annual Meeting in Davos, Switzerland, covering how the private sector can make an impact on our climate emergency. Budweiser has been an ambassador of renewable energy, producing nearly 7 billion bottles of beer with the 100% renewable energy symbol this year. By placing the RE 100 logo on each bottle, Budweiser aims to champion products that are produced in a more sustainable way and give consumers the power to choose lower-carbon products.

Transitioning to renewable energy will be the equivalent of the brand taking more than 50,000 cars off the road. Through our pursuit to be the 'Best Beer Company Bringing People Together for a Better World,' these efforts are helping us gain a strategic competitive advantage. In this regard, we believe it is our responsibility to foster a broad range of meaningful activities that benefit not only the company, but also our employees, consumers, shareholders, and communities. By taking collective action, we are in a unique position to unite many different parties – employees, consumers, partners and suppliers, public officials, NGOs, and others – to effect real change locally and globally. Our action to conserve energy and water throughout our supply chain and become the most eco-efficient brewer positions us competitively for the future. In addition, the ability to lower our GHG emissions positions will aid us in quickly adapting to carbon taxes and regulations. We have the opportunity to use our considerable scale and expertise to address some of the most pressing issues of our generation, including climate change, freshwater scarcity and limited natural resources.

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)

6175773.37

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

100

Target year

2025

Targeted reduction from base year (%)

35

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

4014252.6905

Covered emissions in reporting year (metric tons CO2e)

4715720

% of target achieved [auto-calculated]

67.547508744526

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

ABI has set a new SBTi approved science-based target for carbon reduction across our value chain. Our target: to reduce 35% in absolute value our Scope 1 and 2 emissions and to reduce 25% GHG emissions per beverage throughout our value chain by 2025 (scopes 1, 2, and 3) vs a 2017 baseline.

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 (market-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)

59.4

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

90

Target year

2025

Targeted reduction from base year (%)

25

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

44.55

% 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)

53.13

% of target achieved [auto-calculated]

42.22222222222222

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

ABI updated our SBTi approved Science Based Target to include scope 1 and 2 absolute in 2019. Our absolute target for scope 1 and 2: to reduce 35% GHG emissions. Our intensity target for scopes 1, 2, and 3 is 25% GHG emissions per beverage throughout our value chain by 2025 vs a 2017 baseline.

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

Other climate-related target(s)

C4.2a

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

Target reference number

Low 1

Year target was set

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

7

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

31.2

% of target achieved [auto-calculated]

26.0215053763441

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes. It contributes to the approved 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%.

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, AB InBev committed to achieving 100% renewable electricity by 2025. In 2019, we achieved a 20% renewable electricity installed and contracted 61% of AB InBev's volume via direct and indirect PPAs.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Country/region

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity	Other, please specify (kWh)
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Target denominator (intensity targets only)

<Not Applicable>

Base year

2017

Figure or percentage in base year

7

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

31.2

% of target achieved [auto-calculated]

26.0215053763441

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes. It contributes to the approved Science Based Target of reducing Scope 1 and 2 emissions by 35% by 2025.

Is this target part of an overarching initiative?

Science Based Targets initiative

Please explain (including target coverage)

Converting to 100% renewable electricity means that we will be utilizing close to 6 TWh across the world.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	61	713650
Implementation commenced*	53	188095
Implemented*	82	1989475
Not to be implemented	15	

C4.3b

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

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

464831

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

2232941

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

6698824

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiatives to improve energy efficiency KPIs that have been implemented include Simmer and Strip technology, improvement of operational practices, learning from benchmarked facilities. We have also optimized cogeneration system as well as decreased evaporation rates, which in the brewing process results in energy savings.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (Fuel switch)
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Estimated annual CO2e savings (metric tonnes CO2e)

40828

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

196130

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

588389

Payback period

1-3 years

Estimated lifetime of the initiative

21-30 years

Comment

Fuel switch in Scope 1 emissions includes the continuation of the China plan to switch 100% of our breweries to natural gas. We have also implemented biogas systems in a number of our breweries.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)

1465

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

7037

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

21110

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

We are working to improve the recovery of biogases at our facilities.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

792876

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

3808789

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

11426366

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

We continue switching to LED lights in our facilities. In addition, we have optimized consumption of electricity in refrigeration and compressed air processes across the world.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology
---	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

689475

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

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

6480000

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

19440000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Purchase of eco-coolers that are 45% more efficient than regular coolers. These correspond to replacements made at the point of sale.

C4.3c

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

Method	Comment
Employee engagement	Employees are continuously engaged and challenged to develop water and energy efficiency initiatives through our data management system and other formal best practice sharing programs. In addition, we use special events such as a rallying points to generate additional activities. Every year, on World Environment Day, we recognize the zone that has set an example on energy usage. In addition to this, employees are encouraged to participate as mentors in the 100+ Accelerator, providing guidance and expertise to the different start-ups in the program.
Internal incentives/recognition programs	Energy targets are linked to compensation for many employees throughout the company. We reinforce and incentivize their performance by tying the compensation of many employees to the achievement of our environmental goals. In addition, best practices are recognized at the regional and global levels through a variety of communications and formal recognition events. Our internal data management system allows us to share goals, data, progress, and best practices across the company. By tracking and documenting this information, these systems enable us to provide internal incentives and recognition programs throughout our operations. We set internal energy purchased targets and we have reduced this KPI by 10% from 2018 to 2020. In addition, carbon reduction targets are set at every level in the organization, from C-suite to site manager levels.
Partnering with governments on technology development	We are leveraging technology to transform ways of working to be more agile so we can create better solutions and value for our customers and our consumers around the world. For example, in In South Africa, we invested R80 million (5.3 million USD) in a Research and Development Center that will enable our world-class research and training to benefit farmers and the agricultural sector as a whole. The center officially opened with an event attended by 300 delegates from government, research institutions, industry bodies and farmers. In Idaho, we are working in partnership with local stakeholders (including the U.S. Department of Agriculture) to scale an irrigation scheduler program, called AgriMet, linking local climate station data to a web and mobile application that delivers accurate evapotranspiration and other climate parameters, allowing growers to better optimize their irrigation water management. In Mexico, we are collaborating with the federal program MasAgro and industry association Centros Impulsors, among others, to advance the use of nitrogen sensors in the Bajío region for improving fertilizer use efficiency. We have an additional project in Mexico in the Altiplano region designed to improve irrigation efficiency. In China, we conducted large-scale irrigation trials in partnership with the state supported Gansu Academy of Agriculture Sciences (甘肃省科学院), to identify optimal irrigation practices for select varieties in the province. Grower demonstrations were held throughout the season to discuss the trials, review results and promote best irrigation practices.
Other (Setting goals)	Setting clear, integrated goals that are cascaded throughout our organization drives investment in emissions reduction activities to which we hold people accountable. In 2018 we launched our 2025 Sustainability Goals, our most ambitious set of sustainability commitments yet, focused on smart agriculture, water stewardship, circular packaging and climate action. As IPCC recommendations were updated in December 2018, we also updated our Science Based Target in order to be in line with the most ambitious pathway of 1.5 degrees and we continue to advance on our renewable electricity commitment, closing 2020 with over 70% of total beer volume contracted, and over 30% operational.
Dedicated budget for low-carbon product R&D	Our innovation center works continuously to develop cutting edge technologies that reduce our emissions and energy usage at our facilities. In 2018, we launched the 100+ Sustainability Accelerator by issuing ten challenge statements across a range of issues, including water stewardship, farmer productivity, product upcycling, responsible sourcing, green logistics and others. Our goal was to solicit applications from startups that are solving key sustainability challenges with innovative solutions. Through the program, we want to empower driven and committed entrepreneurs and use our vast resources and expertise to nurture, support and grow their budding businesses. In the two years since launching the 100+ Accelerator, the startups with which we work have created impact worldwide and helped us become more sustainable, innovative and transformative. So far the 100+ Accelerator has worked with 36 startups from over 15 countries, with more than half of the startups securing long term contracts with our company and attracting over 200 million USD in capital from investors. Despite the effects of the pandemic, this year we renewed our commitment to finding the most innovative solutions to help us make progress towards our 2025 sustainability goals. After receiving over 1,200 applications, we welcomed 17 diverse startups from 13 different countries into our 2020 cohort.
Other (Investment in emerging technology)	Our Research and Development (GITEC) team unveiled a new digital printing technology that imprints branding onto the bottles directly, eliminating the need for paper or plastic labels and providing potential environmental and economic benefits. To launch the initiative, we released 200,000 bottles of a limited-edition run of Beck's Artist Series. In addition to this, we are investing in emerging technologies that can help disrupt brewing and ways of obtaining heat energy. We are currently piloting different technologies across 6 facilities in the world, implementing agile methodology to reduce emissions. In addition to this, through our 100+ Accelerator we also seek to pilot emerging technologies. An example of this is Greenline Africa, a company that offers an innovative alternative to traditional heat energy by using solar collectors that are able to increase temperatures to 200 degrees Celsius. We are currently working on piloting this technology in Mozambique. The reduction potential of these collectors is 100% where implemented as it is a green source of energy that would replace fossil fuels such as coal and natural gas.

C-AC4.4/C-FB4.4/C-PF4.4

(C-AC4.4/C-FB4.4/C-PF4.4) Do you implement agriculture or forest management practices on your own land with a climate change mitigation and/or adaption benefit?

Yes

C-AC4.4a/C-FB4.4a/C-PF4.4a

(C-AC4.4a/C-FB4.4a/C-PF4.4a) Specify the agricultural or forest management practice(s) implemented on your own land with climate change mitigation and/or adaptation benefits and provide a corresponding emissions figure, if known.

Management practice reference number

MP1

Management practice

Knowledge sharing

Description of management practice

Farmers understand the importance of building resilience on their farms but often times are hesitant to adopt new practices because of the perceived risk. We have set up model farms in key markets such as South Africa, Mexico, and the United States. These farms trial practices at scale and within the crop rotation to support improved soil health, reduced carbon emissions and improved water quality, and promote these practices with farmers in that region.

Primary climate change-related benefit

Increasing resilience to climate change (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

To continue evolving our approach to advance the adoption of sustainable practices, in 2020 we committed more than 500,000 USD to support model farms and research at four universities across our barley and rice sourcing regions in the United States (University of Arkansas, University of Idaho, North Dakota State University, Montana State University). We are also continuing to develop climate impact modeling to assess the impact of climate change on our supply chains and integrate a longer-term view into our strategies, including crop management, variety development, watershed management, and sourcing regions selection and identification. We also worked to engage farmers in the United States to improve on-farm safety as part of our work to embed Responsible Sourcing Principles for Farms into our direct supply chain.

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?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

We have significantly grown the share of renewable energy used to brew our Budweiser products in the United States. Specifically, the brand has been able to decrease its operational GHG footprint by close to 40%.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year

10

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

As we move as an organization towards low-carbon there is an ongoing shift of our breweries, such as those for Budweiser, to optimize and reduce energy consumption. Our strategy is anchored by a clear roadmap of technology and smart processes that will transform our operations over the next ten years. As technology is constantly evolving, we are always scouting, developing and validating scalable, new technologies to strengthen and improve our technology pipeline. We are currently testing different technologies in 6 facilities across the world. As brewing beer is a delicate process, it is necessary to guarantee the taste and quality of the final product. Through 2020, we continued testing these initiatives at our breweries, landing on a comprehensive pathway to converting existing breweries to low-carbon. In addition, we have continued to install renewable electricity capacity across the world, reducing Budweiser's carbon footprint where it is brewed.

Level of aggregation

Product

Description of product/Group of products

A sustainable ingredient company that is revolutionizing the use of saved barley grain from the brewing process to deliver highly nutritious, great tasting protein and fiber barley-based ingredients to the world.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year

1

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

We are currently developing new products using byproducts from our manufacturing process. In this case, we have developed an isolated protein made out of spent grain, a byproduct from the beer making process which is traditionally used as livestock feed. Ingredients like this one will positively impact social and environmental challenges by providing affordable, sustainable nutrition for the undernourished in addition to reducing emissions as we are able to develop products that have a lower carbon footprint than traditional dairy products such as milk and protein isolate drinks. EverGrain officially launched in early January 2021.

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)

3715250

Comment

Scope 2 (location-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

2276767

Comment

Scope 2 (market-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

2276767

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ABI Energia Linee Guida

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

US EPA Emissions & Generation Resource Integrated Database (eGRID)

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)

3081905

Start date

<Not Applicable>

End date

<Not Applicable>

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

2227758

Scope 2, market-based (if applicable)

1633815

Start date

<Not Applicable>

End date

<Not Applicable>

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

Operations of minor facilities and business offices use very low amounts of energy in comparison to other operations (less than 1% of total emissions, which was calculated on the Quantis tool when submitting the Science Based Target). Collecting and reporting this data would require a large effort that would have little impact on our goals, overall reduction efforts and reported emissions.

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

14070717.32

Emissions calculation methodology

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

50

Please explain

Emissions from purchased goods and services are calculated using a hybrid approach, meaning a combination of market averages and supplier-specific data. For agriculture, data comes from our direct farmers. For other materials, calculations rely on supplier-specific data that is collected through the CDP Supply Chain program in collaboration with our suppliers as well as market emission factor averages, the results of LCA studies. To better estimate emissions from packaging, we also input recycled content which is collected directly from 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 (estimated at less than 5% of total 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.

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

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

916966.27

Emissions calculation methodology

IPCC Guidelines for National Greenhouse Gas Inventories

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

100

Please explain

Emissions associated with fuel and energy related activities not included in Scopes 1 and 2 include emissions from Transfer and Distribution (T&D) from grid electricity and well-to-tank (WTT) emissions associated with fuels combusted during the manufacturing process.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

410629.38

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 on a monthly basis, by transportation mode and flow. Emission factors are provided per transport mode and energy by the zones and are sourced from US EPA's Smartway program or DEFRA. Emissions in tons of CO₂e are estimated by multiplying the distance driven (converted to liters of fuel) by the appropriate emission factor. We include road, rail, and sea transport.

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

20

Please explain

Emissions from upstream transportation and distribution is calculated based on the tonnage of raw materials purchased. Transport of ingredients and packaging materials is done either by vessels (ships) or road transportation. Specific emission factors are taken into consideration to calculate emissions by distance traveled.

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 value chain emissions (estimated at less than 5% of total value chain emissions), and do not contribute significantly to the company's risk exposure. This was determined via an exercise to set the operational boundary of value chain emissions calculations. We recycle more than 99% of the waste generated in our breweries.

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 (estimated at less than 1% of total 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

These emissions do not contribute significantly to Scope 3 emissions (estimated at less than 1% of total Scope 3 emissions), and do not contribute significantly to the company's risk exposure.

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

The company owns no upstream leased assets that are relevant to the inventory.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2106529.68

Emissions calculation methodology

GHG Protocol Corporate Value Chain (Scope 3) Standard: Data is compiled using an internal collection system where distance (KM) data is provided by the zones on a monthly basis, by transportation mode and flow. Emission factors are provided per transport mode, tier and energy by the zones and are sourced from US EPA's Smartway program or DEFRA. Emissions in tons of CO₂e are estimated by multiplying the distance driven (converted to liters of fuel) by the appropriate emission factor. We include road, rail, and sea transport.

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

100

Please explain

We have scaled our efforts to more than 90% of our operating markets and are working to standardize tracking and management systems globally. While capturing accurate estimates of carbon initiatives across global 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.

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.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

5583265.26

Emissions calculation methodology

GHG Protocol Corporate Value Chain (Scope 3) Standard: These emissions relate to trade refrigeration of our products. Emission factors have been used based on assumptions of both energy use and refrigeration emissions from the cooling our products in trade. Input includes volume sold and on/off trade volume distribution in each country around the world.

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

50

Please explain

Approximately 50% of our volume is cooled in the coolers we installed in the market. For such, we use the energy consumption data provided by supplier partner and alongside grid emission factors, we estimate emissions from cooling. The remaining 50% is calculated using market averages from studies developed for cooling.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

564825.33

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

Recycling rates of various packaging materials are taken into consideration to estimate emissions from end of life. Of our products, only packaging materials remain after the product has been consumed. We continue our efforts to increase recycled content and maintain returnables 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

The company owns no downstream leased assets that are relevant to the inventory.

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

The company owns no franchises that are relevant to the inventory.

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

In our business we do not hold significant investments that are not already included in our emissions reporting (in Scope 1 and 2).

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 not considered 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 not considered 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

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

2106529.68

Please explain

These emissions come from the distribution of our finished product starting from our breweries, including ocean, road, and rail transportation, 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 WBCSD.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

3790936

Please explain

These emissions come from the production of raw ingredients including barley, rice, maize, and other commodities we use for production of our products; from processing of raw ingredients such as processing from barley to malt; and from 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.

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, 1.5 million tons CO2e were related to rice agriculture. We are currently working in the United States, our biggest rice purchasing country, to measure, track, and minimize the environmental impact of rice in the agricultural supply chain in partnership with Indigo Ag.

Agricultural commodities

Other (Barley)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We estimate emission factor data via our SmartBarley program, which has impacted and engaged more than 20,000 direct farmers. The data is collected through surveys, and with the help of Cool Farm Tool, we are able to estimate emissions related to growing and harvesting barley. Using these emission factors, which are calculated at a local level, along with the information on global purchases at a country level, we are able to estimate emissions from barley. In 2020, 1.6 million tons CO2e correspond to emissions from barley agriculture. At AB InBev, barley is our most critical crop, and we are currently measuring future sourcing risks and opportunities using agronomic, historical weather, and NASA future scenario data.

Agricultural commodities

Other (Maize)

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, 451,828 tons CO2e were related to maize agriculture.

Agricultural commodities

Wheat

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, 3,990 tons CO2e were related to wheat agriculture.

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)

1534279.08

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Higher

Please explain

Emissions coming from commodities was calculated using a mix of supplier-specific data and market averages based on geographic location and type of commodity. Estimates include life cycle analysis and include yield, fertilizer use, and sequestration. Rice is recognized as one of the most carbon intensive crops and as such, we are working on mitigating the impact through partnerships such as the one with Indigo Ag in the United States. Through these types of initiatives, we are able to track and monitor environmental KPIs such as fertilizer and water usage in the sourcing area surrounding our Jonesboro, Arkansas, rice milling plant.

Wheat

Reporting emissions by

Total

Emissions (metric tons CO2e)

3990.14

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Higher

Please explain

Emissions coming from commodities was calculated using a mix of supplier-specific data and market averages based on geographic location and type of commodity. Estimates include life cycle analysis and include yield, fertilizer use, and sequestration.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

2056272.88

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Much higher

Please explain

This is a combination of both barley and maize emissions (1,604,444.99 – Barley and 451,827.89 – Maize). Emissions coming from commodities was calculated with a mix of direct farmer data coming from our SmartBarley program and market averages based on geographic location and type of commodity. It includes yield, fertilizer use, and sequestration. Barley is our most important crop, representing close to 70% of our volume purchased but 30% of our emissions. Emissions coming from maize commodities was calculated using a mix of supplier-specific data and market averages based on geographic location and type of commodity. Estimates include life cycle analysis and include yield, fertilizer use, and sequestration. Emissions in 2020 increased due to a change in calculation methodology due to a change in partners that support the internal calculation process. Baseline is currently being assessed for a recalculation in 2021.

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

0.000100589

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

4715720

Metric denominator

unit total revenue

Metric denominator: Unit total

46881000000

Scope 2 figure used

Market-based

% change from previous year

1.8

Direction of change

Decreased

Reason for change

As part of our transition plan to low-carbon, we are accelerating our plan to implement low-carbon technologies in our breweries. In 2020, we accelerated our implementation of renewable electricity projects, going from 20 to 30% operational, reducing our carbon footprint on Scope 2. In addition to this, we were able to implement best practices across the world, learning how to be more efficient amidst the global pandemic. An example of this is the implementation of multiple methods to reduce our baseload energy usage. In some countries, such as Mexico, we implemented fuel switch projects such as implementation of biogas and heat recovery. These initiatives contributed to an intensity reduction over the past year. AB InBev continues to pursue low carbon energy investments. Through the implementation of energy efficiency projects and changing the way we brew beer, we have been able to advance faster on our 2025 commitment to reduce absolute Scope 1 and 2 emissions by 35%.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	2880535	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	2313	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	3567	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	195490	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	0	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	600112.35
Canada	177244.53
Brazil	241096.22
Guatemala	4124.36
Dominican Republic	34842.93
Argentina	127586.68
Peru	50739.19
Uruguay	12042.32
Chile	8358.14
Bolivia (Plurinational State of)	15144.49
Paraguay	12319.83
China	143649.67
Republic of Korea	31499.14
India	6100.3
Viet Nam	2731.47
Belgium	58537.39
Russian Federation	136471.58
Ukraine	11439.33
Germany	49112.02
Netherlands	5722.66
United Kingdom of Great Britain and Northern Ireland	37902.85
Luxembourg	525.24
Mexico	726365.87
Spain	5000.34
South Africa	193607.09
Mozambique	18533.18
Lesotho	4616.4
Eswatini	3351.08
Botswana	10984.06
Namibia	1250.86
Zambia	22376.75
United Republic of Tanzania	22432.59
Uganda	22270.74
Nigeria	66403.69
Ghana	13283.09
Colombia	140452.11
Ecuador	27692.96
El Salvador	10836.91
Panama	11115.99
Honduras	14028.6

C7.3

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

By business division

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
NAZ	777356.88
EUR	304711.41
MAZ	1020198.92
APAC	183980.59
AFRICA	379109.54
SAZ	416547.68

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

(C-AC7.4a/C-FB7.4a/C-PF7.4a) Select the form(s) in which you are reporting your agricultural/forestry emissions.

Total emissions

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)

3081905

Methodology

Default emissions factor

Please explain

All of ABI's scope 1 emissions fall within the processing and manufacturing activity.

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)
Argentina	69181.21	13280	214848.47	214848.48
Belgium	19222.64	0	95635.03	95635.03
Bolivia (Plurinational State of)	11354	11354	29038.31	0
Brazil	151402.94	151402.94	1057109.66	0
Canada	9644.16	9644.16	73061.85	0
Chile	5788	0	14397.83	14397.83
China	413536	379031.79	468043.39	56013.03
Dominican Republic	37508.81	37508.81	66741.65	0
India	27607	23786.59	36710.91	5079.8
Luxembourg	139	0	885.85	885.85
Mexico	316311.51	254213.67	668950.45	160812.93
Paraguay	0	0	49491.21	0
Peru	20799	4893.19	103995.01	89435.7
Russian Federation	112677.11	98923.56	241132.13	38525.36
Netherlands	5075.074	0	12141.33	12141.33
United Kingdom of Great Britain and Northern Ireland	16010.9	0	68716.3	68716.3
Ukraine	30425.95	30425.95	55380.45	0
United States of America	595243.12	295509.3	1390678.38	744673.89
Uruguay	1078.59	981.14	46895.16	12721.67
Viet Nam	2934.38	2934.38	6449.18	0
Guatemala	3127.086	44.4	8186.09	8069.85
Ecuador	9802.53	9802.53	49507.75	0
Germany	27693.31	0	69060.63	69060.63
Spain	2642.96	0	10165.25	10165.25
South Africa	173373.98	173373.98	174835.95	0
Mozambique	2619.95	2619.95	21743.13	0
Lesotho	1314.85	1314.85	3632.19	0
Eswatini	774.39	774.39	2139.19	0
Botswana	16096.6	16096.6	11303.79	0
Namibia	57.2	57.2	2383.4	0
Zambia	2764.16	2764.16	16551.85	0
United Republic of Tanzania	10944.2	10944.2	34200.61	0
Colombia	33244	8018.28	206484.48	204419.64
Uganda	7628.55	7628.55	21073.34	0
Nigeria	17217.19	17217.19	41487.2	0
Ghana	3345.14	3345.14	14481.14	0
Other, please specify (Republic of Korea)	56383.83	56383.83	97231.98	0
Panama	3249.21	0	18566.89	18566.89
El Salvador	5557.35	5557.35	32499.13	0
Honduras	14283.81	14283.81	44636.9	0
Saint Vincent and the Grenadines	1053.35	1053.35	1879.96	0

C7.6

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

By business division

C7.6a

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
NAZ	604887	305153.47
SAZ	227450.42	165664.08
APAC	500460.62	462136.58
EUR	213887.03	129349.51
MAZ	444936.65	335375.39
AFRICA	236136.2	236136.2

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	435463	Decreased	8	Renewable electricity projects continued to go live in 2020, reducing Scope 2 emissions by 11% vs 2019 and 20.5% vs baseline of 2017. The Argentina renewable electricity project that came live in late 2019 continued through the full year 2020. Other projects such as the ones in Mexico and China were fully operational throughout most of 2020 as well and reduced emissions significantly in these countries; they will continue doing so in the coming years. To date we are over 70% contracted and we expect renewable electricity projects continuing to come live within the next 2 to 3 years, further reducing Scope 2 emissions. In addition to this, several projects implemented across the globe to increase biogas capacity in several of our facilities also contributed to driving Scope 1 emissions further down. Energy efficiency projects continue to drive the majority of the emissions reductions across the organization. Through these activities we reduced our emissions by 405,463 tons CO2e, and our total S1 and S2 emissions in the previous year was 5,441,416 tons CO2e, therefore we arrived at -8% through $(-435,463/5,441,416) * 100 = -8\%$ (i.e. an 8% decrease in absolute emissions).
Other emissions reduction activities	45297	Decreased	6	Scope 3 emissions reduction related to fuel switch from fossil-fuel based technologies to renewable technologies as well as switch related to biogas on our breweries. Through these activities we reduced our emissions by 45,297 tons CO2e, and our total S3 emissions in our operations in the previous year was 745,158 tons CO2e, therefore we arrived at -6% through $(-45,297/745,158) * 100 = -6\%$ (i.e. an 6% decrease in absolute emissions).
Divestment	0	No change	0	We did not experience divestitures in 2020
Acquisitions	0	No change	0	We did not experience significant acquisitions that impacted emissions in 2020
Mergers	0	No change	0	No mergers materialized in 2020
Change in output	0	No change	0	No changes in output
Change in methodology	884619	Increased	30	A change in methodology that impacted barley emission factors accounts for the increased emissions in agriculture. An updated baseline is expected in 2021 as new emission factors do not take into consideration carbon sequestration as this methodology is still under development. Before 2020, emission factors used were theoretical emission factors and starting 2020 and 2021, we are using direct data from our farmers at a farm level for barley crops. Through a mix of different emission factors by geography based on where we have direct barley programs (United States, Russia, India, Argentina, Mexico, Colombia) we calculated direct emissions. These accounted for an increase of 884,619 tons CO2e. Our total S3 emissions in agriculture in the previous year was 2,906,317 tons CO2e, therefore we arrived at +30% through $(884,619/2,906,317) * 100 = +30\%$ (i.e. an 30% increase in absolute emissions).
Change in boundary	0	No change	0	Boundary remains in 2020
Change in physical operating conditions	0	No change	0	No changes in operating conditions
Unidentified	0	No change	0	
Other	0	No change	0	

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	No

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)	1032190.11	12603581.48	13635771.59
Consumption of purchased or acquired electricity	<Not Applicable>	1824169.44	3762154.21	5586323.65
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	260057.95	618398.58	878456.18
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	3116417.51	16984134.28	20100551.79

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)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

11186522.56

MWh fuel consumed for self-generation of electricity

508957.93

MWh fuel consumed for self-generation of heat

10677564.63

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

0.00561

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Bituminous Coal

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

599712.24

MWh fuel consumed for self-generation of electricity

2501.58

MWh fuel consumed for self-generation of heat

597210.65

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

0.00983

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Wood

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

34856.49

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

34856.49

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

0.00035

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Biogas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

632.97

MWh fuel consumed for self-generation of electricity

632.97

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

0.00001

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Landfill Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<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

0.00001

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

584487.18

MWh fuel consumed for self-generation of electricity

8614.17

MWh fuel consumed for self-generation of heat

575873.01

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

0.00774

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Light Distillate

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

232855.94

MWh fuel consumed for self-generation of electricity

48173.64

MWh fuel consumed for self-generation of heat

184682.3

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

0.00693

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

889179.83

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

889179.83

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

0.00035

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Biodiesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<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

0.00006

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Vegetable Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

101096.95

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

101096.95

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

0.00006

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Kerosene

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

3.55

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

3.55

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

0.00006

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Other, please specify (other sources)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

6423.88

MWh fuel consumed for self-generation of electricity

3592.06

MWh fuel consumed for self-generation of heat

2831.82

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

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

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 a grid-connected generator with energy attribute certificates

Low-carbon technology type

Wind

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

Argentina

MWh consumed accounted for at a zero emission factor

214406

Comment

We were the first Consumer Goods company to contract 100% of our volume on renewable electricity in Argentina. The project went live in October 2019 but starting 2020, 100% of the electricity came from renewable resources. The wind park was named "Budweiser Park" to honor the brand championing the transition to renewables.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Belgium

MWh consumed accounted for at a zero emission factor

91736

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA was live in all these countries along with Guarantees of Origin.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

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

Panama

MWh consumed accounted for at a zero emission factor

18566.89

Comment

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

Chile

MWh consumed accounted for at a zero emission factor

14398

Comment

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

China

MWh consumed accounted for at a zero emission factor

56013.03

Comment

Following successful pilots and installations in 2019, we continued expanding our renewable capacity by installing on-site solar panels across more than 5 breweries in China.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Hydropower

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

Colombia

MWh consumed accounted for at a zero emission factor

204419.64

Comment

We continue sourcing electricity from hydropower in Colombia, but we signed an on-site solar agreement in 2019 that will come to life in 2021.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Germany

MWh consumed accounted for at a zero emission factor

69060

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA was live in all these countries along with Guarantees of Origin.

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

5079.8

Comment

In 2019, our on-site solar PPA went live, covering 20% of renewable capacity in one of our breweries which continued operating through 2020.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Luxembourg

MWh consumed accounted for at a zero emission factor

885.86

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA was live in all these countries along with Guarantees of Origin.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

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

Mexico

MWh consumed accounted for at a zero emission factor

160812.93

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Netherlands

MWh consumed accounted for at a zero emission factor

12141.33

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA was live in all these countries along with Guarantees of Origin.

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

Russian Federation

MWh consumed accounted for at a zero emission factor

38525.36

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Spain

MWh consumed accounted for at a zero emission factor

10165.25

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA was live in all these countries along with Guarantees of Origin.

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

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

68716.3

Comment

Sourcing method

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

Low-carbon technology type

Wind

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

United States of America

MWh consumed accounted for at a zero emission factor

774673.89

Comment

In end 2017, we signed a wind PPA with Enel Green Energy in Thunder Ranch in the state of Oklahoma. The project went live in early 2019, accounting for nearly 50% of the electricity volume in the country. To celebrate, Budweiser announced the switch to renewable electricity during the Super Bowl and printed a logo that states the beer is brewed with renewable energy. In addition, Budweiser gifted the city of Atlanta with renewable certificates equal to its consumption of the entire year, making the city renewable for that period.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Hydropower

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

Uruguay

MWh consumed accounted for at a zero emission factor

12721.67

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Hydropower

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

Peru

MWh consumed accounted for at a zero emission factor

89435.7

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Hydropower

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

Guatemala

MWh consumed accounted for at a zero emission factor

8070

Comment

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

Metric numerator

Tons of total primary packaging material recycled

Metric denominator (intensity metric only)

Tons of total primary packaging material

% change from previous year

14

Direction of change

Increased

Please explain

Our 2025 goals are aligned to UN SDGs. Our Circular Packaging Goal includes protecting our returnable packaging and increasing recycled content in our primary packaging including glass, cans, and PET. In 2020, we increased recycled content in PET from 23% in 2019 to 26% in 2020. In partnership with key suppliers, we have implemented collection projects in countries including Brazil and Colombia. In Colombia specifically, we partnered with local schools to collect used PET bottles from our brand Pony Malta, recovering more than 2,000 tons of material. Since the introduction of our 2025 Sustainability Goals, we have reduced 18,000 tons of main packaging materials globally.

Description

Waste

Metric value

Metric numerator

Tons of primary packaging material recycled

Metric denominator (intensity metric only)

Tons of total primary packaging material

% change from previous year

2.1

Direction of change

Increased

Please explain

Our 2025 goals are aligned to UN SDGs. Our Circular Packaging Goal includes protecting our returnable packaging and increasing recycled content in our primary packaging including glass, cans, and PET. In 2020, we increased recycled content in glass by 1% point or 2% vs 2019. Recovering glass has proven to be challenging in many geographies, but we are making progress. In 2019, we piloted a start-up in our 100+ Accelerator cohort called Green Mining with whom we continued working throughout 2020, bringing additional cullet back into our glass bottles. By formalizing the recycling infrastructure, Green Mining was able to collect more than 550,000 tons of glass, preventing this from going to waste, reducing GHG emissions in Brazil, and increasing recycling rates in glass. Since the introduction of our 2025 Sustainability Goals, we have reduced 18,000 tons of main packaging materials globally.

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP Assurance Letter 2020 - Signed - vS.pdf

Page/ section reference

2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP Assurance Letter 2020 - Signed - vS.pdf

Page/ section reference

2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3 (upstream & downstream)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP Assurance Letter 2020 - Signed - vS.pdf

Page/section reference

2-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

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

Yes

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Progress against emissions reduction target	ISAE3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", which is aligned with the International Standard on Assurance Engagements (ISAE) 3000.	Total Direct and Indirect GHG Emissions and GHG Emissions per Hectoliter of Product. (2020 CDP Assurance Letter Attachment) CDP Assurance Letter 2020 - Signed - vS.pdf
C7. Emissions breakdown	Progress against emissions reduction target	ISAE3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", which is aligned with the International Standard on Assurance Engagements (ISAE) 3000.	Total Direct and Indirect GHG Emissions and GHG Emissions per Hectoliter of Product. (2020 CDP Assurance Letter Attachment) CDP Assurance Letter 2020 - Signed - vS.pdf
C8. Energy	Energy consumption	ISAE3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", which is aligned with the International Standard on Assurance Engagements (ISAE) 3000.	Total GJ of Energy; Energy usage per hectoliter of production. (2020 CDP Assurance Letter Attachment) CDP Assurance Letter 2020 - Signed - vS.pdf

C11. Carbon pricing

C11.1

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

Yes

C11.1a

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

- BC carbon tax
- California CaT - ETS
- Canada federal Output Based Pricing System (OBPS) - ETS
- EU ETS
- Korea ETS
- Newfoundland and Labrador PSS - ETS
- Nova Scotia CaT - ETS
- Québec CaT - ETS
- South Africa carbon tax

C11.1b

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

California CaT

% of Scope 1 emissions covered by the ETS
50

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
0

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
0

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment**Canada federal OBPS - ETS**

% of Scope 1 emissions covered by the ETS
100

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
0

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
35474

Verified Scope 2 emissions in metric tons CO2e
2370

Details of ownership
Facilities we own and operate

Comment
Carbon tax in Canada is direct and comes in the utilities billing.

EU ETS

% of Scope 1 emissions covered by the ETS
75

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
33231

Allowances purchased
36085

Verified Scope 1 emissions in metric tons CO2e
108482

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment

Korea ETS**% of Scope 1 emissions covered by the ETS**

46

% of Scope 2 emissions covered by the ETS

54

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

93947

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

39132

Verified Scope 2 emissions in metric tons CO2e

46686

Details of ownership

Facilities we own and operate

Comment

Korea does not charge carbon taxation, only emission trading.

Newfoundland and Labrador PSS – ETS**% of Scope 1 emissions covered by the ETS**

100

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

1768

Verified Scope 2 emissions in metric tons CO2e

505

Details of ownership

Facilities we own and operate

Comment

Nova Scotia CaT - ETS

% of Scope 1 emissions covered by the ETS

100

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

122333

Verified Scope 2 emissions in metric tons CO2e

1345

Details of ownership

Facilities we own and operate

Comment

Carbon tax in Canada is direct and comes in the utilities billing.

Québec CaT

% of Scope 1 emissions covered by the ETS

100

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

14352

Verified Scope 2 emissions in metric tons CO2e

4556

Details of ownership

Facilities we own and operate

Comment

Carbon tax in Canada is direct and comes in the utilities billing.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

BC carbon tax

Period start date

January 1 2020

Period end date

December 31 2020

% of total Scope 1 emissions covered by tax

100

Total cost of tax paid

126799

Comment

CAD

South Africa carbon tax

Period start date

January 1 2020

Period end date

December 31 2020

% of total Scope 1 emissions covered by tax

37

Total cost of tax paid

5145772

Comment

ZAR

C11.1d

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

As a case study example, the company currently has five facilities in Europe that are part of the EU ETS. Our Zone Brewery Support group for Europe has been tasked with managing our participation in this program and ensuring compliance with our regulatory obligations and our participation in the market is managed by AB-InBev procurement department. As in previous years, for our surrender obligation we had a surplus of allowances. Our strategy is to surrender a portion of our emissions rights. Going forward, we will continue our compliance strategy to reduce emissions through energy efficiency and purchase allowances as opportunity and need arises, and as a result we have a potential gap of approximately 245,000 allowances through the end of 2020. Another one of our action plans has been putting up a task force to transform existing technologies into net zero carbon technologies.

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, our customers

Yes, other partners in the value chain

C12.1a

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

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

80

% total procurement spend (direct and indirect)

90

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

90

Rationale for the coverage of your engagement

Although a very small number of suppliers make up the majority of the procurement spend, we engage with all suppliers on climate related issues. We are focusing on key suppliers that will move the needle and make a change; for AB InBev that means a small number of suppliers and we engage in strategic meetings quarterly to touch on sustainability issues facing both parties. Suppliers include primary packaging (glass, aluminum, and PET), raw materials, and commercial suppliers (coolers, sponsorships, promotional material among others).

Impact of engagement, including measures of success

Our biggest impact in emissions lies on our value chain and as such, we recognize the importance of collaboration and joint action. That is why we created Eclipse. Eclipse is AB InBev's collaboration platform, with over 50 suppliers signed up. A metric of success for engagement would be an increasing number of suppliers signing up for the platform. 2020 marked the second year of operation for our Eclipse platform, which enables us to collaborate with our suppliers on projects that address critical shared sustainability issues. To further build on our progress, this year we also announced the launch of Eclipse Activate. Facilitated by Guidehouse—a leader in energy, sustainability and infrastructure consulting—the program will leverage working groups dedicated to ongoing planning and implementation of projects to reduce carbon emissions. To kickstart supply chain collaboration in Brazil, we hosted a virtual event that was recognized by the UN Global Compact Brazil Chapter as a best practice. In addition, we were able to stay close to our suppliers throughout the pandemic through our series of webinars where we touched on topics such as renewables and Scope 3 accounting and invited experts to share their knowledge. These webinars are now live on Eclipse for the public to view, with the aim of providing educational tools to our value chain partners.

Comment

Our supplier engagement platform, Eclipse (www.eclipse.ab-inbev.com) is targeted to all suppliers and partners. To date we have more than 50 suppliers signed up with a pledge and in addition, key partners and NGOs that are helping us in providing resources and tools to our suppliers.

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

30

% total procurement spend (direct and indirect)

80

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

80

Rationale for the coverage of your engagement

Although a very small number of suppliers make up the majority of the procurement spend, we engage with all suppliers on climate related issues. As we continue to perfect the process with existing suppliers, we will expand our requests.

Impact of engagement, including measures of success

Every year, we are inviting our key suppliers to report on CDP Climate and Water, understanding the importance of transparency. We also educate our suppliers on CDP and reporting plus the information that we most look into such as renewable energy consumption and emissions, especially those related to Scopes 1 and 2.

Comment

CDP Supply Chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

30

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

30

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Packaging is our biggest contributor to our carbon emissions, representing more than one third of our carbon footprint across the value chain. To help tackle this, we are engaging with our retailer partners. One way we are doing this is through our two-way packaging (returnable bottles and kegs) and protecting and promoting returnable packaging, which continues to be our biggest opportunity.

Impact of engagement, including measures of success

The impact of this engagement with our retail partners is significant. Measures of success include an increase in percent of returnable packaging, an increase in percent of cans and glass and a decrease in percent of PET, as well as an increase in recycled content in our packaging portfolio. In 2020, 36.4% of our volume was in returnable packaging, down from 46% in 2017. We plan to reverse this trend and protect this operating model through consumer norm campaigns, innovations, and new ways of working with our retailer partners. In addition to this, we work closely with our retailer partners across the world, teaching them the value of installing ECO-coolers and the environmental benefit it brings to everyone. Since 2017, through our new cooler installations and refurbishments, we have been able to save over 700,000 tons of CO₂e, significantly contributing to our 2025 goal. Cooling represents 20% of our Scope 3 emissions.

C12.1d

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

Our stakeholder engagement aims to help improve our relationships with other members of the value chain. We allocate resources annually and developed an external facing initiative: the 100+ Sustainability Accelerator where we engage with startups. Startups are part of our value chain as partnering with startups helps us bring innovation to our business. Through the Accelerator, ten challenge statements are issued across a range of issues, including water stewardship, farmer productivity, product upcycling, responsible sourcing, climate action, green logistics and others. Specifically, in regards to climate a case study would be our startup Lemon Energia, a São Paulo based company that connects producers of renewable energy with small and medium-sized businesses. Through the program, we are empowering driven and committed entrepreneurs and leveraging use our vast resources and expertise to nurture, support and grow these budding businesses. Successful pilots, which we invest in initially, are further scaled up with the opportunity for additional funding.

After vetting over 1,200 submissions, seventeen companies were selected for the second cohort of our 100+ Accelerator. To kick off, the startups attended a three-day workshop in New York City that offered lean start-up training, networking advice and technical expertise. In 2020 we continued to promote our returnable volume in new markets, partnering with Conscious Container, a member of the 100+ Accelerator startup cohort, to pilot a returnable solution for Michelob ULTRA Pure Gold in San Francisco in the US. Additionally, one of the 100+ Accelerator startups, Green Mining, expanded its operations this year, using reverse logistics technology to collect and recycle glass in Brazil. Since 2018, Green Mining has collected and recycled over 1,000 tons of glass—saving 180 metric tons of carbon from being generated. In March, they partnered with the supermarket Pão de Açúcar to create glass waste drop-offs at stores, another successful initiative that has already expanded.

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

AB InBev partners with farmers around the world to produce high-quality malt barley. Through 2020, our SmartBarley program has impacted and engaged 20,000 farmers; our local teams utilize the program to compare farmers' crop performance against advanced productivity and key environmental performance metrics from peer farmers and global benchmarks. The information within SmartBarley also helps our local teams identify the most pressing challenges facing our farmers, helping direct our portfolio of initiatives to address those challenges that most influence farmer productivity, resource use efficiency and profitability, develop improved varieties with higher barley yields and increased water efficiency, and assist farmers in the art of producing malt barley.

Your role in the implementation

Financial

Knowledge sharing

Explanation of how you encourage implementation

In Mexico, ABI developed three new barley varieties which provide increased yields and incomes for farmers. We also created Conecta Modelo, a project that includes more than 2,000 barley farmers in Mexico, that use mobile devices to share climate, market and technical information. We know that new technologies and information are critical for optimizing fertilizer and other crop input use. In Mexico, we also ensured farmer access to newer farm equipment by financing 100% of the cost. Additionally, in 2019, we rolled out a new and improved SmartBarley app to provide better tools for our 100+ agronomists to advise farmers around the world and developed training programs focusing on both technical and financial skills for farmers in multiple countries (i.e., India, Tanzania, Uganda and Mexico), working with key partners including TechnoServe and FIRA.

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

We are dedicated to enhancing water access and security for people and ecosystems across our markets through watershed restoration and conservation programs.

Your role in the implementation

Financial

Knowledge sharing

Explanation of how you encourage implementation

In 2020, we continued to scale our water stewardship efforts by engaging in watershed protection partnerships with local stakeholders, focusing on areas facing high water stress across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the United States and Zambia. 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.

Climate change related benefit

Increasing resilience to climate change (adaptation)

Comment

Management practice reference number

MP3

Management practice

Other, please specify (Water management)

Description of management practice

We have worked with local barley farmers to provide the advice and support needed to make a valuable difference to water use in their communities.

Your role in the implementation

Financial

Knowledge sharing

Explanation of how you encourage implementation

We have worked directly with farmers to help institute better farming practices in South Africa. Through guidelines for sustainable barley production we developed with WWF-South Africa, we have helped farmers increase the resilience, productivity and economic value of their crop while reducing environmental impact. By using precision irrigation for barley, the amount of water used to grow malting barley was cut in half, from 117mm to 58mm per ton in two years, while improving productivity. We look forward to taking our learnings from programs like these to other water-stressed regions in Africa and beyond.

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?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	We are active members of RE100 and part of the eight-member advisory committee where we engage with other renewable electricity leaders and discuss key topics such as legislation and opportunities that identify gaps worldwide. We are also REBA members which drives best practices on clean energy generation.	We support the legislation related to these groups with no exceptions.

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

British Beer & Pub Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Provide an industry perspective to regulators, such as UK DEFRA, on the impacts of proposed regulations related to climate change.

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

We have provided feedback to the association on the potential impacts of proposed climate change rules and regulations on our breweries.

Trade association

Beverage Industry Environmental Roundtable (BIER)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Beverage Industry Environmental Roundtable (BIER): Consistent BIER recognizes that there are considerable opportunities to improve energy efficiency across beverage sector operations and works to achieve acceptable standards through benchmarking and best practice sharing around energy accounting, key performance indicators and transparency. Through the allied voice of BIER, members collaborate to monitor and inform the development of climate change policy initiatives and work to ensure policy compliance through common guidance for calculating, tracking and reporting carbon impacts within the beverage sector. BIER released a joint commitment on climate change on behalf of its members in May 2015. We support BIER's joint commitment on climate change through activities and target setting and we are active in the organization itself, attending meetings and working to advance environmental sustainability in the beverage sector.

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

We support BIER's joint commitment on climate change through activities and target setting and we are active in the organization itself, attending meetings and working to advance environmental sustainability in the beverage sector.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

The company's method of engagement with policy makers on possible responses to climate change occurs primarily through active participation in industry and trade associations as well as global corporate social responsibility commitments. For example, we have committed to securing 100% of our purchased electricity from renewable sources by 2025. This commitment enabled us to join RE100, a collaborative global initiative uniting more than 100 influential businesses committed to using 100% renewable electricity.

Additionally, the company is an active participant in the Brewers of Europe Environmental Committee and the Beverage Industry Environmental Roundtable (BIER), both of which are engaged in energy and climate policy issues. We have also served on the EIUG (Energy Intensive Users Group) Council in previous years in South Africa. In May 2015, BIER released a joint commitment on climate change on behalf of its members. The commitment includes managing supply chain water risk, reducing agricultural water footprint, and conserving water. In addition, signatories to the commitment support an international framework of national GHG reduction targets and commitments to invest in adaptation. In 2010, the Brewers of Europe Environmental Workgroup helped determine methodologies for free allocations of emissions rights for the brewing sector in Phase III. In addition, the brewing sector submitted several position papers regarding carbon footprinting. At a country level, we participate in trade working groups that work to evaluate and influence climate change policy. Examples of this include our membership in the Belgian Food Federation where we worked on energy covenants in Belgium and the British Beer Association working on the Climate Change Agreement in the U.K. We also provide feedback and comment on potential impacts and opportunities to proposed legislation and act as an advocate for behavioral principles, such as the United Nations Global Compact (UNGC), the UN CEO Water Mandate and AIM-Progress (responsible sourcing). The nature of the engagement occurs on national and international levels and includes providing input to policymakers through trade associations on an emerging policy issue, or through public communication of our commitment to acting on climate change. The actions that we advocate include informing policy makers about industry challenges and opportunities regarding climate change and working with other companies to develop industry approaches to address key climate change challenges. At the local level, our facilities engage local leaders on a variety of natural resource conservation issues in order to promote conservation in the community, as well as inside our own facilities and to promote efficiency at all levels. As an example, in Belgium we are participating in and funding "Leuven Climate Neutral by 2030." This effort includes CO2 footprint studies of the city and the development of action plans aimed at reducing CO2 emissions. Leuven Climate Neutral encompasses multiple sectors of society, including city government, residential households, agriculture, industry and transportation. We also participate in the "Lean & Green" program, sponsored by the Flemish Institute for Logistics, Belgium, to reduce energy consumption through implementing logistics efficiency best practices.

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?**

Processes are in place to ensure that all of our direct and indirect activities that influence policy are consistent with our overall climate change strategy. These processes include implementation of our VPO management system, which ensures a consistent approach to our climate engagement activities across business divisions and countries, and the distribution of Common Positions across the company. Common positions on climate change strategy are also discussed at global meetings and as normal course during monthly performance reviews with global groups and zones. VPO drives Supply (production and logistics) business strategy across AB InBev. Our performance-based, metric-oriented culture of accountability and integration ensures our activities are consistent with our overall climate change strategy. The company's key climate-related issues (e.g. water and energy) are incorporated into VPO. Monthly phone calls between Global and Zone Supply include discussion of environmental policy issues that could impact our business. In addition, the Executive Board of Management (EBM) and task force operate as cross-functional teams helping ensure strategic alignment with regards to not only climate change reduction targets, public policy and communications, but other key relevant issues, such as legal and supply chain, for example. In addition, position papers on climate change issues are updated annually and widely distributed to ensure consistency among outreach and messaging at the global, zone and local levels.

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

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

AB-INBEV_AR 2020-EN.pdf

Page/Section reference

37

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C13. Other land management impacts

C-AC13.1/C-FB13.1/C-PF13.1

(C-AC13.1/C-FB13.1/C-PF13.1) Do you know if any of the management practices implemented on your own land disclosed in C-AC4.4a/C-FB4.4a/C-PF4.4a have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.1a/C-FB13.1a/C-PF13.1a

(C-AC13.1a/C-FB13.1a/C-PF13.1a) Provide details on those management practices that have other impacts besides climate change mitigation/adaptation and on your management response.

Management practice reference number

MP2

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Description of impact

We have achieved positive impacts through our programs aimed at enhancing water access and security for people and ecosystems. Through these efforts we have promoted soil conservation.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

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.

Management practice reference number

MP3

Overall effect

Positive

Which of the following has been impacted?

Soil

Water

Description of impact

Our knowledge sharing activities have helped farmers learn better water management practices.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

By using precision irrigation for barley in Africa, the amount of water used to grow malting barley was cut in half; from 117mm to 58mm per ton in two years. In addition, our process optimization improved productivity. We look forward to taking our learnings from programs like these to other water-stressed regions in Africa and beyond.

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

MP2

Overall effect

Positive

Which of the following has been impacted?

Yield

Description of impacts

Through our programs aimed at educating farmers on best practices, we have optimized crop yields of our suppliers.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

AB InBev collaborated with crop nutrition experts from Yara to develop crop nutrition protocols that help farmers grow to meet the high-quality standards for Budweiser while at the same time reducing their costs and limiting environmental impact.

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 Sustainability Officer – member of Senior Leadership Team (functioning as Executive Board of Management)	Board/Executive board

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	BE	0974293251

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Doing so would require we disclose business sensitive/proprietary information	Due to the confidential nature of the information and potential ramifications, i.e.- SEC violations, we are unable to provide additional information related to emissions allocations for our customers at this time.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

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	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms