

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 2019, AB InBev’s reported revenue was 52.3 billion US dollars (excluding joint ventures and associates) growing volumes by 1.1%, our third consecutive year of volume growth with the rate of growth accelerating each year.

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 2019	December 31 2019	No	<Not Applicable>

C0.3

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

Argentina
Australia
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
Zimbabwe

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 both emissions coming from our distribution activities, both upstream and downstream, which make up a portion of our Scope 3 emissions and would be recognized 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. It makes up the majority of GHG emissions coming from agriculture (more than 60%) and around 10% of our revenues. In order to estimate this value, we included the commodity purchases in relation with total revenues coming from brands that utilize this 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 for brewing beer and AB InBev is the world's largest purchaser of malted barley. All iconic Anheuser-Busch InBev brands utilize Barley on their recipes including brands like 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. Percent of revenue dependent on barley was estimated by adding the commodity purchases in relation to total revenues coming from brands that utilize this commodity. Approximately 70% of our revenue depends on barley.

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. It makes around 15% of our revenues. In order to estimate this value, we included revenues coming from brands that utilize this 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 we use to brew specialty beers such as Hoegaarden. It makes less than 5% of our revenues. In order to estimate this value, we included spent of that particular commodity in relation to revenues coming from brands that utilize this 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 2019 they 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 emission reduction of 35% in Scopes 1 and 2 by 2025 from a 2017 baseline. As climate is a top priority on their agenda, issues such as crop yield in Barley and implementation of Smart Barley across the world are discussed and approved during the Committee's meeting. In 2019, topics discussed specifically were risk of barley yield losses due to climate change and physical risks such as water risk in geographies such as South America, where the majority of our business lies within. These discussions resulted in the Board of Director's decision to increase funding towards mitigating the identified transition risks related to supply chain that may occur within the supply chain due to climate change. By performing climate scenarios, we are able to predict 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 at all of the board meetings and regularly on 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 Director agenda items such as: achievement of targets 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.

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, Chief Supply Officer, and Chief Marketing 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 full 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 sustainable 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 like Brazil and Colombia. The Chief Legal and Corporate Affairs Officer (CLO) oversees company-wide policies, including those specifically targeted to address climate-related risks, such as transition risks. 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 they are 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 Chief Marketing Officer (CMO) to innovate more sustainable products in line with consumer studies. The CMO works to bring consumer insights into innovation considerations while further working to sustainability market AB InBev products.

The Sustainability Council was created to guarantee execution of all sustainability matters taking into account how company compensation is structured, to cascade sustainability targets from the highest level of the organization to all operating units. This plan encompasses 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, climate action, 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 2019 the Council met 4 times. Progress towards goals 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 goals 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 goals which directly effects compensation.

Sustainability, through the company's Corporate Governance Charter, 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. 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 is upheld to overseeing our 2025 Sustainability Goals. Progress is tracked through a comprehensive sustainability goal dashboard. The sustainability dashboard includes our 2025 sustainability goals that entail: Reduction of Scopes 1,2, and 3 GHG emissions, Percentage of renewable electricity, % 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. The executive team oversees strategic planning at the highest levels of the organization and cascades initiatives down 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 dashboard includes our 2025 sustainability goals that entail: Reduction of Scopes 1,2, and 3 GHG emissions, Percentage of renewable electricity, % 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. 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 include: Reduction of Scopes 1,2, and 3 GHG emissions, Percentage of renewable electricity, % 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.
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. Reduction of Scopes 1,2, and 3 GHG emissions, Percentage of renewable electricity, % 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	Within each of the 6 zones of the world that we operate with a sustainability manager that oversees implementation of sustainability initiatives towards achieving our 2025 goals in each of these regions. The sustainability manager is responsible for the zone sustainability dashboard that includes our 2025 sustainability goals that entail: Reduction of Scopes 1,2, and 3 GHG emissions, Percentage of renewable electricity, % 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. The dashboard is directly linked to employees variable compensation structure. These dashboards add up to the global dashboard overlooked by the CSO.
Other, please specify (Top performing facilities)	Non-monetary reward	Emissions reduction target	AB InBev awards 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 strategies and targets includes acknowledgement in public reports, presenting results and approaches related to energy and greenhouse gases at meetings and conferences, recognition of facility as a benchmark, and sharing 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 level targets include: Total Energy Purchased per hectoliter; and Greenhouse gas target across the value chain. These are part of 2 other targets that these employees carry throughout the year. Targets are directly tied to their compensation model.
Facilities manager	Monetary reward	Energy reduction target	Facilities managers oversee site/facility level implementation of corporate sustainability initiatives. Site level targets include: Energy Purchased per hectoliter; Greenhouse gas emissions target; Water use target; and Watershed protection target. Incentives are tied to facility level progress in addition to that employee's role 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, plant employees are eligible to receive monetary rewards for achieving performance targets that include energy and greenhouse gas 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 are cascaded throughout the organization. This approach reflects functional integration that we believe will yield long-lasting and achievable results.

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 are in line with our medium- and long-term strategies although these are re-evaluated according to current 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 impact of climate-related risks and opportunities are identified using climate-scenarios and measuring impacts across our value chain in a matrix that measures financial impact (low-medium-high) and uncertainty of the event happening (Certain-Medium-Highly Uncertain). Highly uncertain plausible events that have the highest impact on the business (in millions of dollars) are given the highest punctuation. Uncertainty is measured on a scale of 0 to 1.

A substantive impact is referred to as a significant impact, which is defined as an event that has a net financial impact of greater than 3% over that facility and/or supply chain (commodities). This value varies for our direct operations as it is directly correlated to the net revenue of that specific facility. For supply chain risk, this impact is measured as 3% of overall net revenue dependant on that specific commodity. For example, in the case of barley, this is approximately equivalent to 1 million of 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 have leveraged 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 from occurring. Our goals are set at a level which measures substantive change for our company. The indicators are:

1. By 2025 - The company has published a public goal to measurably improve water availability and quality in high risk watersheds. In each of the high-risk watersheds, specific targets and goals are being set based on the relevant local water risks and priority response areas.
2. 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 2019, we were 61% towards the goal of 100% renewable purchased electricity and have reduced our Scope 1 and 2 emissions by 13.27% in absolute value and 19.06% in intensity (kgCO₂e/hl) from our 2017 baseline.

In addition, facility-level goals are developed in alignment with corporate indicators. Goals drive our performance, and the collaborative process we use to set these targets helps ensure success. All levels of our organization are aligned on this approach and 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 exposed, these financial risks are then 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 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 greater than 3% over a facility and/or supply chain for our commodities. This matrix identifies low, medium and high-risk issues in relation to 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 to 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 significant risks are identified by the Sustainability Team, they are presented to the sustainability council for input which is then followed by the development of a mitigation plan. For scenario risk assessment, IPCC Representative Concentration Pathways (RCP) are used to identify climate-related risks. Historical and future climate data according to each scenario is used to assess potential risk of lower or higher crop yield. In addition to this, climate-related scenarios are modelled to understand potential supply chain risk of specific packaging materials. For example, aluminum and glass supply will be dependent on the possible supply and demand models linked to the climate scenarios of the IPCC. The results of these analysis are included into the commodities 1-year, 3-year, and 10-year plans, identifying the plausible scenarios and associated impacts. To mitigate potential impact, we work alongside our suppliers in order to reduce the environmental impact of packaging and Raw Ingredients. A case study of how the described process is applied to Physical risks would be that we assess the risk of changing weather patterns on our raw material inputs used in the brewing process. We analyze weather patterns via data analytics to understand the future risk of our agricultural supply chain. Specifically, in barley growing regions we assess the specific region using historical data from SmartBarley and future productions from the results of the RCP assessment and the results inform our sourcing decisions. A case study of how the described process is applied to Transitional risks would be that twice a year, risk of current and emerging legislations is assessed and facilities that may be impacted by these are analysed. We have identified emerging climate-related legislation related to transition risks is the new legislation in Mexico that will be putting a tax on carbon emissions. This legislation could potentially impact four of our facilities in that country. Mitigation plans are currently running to prepare the facilities.

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 activities associated with distribution, product cooling, and End of Life; and represents close to 30% of total GHG emissions. Distribution and Cooling risks are managed 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. 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 footprint. In 2019 we introduced the first pilot of our zero-direct emission delivery truck in Mexico and successfully tested electric vehicles to add to our fleet in the Colombian cities of Bogota, Cartagena and Medellin. This past July, in partnership with FoQi and FeiChi, we began to use a hydrogen-powered truck for B2B beer deliveries in China, becoming the first beer company to use this technology in the country. In addition, in the US we made our first Zero-Emission delivery in the country in November in St. Louis. This followed a signed intent to contract 800 hydrogen-powered, electric semi-trucks from Nikola Motors in 2018 and the announcement of 21 electric trucks with BYD in the state of California.

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 activities associated with all our breweries and verticalized operations across the world, including glass, can, malt, and crown cap manufacturing. Facilities are included on our climate-related risk assessment, including physical risk (both acute and chronic such as water scarcity, sea level rise, and flood risk) and transition risk (technology, policy, and legal). 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 changing impact of climate change and the resulting effect on our reduction commitment; therefore, we updated our Science Based Target, and this was approved in December 2019; this target states a reduction of 35% in absolute emissions on Scopes 1 and 2 by 2025 from a 2017 baseline. In 2019, we completed contracting of our purchased electricity to over 60% of renewable electricity contracted, this will represent 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	Current regulation is constantly assessed at AB InBev as part of the climate-related risks using TCFD recommendations. We work closely with our legal advisors in every country our operations are within across the world, evaluating current regulations and the resulting risk and opportunities we experience. Based on this, we make strategic decisions on investments and plans to address current regulation risks. An example of a risk of this type is carbon taxation in countries within the EU, where current regulation impacts 5 of our facilities. To address this we are accelerating our decarbonization in 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 include accelerating our decarbonization in 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 implemented distance reduction projects across the world. Across the business we assess risks and opportunities related to current regulations.
Emerging regulation	Relevant, always included	We evaluate emerging regulation of every country our operations are within on a regular basis using TCFD recommendations to influence our strategic decisions on investments and plans. Emerging regulations are part of transitions risks and may impact our direct operations and costs of materials (such as packaging materials) and logistic. The risk of emerging policies 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 a risk of this type 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 in these facilities. We have also identified possible impacts in Mexico that will be implemented starting 2020. This emerging trading scheme could potentially impact at least 4 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 for the risk assessment. An example of a risk of this type is that as a company we face the risk of additional implied costs related to obsolete technology which could result in increased taxes from fossil-fuel based technologies. In order to address this, we continuously work on piloting and implementing innovative solution that are lower carbon or carbon-free. For development of new products we take into account technology that mitigates the use of energy and water overall and through LCAs, assess carbon footprint of new products being developed. In addition to this, we also use our +100 Accelerator to identify start-ups across the world that have developed unique technologies that are able to be scaled and implemented across our operations. An example of one of the Accelerator start-ups is Yushuo. Yushuo proposes a solution by reusing old batteries from electric vehicles to store electricity on our on-site installations in China. Renewable electricity usage went from 20 to almost 30% in those facilities. The development of new technologies mitigates our risk of future possible scenarios evaluated on our risk assessment process.
Legal	Relevant, always included	The legal aspect is always evaluated before making any climate related decision. An example of a risk of this type is that Transition risks due to legal issues can impact our supply chain, impacting negatively cost of input such as packaging materials; regulation such as the EU ETS that can impact directly our own operations as it regards enforcing efficiency and accelerated decarbonization strategies; risks associated with fuel transition which would impact the cost of moving our finish products. An example on how we currently address this risk type is the switch from coal to natural gas in China and initiatives addressing carbon tax implemented in several countries in the last years. This risk type 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 base of our business and our main client is the consumer. We evaluate market trends on strategic planning within sustainability. Market risks are included in our risk assessment processes through following market trends to help us predict what future behaviors will be and how the will market shape. An example of a risk of this type includes current trends on how packaging is used to market certain information to the customer, a process that is done once a year during the 3- and 10-year planning sessions. As 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 how Budweiser is brewed with 100% renewable electricity as each market reaches the commitment. Another example is Michelob Ultra in the United States. Michelob Ultra committed to transform 1 square foot of regular barley land into organic barley land for every case sold. This commitment addresses consumer demand of more purpose-driven products.
Reputation	Relevant, always included	Our reputation is key for the future success of our business as it directly impacts license to operate. Strategic decisions always include a reputational risk assessment. This risk type is included in climate-related risk assessments through an assessment performed on a continuous basis and is included on 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 risk of this type is that as stakeholder expectations on how climate change needs to be addressed by organizations change, we need to continue to drive efforts to decarbonize and innovate. An example of this is the implementation of our 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. This risk type is included in climate-related risk assessments through evaluating the risk at facilities. Although the probability of severe weather events and frequency happening is hard to predict, an example of a risk of this type is that we have identified sites where weather, such as drought, can affect water availability in the short and long term. We work with the teams across the zones to mitigate this risk. Although the probability of extreme weather events is hard to predict, the impact of these 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. An example of this risk type is in 2017 we announced a global partnership with leading agro-tech firm Agrible that will enable us to help farmers around the world access better data and predictive insights on long- term climate effects to help better manage crops. This risk type is included in climate-related risk assessments through evaluating the risk of facilities, both when making the decision to build a greenfield or evaluating the risk of long-term climate related disasters, especially on water-stressed areas. An example of a risk of this type is that water scarcity due to climate change could impact our operations more significantly every year and by 2030 we have estimated billions of dollars at risk in over 50 facilities across the world.

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 start early next year once the European Climate law setting 2050 carbon neutrality in law has been adopted either this autumn/winter. After the passing of the 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. Current ETS system has been calibrated to deliver 40% reduction by 2030 and has to be readjusted. We expect that new sector(s) will be included in ETS, most importantly for us maritime transport sector. This will certainly push maritime transport prices up. There are talks about including the wider transport sector but that most likely won't be the case but instead the fuel tax for transport will be increased to facilitate decarbonisation of transport, which will likely increase transport costs for us. Currently we have 5 breweries in ETS system and need to buy emission allocations to cover their emissions. At the moment, the allocations are trading at about 25€/allocation and we spent about USD 1.5 Mio in 2019 and 2020 BU was just under USD 2Mio. This we can expect to go up quite considerably by 2030 due to recalibration to make sure ETS is aligned with the increased 2030 targets. Another emerging regulation risk identified is in Mexico where the new environment trading scheme will 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 for than 3 facilities in the country including our largest brewery in the world. The expected financial impact is unknown until October 2020 when trading price of the allowance will be 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)

1300000

Potential financial impact figure – maximum (currency)

3700000

Explanation of financial impact figure

In Europe we were compliant with Phase I the ETS, there is a penalty of 100 Euro per ton CO2 (subject to inflation) if we were not able to report facility emission by the regulatory deadline that are within the annual allowance of emissions. This cost figure was utilized to estimate global impacts of carbon pricing initiatives for our portfolio of facilities. The ETS transitioned into Phase II and the cost for exceeded allowable emissions has remained the same, therefore this estimate remained unchanged. However, as the ETS transitions into Phase III, the total financial impact is estimated to be 1.3 to 3.7 million Euros depending on whether purchased emission rights can be carried from Phase II to Phase III, with a possible gap for our facilities of approximately 245,000 allowances. 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 addition to this, we expect other sectors to be included on the scheme, impacting fuel costs such as maritime and road which could potentially impact our transportation costs within western Europe. The size of the risk is still unknown.

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 six 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 arises (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 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 (Result). For example, we introduced a new patent in 2019 that is estimated to reduce our operational emissions by 5% where implemented. The technology creates gas bubbles without needing a lot of heat and water, reducing energy usage at our breweries as less heat energy is required to brew beer. 34 of our breweries are already equipped with this technology, with 19 more planned for 2019.

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 require 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 on supply prices. In addition to that we identify the risk on our thermal and electric energy separately and focus on specific projects like PPAs and renewable energy to reduce emissions globally. For example, we signed agreements for an equivalent of 1.1GWh in renewable electricity in 2019, representing more than 20% of our global consumption. Our partnership with Enel Green Power's Thunder Ranch in Oklahoma, US went live this year, providing 602,000 MWh of electricity – the equivalent of 11% of AB InBev's total global electricity consumption. Energy prices have been subject to significant price volatility in the recent past and may be again in the future. High energy prices over an extended period of

time, as well as changes in energy taxation and regulation in certain geographies, may result in a negative effect on operating income and could potentially challenge our profitability in certain markets. There is no guarantee that we will be able to pass along increased energy costs to our customers in every case.

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 it aligns with business goals. Our cost of management was calculated by assessing the approximate amount annually dedicated to these projects out of total capital expenditures in 2019 (10,000,000 USD = 2019 efficiency improvements + 2019 lower emission fuels and renewables + 2019 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 Budweiser's 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. To date the results have been positive, 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, with a baseline of 2017.

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. In 2019 we continue to advance towards our 2025 Sustainability Goals which aim to deliver a measurable, positive impact on the environment and our communities as aligned with the UN Sustainable Development Goals. These goals directly contribute to targets within Climate Action, Renewables, Water Access, Waste and Access to Finance. In addition, we set a Science Based Target to publicly demonstrate our commitment to combating climate change and we continuously participate in key stakeholder events, where we continue to make strategic partnerships may mitigate our reputational risk. We work on engaging our specific brands on different sustainability programs. For example, our global brand Budweiser, continues to champion Climate Action by focusing on renewable electricity. Through the packaging, Budweiser is communicating to consumers when the beer is brewed with renewable electricity with the purpose of creating awareness of low-carbon products in the market to the consumer and help drive change in 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)

532000000

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 the decrease of our products sold. To provide a perspective of the financial implications, in 2019, 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 532 million USD based on 2019 revenues of 53.2 billion. In addition, we have identified that consumers are products that have a purpose and leave a positive impact in the world as well as 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

70000000

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 the use of our annual report and marketing. The company monitors the reflection of 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 2019 which total approximately 70 million USD. As a case study example, we have used our stakeholder engagement to help improve our supply chain relationships (Situation). Our goal of 100% of our direct farmers will be skilled, connected and financially empowered by 2025 (Task). We have begun the process of working with our direct farmers through our Agricultural Development Programs (Action). As a result, in the 13 countries that we work within over 35,000 farmers have been empowered to ensure full transparency and success of farmers in our direct supply chains (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 a 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 while boiling. In 2019, we adopted the Simmer and Strip technology, which was patented by us in 2018, helping increase energy efficiency in over 34 of our facilities across the world. 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. 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 efficiency can therefore yield significant savings. In 2019 our purchased energy has resulted in a reduction of 6.9% 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 13.27% in absolute value and 19.06% in intensity (kgCO₂ e/hl) vs our 2017 baseline. Through a rigorous process, we internally share best practices and measure results. In 2019, the value captured was approximately \$50 million dollars in decreased energy costs (sum of company-wide savings) due to our implemented energy efficiency projects.

Cost to realize opportunity

10000000

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, benchmarking the 6 zones of the business to understand where the opportunities lie (Situation). Through the process, we are able to quantify the size of the opportunity and return on investment of each initiative. The initiatives, that 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), implementation of Simmer and Strip Technology (34 facilities across the world) (Action). As a result, in 2019 we reduced our energy purchased in our breweries by 5.21% vs 2018 (Result). The figure for the cost to realize the opportunity was calculated based on the sum cost of implementing our current energy efficiency projects, which total approximately \$10,000,000 USD.

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

Barley efficiency and seed research programs have been developed to improve crops and help them tolerate extreme weather conditions, such as drought. The company invests in barley research and development in order to create new varieties with better yields and to develop sustainable techniques that help improve the volume and quality of the barley produced by our farmers. These varieties have characteristics, such as disease resistance and drought tolerance that can allow crops to grow in extreme weather conditions. In the long term, this helps us better manage the cost of our raw materials and ensure that we have a source of high- quality raw materials to use in our products. These programs provide us with the additional opportunity of working closely with growers allowing us to also grow and improve our business relationships, including our SmartBarley Benchmarking initiative. In addition to this, we are currently working in partnership with NASA. Through historical and future climate scenarios, we are able to model plausible scenarios and understand the impact climate change can have on barley yield.

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)

532000000

Explanation of financial impact figure

After water, barley is the primary ingredient in beer and our key agricultural focus. We source hops, rice and corn as well as local crops such as sorghum and cassava in Africa which we 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 53.2 billion USD would result in a gain of 532 million USD based on 2019 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 active participant in the UN Environmental Programme, the Beverage Industry Environmental Roundtable, the UN CEO Water Mandate (steering committee) and the Sustainable Agriculture Initiative. For the past six years we have organized a technical advisory group of outside experts to focus on barley water management and watershed protection. The figure for the cost to realize the opportunity was calculated based on the sum cost of our investment on our SmartBarley R&D in support of responsible barley growing practices, which is approximately 2 million USD. As a case study example, our creation of the SmartBarley initiative enables independent growers to use shared data and learn best practices to deliver increased value to their farms and communities (Situation). SmartBarley comprises a portfolio of field level programs that focus on trialing and transferring new crop technologies and improved practices (Task). This initiative has impacted and engaged over 4,500 growers with the goal of cultivating the highest quality barley with the best yields and lowest cost (Action). As a result of our ongoing engagement efforts with growers we have been able to work directly with more than 17,000 barley growers worldwide (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. T. In 2019, 40.9% of our portfolio was in returnable packaging. To help protect our returnable mix and satisfy consumer preference towards one-way glass, we issued a challenge on our second cohort of our 100+ Accelerator. We identified 3 start-ups that are helping protect returnables. Examples include Nomo Waste in Colombia where, through waste collectors and cooperatives, we are able to recollect one-way bottles to bring them back to our facilities and refill them as new one-way bottles. By doing this, we are able to reduce the carbon footprint of one bottle by more than 50% in Colombia.

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 \$10,000,000 USD. This assumption was utilized to calculate an increased revenue due to brand reputation.

Cost to realize opportunity

6000000

Strategy to realize opportunity and explanation of cost calculation

The methods we use to maintain our reputation as a responsible company include ensuring that the appropriate policies, accountability measures, and environmental management systems supporting these measures guide our behavior and performance are in place. Costs associated with taking action to maintain our reputation as a leading corporate citizen are difficult to estimate in total. They include ongoing investments in our management systems, energy and water programs, outreach and communication efforts, and research conducted to ensure we effectively consider the attitudes of key stakeholders and consumers. A case study example of our reputational efforts, is our support of Water.org through our brand Stella Artois (Situation). Today, 750 mil. 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 these water engagement activities is 6 million USD.

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) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS	<p>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, which was developed by CDP, WRI, and the WWF. The SDA utilizes scenario analysis to determine a carbon budget based on a company's relative contribution to the economy and uses a least-cost modelled below 1.5° C scenario developed by the International Energy Agency (IEA 2DS). The result of this process showed that we could set an ambitious yet realistic target to reduce emissions across the value chain (Scopes 1, 2, and 3) by 25% per beverage by 2025, from a 2017 base year and Scope 1 and 2 emissions by 35% in absolute emissions within the same timeframe, and informed our overall GHG strategy as part of ABI's 2025 sustainability goals with a time horizon of approximately 8 years. The areas of your 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 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 83% of our emissions lie. We continue enforcing our Eclipse supplier- dedicated platform where we invite supply chain partners to share our Sustainability vision. Eclipse allows us to identify key opportunities for partnership on sustainable development with some of our biggest suppliers across our top markets and encourages target setting and accelerated decarbonization among our suppliers. As a result of these efforts, in November 2019 we held our first Eclipse Summit in St Louis, US where we discussed key sustainability issues including decarbonization strategy and as of December 2019, more than 50 major suppliers signed up</p>
RCP 8.5	<p>In order to measure potential risk due to climate change, 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 policy 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 decrease in yield in crops such as barley, wheat, rice, and maize among others. Identified risk and opportunities of Barley yields for growth in the future. Where we should be growing Barley due to the risks found on climate change. Most of the results are promising, in turns of barley yield increase in the areas where we currently grow barley. The model is updated annually, therefore we assess annually and monitor the forecast. 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. Tie is back to the RCP models. Best case scenario, worst case. Both scenarios in terms of physical risk, no difference in the next 10 years. ABI. Make specific. We see positive results such as Northern America and Argentina for barley yields in the next twenty to thirty years. Regarding physical risk, risks related to extreme weather events such as hurricanes, floods, and drought are more likely to occur as well as the severity of these, especially in locations across our coastal regions such as our brewery in the Dominican Republic of Malting site in Cartagena, Colombia. Chronic risks such as water scarcity will increase in the next 10 years, significantly increasing our risk due to water across the world with new emerging geographies that are not stressed today putting billions of dollars at risk.</p>
RCP 2.6	<p>In order to measure potential risk due to climate change, 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 risk and opportunities of Barley yields for growth in the future are lower than business as usual but still remain present but with promising results, with barley yield increases in the areas where we currently grow barley. The model is updated annually, therefore we assess annually and monitor the forecast. 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. Tie is back to the RCP models. Best case scenario, worst case. Both scenarios in terms of physical risk, no difference in the next 10 years. ABI. Make specific. We see positive results such as Northern America and Argentina for barley yields in the next twenty to thirty years. Regarding physical risk, risks related to extreme weather events such as hurricanes, floods, and drought are more likely to occur as well as the severity of these, especially in locations across our coastal regions such as our brewery in the Dominican Republic of Malting site in Cartagena, Colombia. Chronic risks such as water scarcity will increase in the next 10 years, significantly increasing our risk due to water across the world with new emerging geographies that are not stressed today putting billions of dollars at risk.</p>

C3.1d

(C3.1d) 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 the 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 such as 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. Budweiser, the largest beer brand in the world, has targeted its strategy, recognizing the importance of climate change, to openly talk about a transition to a low-carbon economy by including a 100% renewable electricity logo in every Budweiser brewed with renewable electricity. In 2019 Superbowl, it announced the shift to renewables in the United States. 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 the substantial strategic decision, in July 2019 we launched Michelob Ultra Pure Gold in order to mitigate reputational risk and reduce climate-related impacts for farmers. We recognized the importance of organic farming and its impact on sustainability, and in turn announced an initiative to support American barley farmers who wish to reduce their climate-related impacts through transitioning to organic production. AB InBev is helping them navigate the steps required to grow certified organic crops. The results of this campaign resulted in nearly 20 million earned media impressions and grew our brand value. The magnitude of impact of our 2025 goals is felt across our entire business and affects the way we develop new products, distribute our products, and market our products.
Supply chain and/or value chain	Yes	More than 80% of our emissions lie in our supply chain. We recognize the importance to address our supply chain and accelerated decarbonization. According to TCFD recommendations, risk due to market such as supply chain risk 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 address our barley, water, energy, packaging, transportation and refrigeration use. The magnitude of the impact is best reflected in our Scope 3 emissions which indicate agriculture is our biggest supply chain risk as it ranks highest in terms of financial impact and uncertainty of event occurring. We have already experienced crop loss and impacts in agriculture supply chains specifically in several of our markets including Brazil and Mexico where we source barley from, representing a significant portion of our total country volume. This has influenced our strategy through emphasizing the importance of our active engagement of our largest suppliers to set their own sustainability goals so we can scale and accelerate impact. To help achieve this, throughout scenario analysis, modeling historical data and future scenarios using satellite data from NASA, we have been able to quantify financial impacts due to yield decline in the areas where we have barley growing programs. This analysis provides us with guidance on where we need to continue developing programs and where we should launch 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. In November 2019, we hosted the first Eclipse Summit in the US where more than 100 professionals and influential leaders came together in St. Louis to discuss critical sustainability issues. Some of the critical issues discussed address critically of quick decarbonization including transportation, ag tech, packaging innovation and recycling infrastructure transformation.
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 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. Design of such 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 the external facing initiative: the 100+ Sustainability Accelerator. 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 more. Through the program, we are empowering driven and committed entrepreneurs and leverage 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 opportunity of additional funding. Following a lean startup bootcamp, mentoring sessions and on-the-ground pilots, the first cohort demonstrated their pilot results during a Demo Day during 2019 Climate Week in New York City where select startups pitched their solutions to investors. 12 of the startups have signed commercial contracts with our business outside of the 100+ Accelerator pilot. Their solutions are being implemented across the globe.
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 directly influenced our '10 principles' that embody our company's dream and culture and are reflected within our data management system. In addition to this, we hold once a year an internal process in order to prioritize operation 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. 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. One action we took as part of the campaign was the removal of 20,000 trucks off Belgian roads in 2019 with the launch of a new "beer boat" to ship Stella Artois from Liège to Antwerp. Our green logistics campaign has the potential to reduce our CO2 emissions by 30% for the company. In the last year, we have identified more than 1 million dollars of opportunity implementing emission reduction initiatives that have been prioritized in 1 year and 3-year plans.

C3.1e

(C3.1e) 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 2019, 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 consumer and market future risks and opportunities which we have identified are continuously shifting preference towards sustainable and purpose driven products. This preference gains more relevance every day, which we believe can potentially shift our consumer preferences. As our products are made from natural ingredients, it is our responsibility to protect the environment where we operate. Our revenue for 2019 was \$2.3 billion USD which could be impacted significantly due to climate change as resources become scarce. Our products are made from natural resources, and if the right measures are not in place, raw material availability (barley, cassava, maize, sorghum, among others) can affect our bottom line. However, we do not anticipate an impact on revenue to occur in the near future and if it occurs, we expect the impact 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. Examples include Patagonia which in 2019 launched in the United States with a campaign to save CO2 emissions by being brewed locally. In addition, Patagonia partnered with the National Forest Foundation to responsibly plant 1 tree for every beer purchased. Another example is Skol, who champions 0 waste on every carnival and event in Brazil, educating consumers on the importance of recycling and circular economy. 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 we have operations in (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 2019 (Time Horizon) we invested more than 100 million USD to implementation of new technology in more than 30 of our facilities (Action). As a result, that has saved 5% on annual emissions at a brewery level (Result).

C3.1f

(C3.1f) 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 is 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. They are required to close the gap 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, 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 up 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 in 2018. Our Scope 3 footprint includes our primary purchased goods and services, upstream and downstream logistics, and product use (such as cooling). In 2019, we estimated a reduction of 6.9% 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, getting more and more accurate 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 are 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. 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. Following the introduction of this symbol, in 2019 Budweiser continued to champion use of renewable energy through sponsoring a campaign that educated consumers on our use of wind to power Budweiser production; this commercial received 18 million impressions. Every day, 41 million Budweiser's are sold globally. 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 in 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 affect 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)

5359953.7

% of target achieved [auto-calculated]

37.7428575047783

Target status in reporting year

Underway

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

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 25% GHG emissions per beverage throughout our value chain by 2025 (scopes 1, 2, and 3) with 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)

55.3

% of target achieved [auto-calculated]

27.6094276094276

Target status in reporting year

Underway

Is this a science-based target?

Yes, this target has been approved as science-based by the Science Based Targets initiative

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 with 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

20

% of target achieved [auto-calculated]

13.9784946236559

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 is 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)
---------------------	-----------------------------

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

20

% of target achieved [auto-calculated]

13.9784946236559

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 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		
To be implemented*	150	1260332
Implementation commenced*	30	155534
Implemented*	66	1607797
Not to be implemented	10	

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)

98702

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

300000

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

550000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiatives to improve energy efficiency KPI that have been implemented include implementation of Simmer and Strip technology, improvement of operational practices, learning from benchmark facilities. We have also optimized cogeneration system and optimized consumption of compressed air. We have also 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)
-------------------------------	-------------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

32544

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

1500000

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

500000

Payback period

1-3 years

Estimated lifetime of the initiative

21-30 years

Comment

Fuel switch in Scope 1 emissions include the continuation of the China plan to switch 100% of our breweries to natural gas. We have also implemented biogas systems in over 5 of our breweries.

Initiative category & Initiative type

Fugitive emissions reductions	Carbon capture and storage/utilization (CCS/U)
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Estimated annual CO2e savings (metric tonnes CO2e)

7965

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

250000

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

100000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

We have implemented carbon capture from the exhaust gases from the natural gas boilers and removing the CO2 which can be utilized later in the process.

Initiative category & Initiative type

Low-carbon energy consumption	Solar PV
-------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

44510

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

75000

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

0

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Solar projects are realized via PPAs which do not require any direct investment but rather capture the potential future savings due to price reductions in the marketplace as solar becomes more competitive.

Initiative category & Initiative type

Low-carbon energy consumption	Wind
-------------------------------	------

Estimated annual CO2e savings (metric tonnes CO2e)

404679

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Eolic projects are realized via PPAs which do not require any direct investment but rather capture the potential future savings due to price reductions in the marketplace as wind becomes more competitive.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)

157138

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

300000

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

750000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

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

Initiative category & Initiative type

Company policy or behavioral change

Supplier engagement

Estimated annual CO2e savings (metric tonnes CO2e)

753898

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

Supplier engagement has helped us reduce emissions in the last 2 years by: decreasing emissions of packaging and malting specifically. In addition to this, we have engaged with cooler suppliers which has helped us reduce our scope 3 emissions significantly and make up for negative externalities encountered in other processes along the value chain.

Initiative category & Initiative type

Transportation

Company fleet vehicle efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

108361

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

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

100000

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

In the United States we have implemented efficiency projects such as collaborative transportation, helping us reduce empty mileage across the country. This initiative is being piloted in other countries across the organization and we partnering with suppliers across our supply chain through Eclipse, by having a third party who can help identify opportunities for collaboration and reduce empty mileage across the country which today accounts for 20% of total mileage in the US.

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 point and 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 on 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. Internally we set energy purchased targets and we have reduced this KPI by 5% from 2017 to 2019. In addition, carbon reduction targets are set at every level in the organization, from C-suite to site manager level.
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 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 in September 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 Alto Plano 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 cascade 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 2019 with over 60% of total beer volume contracted, and 20% operational.
Dedicated budget for low-carbon product R&D	Our innovation center works continuously in developing cutting edge technologies that reduce our emissions and energy usage on 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 more. 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 these budding businesses. We were recognized among Fast Company's World-Changing Ideas 2019 and Forbes' inaugural Blockchain 50 list for our partnership with BanQu, a startup from our 100+ Sustainability Accelerator, which helps provide financial identities to unbanked farmers in Uganda and Zambia.
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 emission reduction.

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

In 2019 we continued to support our farmers in our approach to agricultural development, working with over 20,000 farmers in 13 countries to support the growth of our six priority crops (barley, cassava, hops, maize, rice, sorghum) and increase their resilience to climate change.

Primary climate change-related benefit

Increasing resilience to climate change (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

The 2019 crop year proved to be challenging in many growing regions across the globe, with weather events threatening both quality and yield. Whether it was rain at harvest or drought during critical growth periods, climate change continues to increase the intensity and frequency of these potentially devastating weather events. Increasing farmer resilience and reducing production volatility through improved breeding and crop management practices will continue to be a focus for our Research and Agronomy teams. We are working diligently to ensure our framework of "skilled, connected, and financially empowered" appropriately supports farmers to adopt the practices and tools they need to address the challenges they face in their local environments. We have partnered with Cool Farm Alliance and NASA to measure emissions on our facilities and we share learnings and best practices on the table with other consumer goods companies that are part of the forum.

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 carbon neutrality there is an ongoing shift of our breweries, such as those for Budweiser, to optimize and reduce energy consumption. Our strategy is anchored on a clear roadmap of technology and smart processes that will transform our operations over the next ten years. As technology is evolving constantly, we are always scouting, developing and validating new technologies at big scale production 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 taste and quality of the final product.

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)

3600710

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

2215902

Scope 2, market-based (if applicable)

1761444

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 or 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

15937148.68

Emissions calculation methodology

Methodology used: GHG Protocol Corporate Value Chain (Scope 3) Standard This includes estimated emissions from Agriculture, Malting and Adjunct processing, and packaging materials. These emissions have been calculated based on both custom and industry emission factor averages. Input includes tons of raw materials and packaging materials as well as geography where raw materials were grown or sourced from. We also take into account the recycled content in our primary packaging.

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

80

Please explain

Emissions from purchased good and services are calculated using a hybrid approach, meaning a combination of market averages and supplier-specific data. For agriculture, data coming from our direct farmers. For other materials, a combination of supplier specific data that is collected through the CDP Supply Chain program in collaboration with our suppliers and market emission factor averages, results of LCA studies, is calculated. To estimate emissions from packaging better, 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

967949

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 in the manufacturing process.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

390953.69

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) and 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 in 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 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

2411160.23

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, 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) and 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

6218806.55

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 on 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

558428.61

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 on increasing recycled content and maintaining 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 upstream 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 upstream leased assets 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 evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

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

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

Yes

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

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

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

2802113.92

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)

2836683.33

Please explain

These emissions come from growing of raw ingredients including barley, rice, maize, and other commodities we use for production of our products; from processing of raw ingredients like processing from barley to malt; and from manufacturing of packaging material like 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 2019, 1.3 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.

Agricultural commodities

Other (Barley)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We estimate emission factor data via our Smart Barley program, where we work with 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 the information of global purchases at a country level, we are able to estimate emissions from barley. In 2019, 1 million tons CO2e correspond to emissions from barley agriculture. At AB InBev, barley is our most critical crop, and we are currently measuring future risk and opportunity using satellite data 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 2019, 430,000 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 2019, 2,000 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)

1329742.803

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 like the one with Indigo in the United States. Through these types of initiatives, we are able to track and monitor environmental KPIs such as fertilizer and water usage on our Jonesboro milling plant.

Wheat

Reporting emissions by

Total

Emissions (metric tons CO₂e)

2624.262

Denominator: unit of production

<Not Applicable>

Change from last reporting year

This is our first year of measurement

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)

1473378.975

Denominator: unit of production

<Not Applicable>

Change from last reporting year

This is our first year of measurement

Please explain

This is a combination of both Barley and Maize emissions (1,043,094.801 – Barley and 430,284.174 – Maize). Emissions coming from commodities was calculated with a mix of direct farmer data coming from our Smart Barley 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.

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

0.000102428

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

5359953.71

Metric denominator

unit total revenue

Metric denominator: Unit total

52329000000

Scope 2 figure used

Market-based

% change from previous year

5

Direction of change

Decreased

Reason for change

AB inBev continues to pursue low carbon energy investments. For example, in 2019 in Argentina we celebrated becoming the first consumer goods company in the country to commit to 100% renewable electricity in 2020, to be supplied by the Budweiser Wind Park. We also signed renewable electricity contracts in 100% of pan-European countries and Dominican Republic, 30% of volume in Brazil, and 20% of volume in Colombia. We are also on the path to be powered with 100% of renewable electricity by 2021 in the United States, participating in one of the 5 largest solar projects in the world. On-site solar keeps playing a major role in countries like China and South Africa where we have achieved 20-25% renewable electricity in the 5 facilities where it's been installed. In terms of heat energy (Scope 1), we have reduced our energy usage by 5% since 2017. 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	3479169.43	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	53293.1	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	25.94	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	67765.82	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	456	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	662529.74
Canada	61916.32
Brazil	293359.22
Guatemala	3641.75
Dominican Republic	41525.47
Argentina	111894.28
Peru	91643.17
Uruguay	10985.18
Chile	6247.46
Bolivia (Plurinational State of)	886.19
Paraguay	16899.2
China	192476.62
Republic of Korea	41749.85
India	14331.55
Viet Nam	3692.57
Belgium	64854.76
Russian Federation	147815.36
Ukraine	12447.66
Germany	66689.28
Netherlands	5550.66
United Kingdom of Great Britain and Northern Ireland	36886.05
Luxembourg	672.87
Mexico	926393.77
Spain	10419.22
Australia	25207.87
South Africa	271057.77
Mozambique	21158.56
Lesotho	4457.99
Eswatini	3838.05
Botswana	10756.41
Namibia	1312.38
Zambia	19652.89
United Republic of Tanzania	28414.21
Uganda	23356
Nigeria	64816.51
Ghana	75944.48
Colombia	153384.63
Ecuador	28898.48
El Salvador	12132.3
Panama	14871.38
Honduras	15942.18

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	724446.068
EUR	345335.852
MAZ	1288433.128
APAC	277458.46
AFRICA	524765.248
SAZ	440271.525

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)

3600710.29

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	71134.86	60300.4	201651.76	35396.36
Belgium	16216.75	0	94393.19	94393.19
Bolivia (Plurinational State of)	1314.83	1314.83	31360.66	0
Brazil	153037.55	153037.55	999568.87	0
Canada	9375.55	5686.91	65747.17	25867.04
Chile	4188.85	4167.9	9587.66	9587.66
China	408054.75	390534.46	493522.03	29152.89
Dominican Republic	35932.29	35932.29	68730.47	0
India	21737.53	21737.53	61489.47	3765.87
Luxembourg	250.21	0	1420.86	1420.86
Mexico	183679.64	183679.64	536558.21	25173.36
Paraguay	4877.68	4877.68	47984.16	0
Peru	26986.96	26986.96	121289.72	0
Russian Federation	129305.97	126398.07	256182.94	8275.2
Netherlands	5090.17	0	11600.19	11600.19
United Kingdom of Great Britain and Northern Ireland	17489.63	0	68425.78	68425.78
Ukraine	29690.97	29690.97	57448.58	0
United States of America	624876.56	317983.16	1404081.27	750310.77
Uruguay	703.86	390.68	48879.06	21748.19
Viet Nam	3107.98	2867.46	8592.71	664.98
Guatemala	2602.53	2602.53	8235.87	0
Ecuador	8285.33	8285.33	46157.85	0
Germany	30126.31	0	71934.85	71934.85
Spain	3100.75	0	10703.3	10703.3
Australia	46951.1	35557.33	62928.7	15271.11
South Africa	202494.21	202111.19	223973.25	423.65
Mozambique	459.03	459.03	6567	0
Lesotho	1628.61	1628.61	3550.04	0
Eswatini	1957.65	1957.65	4278.08	0
Botswana	15220.67	15220.67	10679.67	0
Namibia	506.42	506.42	1211.83	0
Zambia	2433.82	2433.82	18396.21	0
United Republic of Tanzania	19794.83	18865.09	65400.03	3071.46
Colombia	27439.58	381.83	209917.12	207962.52
Uganda	9878.09	9878.09	21586.73	0
Nigeria	10057.18	10057.18	24066	0
Ghana	3844.57	3844.57	15458.68	0
Other, please specify (Republic of Korea)	56555.14	56555.14	109976.65	0
Panama	4903.48	4903.48	26151.89	0
El Salvador	5817.55	5817.55	34628.28	0
Honduras	14792.44	14792.44	46502.47	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	634252.1	323670.06
SAZ	235257.63	224089.05
APAC	536406.5	507251.91
EUR	231270.76	156089.03
MAZ	310439.81	283382.06
AFRICA	268275.09	266962.33

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	567070	Decreased	10	Several of the renewable electricity contracts previously contracted between 2017 and 2018 came live in 2019. Some examples include Budweiser Park in Argentina which will increase renewable electricity from 18% in 2019 to 100% in 2020 as it came live in late 2019. Other examples are Vietnam and India, where on-site solar projects were connected, accounting for almost 1,000 tons CO2e. Our biggest contributor in reduction was the United States with 383,000 tons CO2e due to fuel switch initiatives, especially Thunder Ranch renewable electricity. Through these activities we reduced our emissions by 567070 tons CO2e, and our total S1 and S2 emissions in the previous year was 5897840 tons CO2e, therefore we arrived at -10% through $(-567070/5897840) * 100 = -10\%$ (i.e. an 10% decrease in emissions).
Other emissions reduction activities	167208	Decreased	3	We manage our energy purchased (both heat and electricity) through our internal systems and employees have metrics tied to compensation. Emission reduction activities include implementation of new boiling technologies like Simmer and Strip, which was patented by AB InBev in early 2018. This technology helps reduce emissions by 5% in breweries where implemented. Another example was implementing High efficiency boilers in facilities across the world and eliminating leakages in some of our facilities in Asia Pacific. In addition, implementation of different initiatives like LED lights in our facilities and other process optimizations like reduction of evaporation rates during boiling. Calculation is based on energy utilized by facility. Through these activities we reduced our emissions by 167208 tons CO2e, and our total S1 and S2 emissions in the previous year was 5897840 tons CO2e, therefore we arrived at -3% through $(-167208/5897840) * 100 = -3\%$ (i.e. an 3% decrease in emissions).
Divestment	0	No change	0	We did not experienced divestitures in 2019
Acquisitions	0	No change	0	We did not experience significant acquisitions that impacted emissions in 2019
Mergers	0	No change	0	No mergers materialized in 2019
Change in output	0	No change	0	No changes in output
Change in methodology	0	No change	0	No changes in methodology
Change in boundary	0	No change	0	Boundary remains in 2019
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)	1430763.51	15841056.68	17271820.19
Consumption of purchased or acquired electricity	<Not Applicable>	1395149.27	4222024.71	5617173.99
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	303886.64	556343.73	860230.36
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>	3129799.42	20619425.12	23749224.54

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

13068307.86

MWh fuel consumed for self-generation of electricity

624556.75

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.0561

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Bituminous Coal

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

1101638.76

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

0.0983

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

43319.82

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.00353

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Biogas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

421721.71

MWh fuel consumed for self-generation of electricity

390511.46

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)

Landfill Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

88207.25

MWh fuel consumed for self-generation of electricity

142.57

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)

Heavy Gas Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

1034904.95

MWh fuel consumed for self-generation of electricity

4734.23

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.0774

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Light Distillate

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

231175.23

MWh fuel consumed for self-generation of electricity

80515.16

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

0.0693

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

1176569.7

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.00353

Unit

metric tons CO2e per GJ

Emissions factor source

IPCC (2017) and DEFRA (2017)

Comment

Fuels (excluding feedstocks)

Biodiesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

4831.65

MWh fuel consumed for self-generation of electricity

112.57

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

0.0006

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

89364.06

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

0.0006

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

35.21

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

0.0693

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

11744.61

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 factor0.0693

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

Argentina

MWh consumed accounted for at a zero emission factor

35396.36

Comment

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

Sourcing method

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

Low-carbon technology type

Solar

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

Australia

MWh consumed accounted for at a zero emission factor

15271.1

Comment**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Belgium

MWh consumed accounted for at a zero emission factor

94393.19

Comment

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

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Canada

MWh consumed accounted for at a zero emission factor

25867.04

Comment**Sourcing method**

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

Low-carbon technology type

Solar

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

Chile

MWh consumed accounted for at a zero emission factor

9587.66

Comment**Sourcing method**

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

Low-carbon technology type

Solar

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

China

MWh consumed accounted for at a zero emission factor

29152.89

Comment

In 2019, we installed the largest on-site solar installation on our Putian facility in China which makes the facility around 20% renewable. Afterwards, in partnership with Yushuo and the 100+ Accelerator, we piloted an energy storage solution made from used e-car batteries. Renewable electricity in the facility went up by around 50%. Yushuo, part of our first Accelerator cohort, has received external funding from partners like The World Bank among others.

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

Colombia

MWh consumed accounted for at a zero emission factor

207962.52

Comment

In 2019, we signed on-site solar contracts to install panels in 8 out of 12 facilities in Colombia. This will account for 25% of the country's volume making it 100% renewable.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Germany

MWh consumed accounted for at a zero emission factor

71934.84

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA will be 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/region of consumption of low-carbon electricity, heat, steam or cooling

India

MWh consumed accounted for at a zero emission factor

3765.87

Comment

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

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

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

Luxembourg

MWh consumed accounted for at a zero emission factor

1420.86

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA will be 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/region of consumption of low-carbon electricity, heat, steam or cooling

Mexico

MWh consumed accounted for at a zero emission factor

25173.36

Comment**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Please select

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

Netherlands

MWh consumed accounted for at a zero emission factor

11600.19

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA will be 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/region of consumption of low-carbon electricity, heat, steam or cooling

Russian Federation

MWh consumed accounted for at a zero emission factor

8275.2

Comment**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Please select

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

Spain

MWh consumed accounted for at a zero emission factor

10703.3

Comment

In 2019, we signed the largest pan-European solar deal which covers 100% of our electricity volume in these countries. Starting 2020, PPA will be 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/region 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

68425.78

Comment**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/region of consumption of low-carbon electricity, heat, steam or cooling

United Republic of Tanzania

MWh consumed accounted for at a zero emission factor

3071.45

Comment**Sourcing method**

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

Low-carbon technology type

Wind

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

United States of America

MWh consumed accounted for at a zero emission factor

750310.77

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 superbowl and printing a logo that states the beer is brewed with renewable energy. In addition, Budweiser gifted the city of Atlanta with renewable certificates equal to the 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/region of consumption of low-carbon electricity, heat, steam or cooling

Uruguay

MWh consumed accounted for at a zero emission factor

21748.19

Comment

Sourcing method

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

Low-carbon technology type

Solar

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

Viet Nam

MWh consumed accounted for at a zero emission factor

664.98

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

46

Direction of change

Increased

Please explain

Our 2025 goals are aligned to UN SDGs. Our Circular Packaging Goals which includes protecting our returnable packaging and increasing recycled content in our primary packaging including glass, cans, and PET. In 2019, we increased recycled content in PET from 15.7% in 2018 to 23% in 2019. In partnership with key suppliers, we have implemented collection projects in countries like 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.

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

3

Direction of change

Increased

Please explain

Our 2025 goals are aligned to UN SDGs. Our Circular Packaging Goals which includes protecting our returnable packaging and increasing recycled content in our primary packaging including glass, cans, and PET. In 2019, we increased recycled content in glass by 1% point. Recovering glass has proven to be challenging in many geographies but we are making progress. In Mexico, we are partnering with NGO partners like ECOCE, who help us recover glass from the waste stream. In 2019, we piloted a start-up in our 100+ Accelerator cohort called Green Mining. By formalizing the recycling infrastructure, green mining was able to collect ore than 550,000 tons of glass, avoiding these to go to waste, reducing GHG emissions in Brazil, and increasing recycling rates in glass.

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

AB InBev - CDP Assurance Letter 2019 - vSHC.PDF

Page/ section reference

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

AB InBev - CDP Assurance Letter 2019 - vSHC.PDF

Page/ section reference

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

AB InBev - CDP Assurance Letter 2019 - vSHC.PDF

Page/section reference

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. AB InBev - CDP Assurance Letter 2019 - vSHC.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. AB InBev - CDP Assurance Letter 2019 - vSHC.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. AB InBev - CDP Assurance Letter 2019 - vSHC.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

May 1 2018

Period end date

December 31 2019

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO₂e

Verified Scope 2 emissions in metric tons CO₂e

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

April 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

35697

Verified Scope 2 emissions in metric tons CO2e

2392

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 2018

Period end date

December 31 2025

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO2e

Verified Scope 2 emissions in metric tons CO2e

Details of ownership

Facilities we own and operate

Comment

Free allocations blocked because of Brexit 2018 & 2019. ISS started file to leave EU ETS 4 (conditions changed - < 20 MW Boiler capacity)

Korea ETS

% of Scope 1 emissions covered by the ETS

47

% of Scope 2 emissions covered by the ETS

53

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

110418.28

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

45430.21

Verified Scope 2 emissions in metric tons CO2e

51276.66

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

April 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

1793

Verified Scope 2 emissions in metric tons CO2e

513

Details of ownership

Please select

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

April 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

5633

Verified Scope 2 emissions in metric tons CO2e

1378

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

April 1 2019

Period end date

December 31 2019

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

15818

Verified Scope 2 emissions in metric tons CO2e

575

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

April 1 2019

Period end date

December 31 2019

% of total Scope 1 emissions covered by tax

100

Total cost of tax paid

126582

Comment

CAD

South Africa carbon tax

Period start date

June 1 2019

Period end date

December 31 2019

% of total Scope 1 emissions covered by tax

40

Total cost of tax paid

0

Comment

Carbon Tax for South Africa will take effect in 2020. Cost is currently being assessed internally.

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 taskforce 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. In 2018, we launched the site and in November 2019, we held our first Eclipse Summit which will be followed by other events in different geographies across the world. The purpose of the Summit was to celebrate suppliers that have gone the extra mile, awarding International Paper the Eclipse award for most sustainable project of the year. We also discussed key topics that are relevant for our shared supply chains. One project that came out of those discussions is the metal cups that were executed at the Superbowl, reducing waste at the event. In addition, as one of the world's largest purchasers of glass bottles and aluminum cans, we continue to champion a circular economy. Through our 2025 Packaging Goal, our measure of success is to have 100% of our products be in packaging that is returnable or made from majority recycled content.

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 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 2019, 40.9% 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, reaching 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. 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 more. Through the program, we are empowering driven and committed entrepreneurs and leverage 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 opportunity of additional funding.

Following a lean startup bootcamp, mentoring sessions and on-the-ground pilots, the first cohort demonstrated their pilot results during a Demo Day during 2019 Climate Week in New York City where select startups pitched their solutions to investors. 12 of the startups have signed commercial contracts with our business outside of the 100+ Accelerator pilot. Their solutions are being implemented across the globe and brands like Corona, Goose Island, Leffe and Jupiler have supported some of the projects. We launched our second round of applications in October for piloting in 2020 and we received over 1,200 applications from over 30 countries (compared to 650 applications from 20 countries in 2018). So far, the startups in our cohorts have jointly addressed 15 out of the 17 UN Sustainable Development Goals. The 100+ Accelerator and our startups have earned awards and recognition from Fortune, Fast Company, Ethical Corporation Responsible Business and Financial Times Intelligent Business Awards.

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 growers around the world to produce high-quality malt barley. Through 2017, more than 7000 growers have participated in SmartBarley, utilizing the program to compare their crop performance against advanced productivity and key environmental performance metrics from similar growers and global benchmarks. The information within SmartBarley also helps our local teams identify the most pressing challenges facing our growers, helping direct our portfolio of initiatives to address those challenges that most influence grower productivity, resource use efficiency and profitability, develop improved varieties with higher barley yields and increased water efficiency, and assist growers 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. Creating Conecta Modelo, a pilot project with 150 barley farmers in Mexico that use mobile devices to receive climate, market and technical information. Providing farmers with access to newer farm equipment by financing 100% of the cost. Utilizing technology to optimize fertilizer use. 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 2019, we continued to scale our water stewardship efforts by engaging in watershed protection partnerships with local stakeholders, focusing on high stress areas 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. specify

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 of 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

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.

C12.3e

(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

FYReport2019_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 of 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 in 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 Procurement and Sustainability Officer - Executive Board Member	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	52329000000

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?

No

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

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

No, I am not providing data

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, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms