Our Ambition to Achieve Net Zero

AB InBev



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Our Ambition to Achieve Net Zero

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

We are paving the way in climate action through our 2025 Sustainability Goals. We are proud to be one of the first 100 companies to have our climate action goal, which is consistent with a 1.5-degree pathway, validated by the Science Based Targets initiative. We have made progress: since 2017, we have reduced absolute GHG emissions in our direct operations (Scopes 1 and 2) by more than 28% and our value chain emissions (Scopes 1,2, and 3) by over 13% per hectoliter.

Our approach is:

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

> **"Building on the progress we have made towards our 2025 Sustainability Goals, we are mapping decarbonization pathways and aim to continue investing in partnerships and innovation towards our ambition to achieve Net Zero across our value chain by 2040."**
>
> **Michel Doukeris, CEO**

Our Ambition to Achieve Net Zero

2017 » 2025 » 2030 » 2040

ACHIEVED 2017 ENVIRONMENTAL GOALS*

2025 SUSTAINABILITY GOALS ON TRACK

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

CATALYZING ACTION ACROSS OUR VALUE CHAIN

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

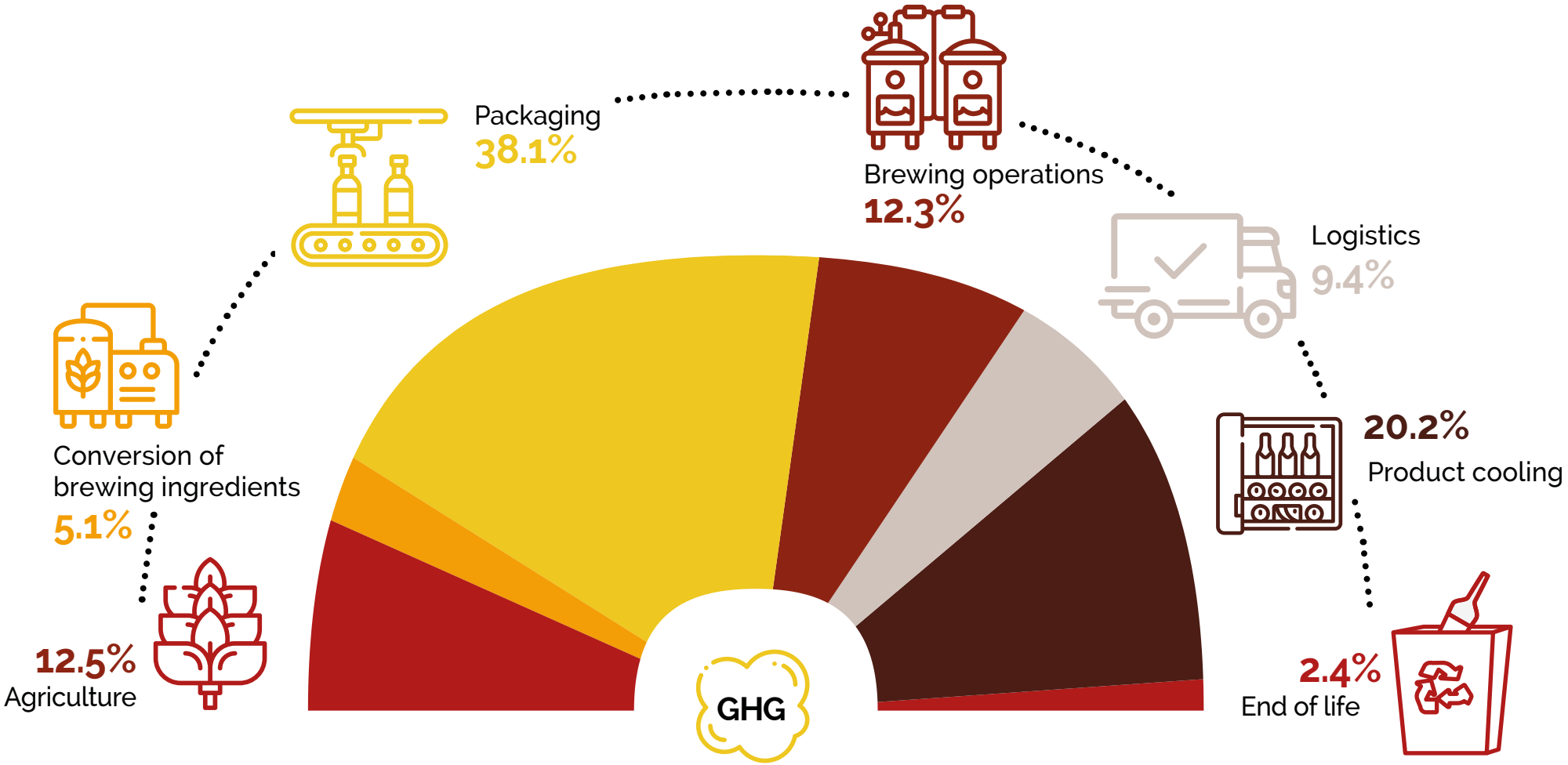
OUR VISION FOR A SUSTAINABLE FUTURE

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

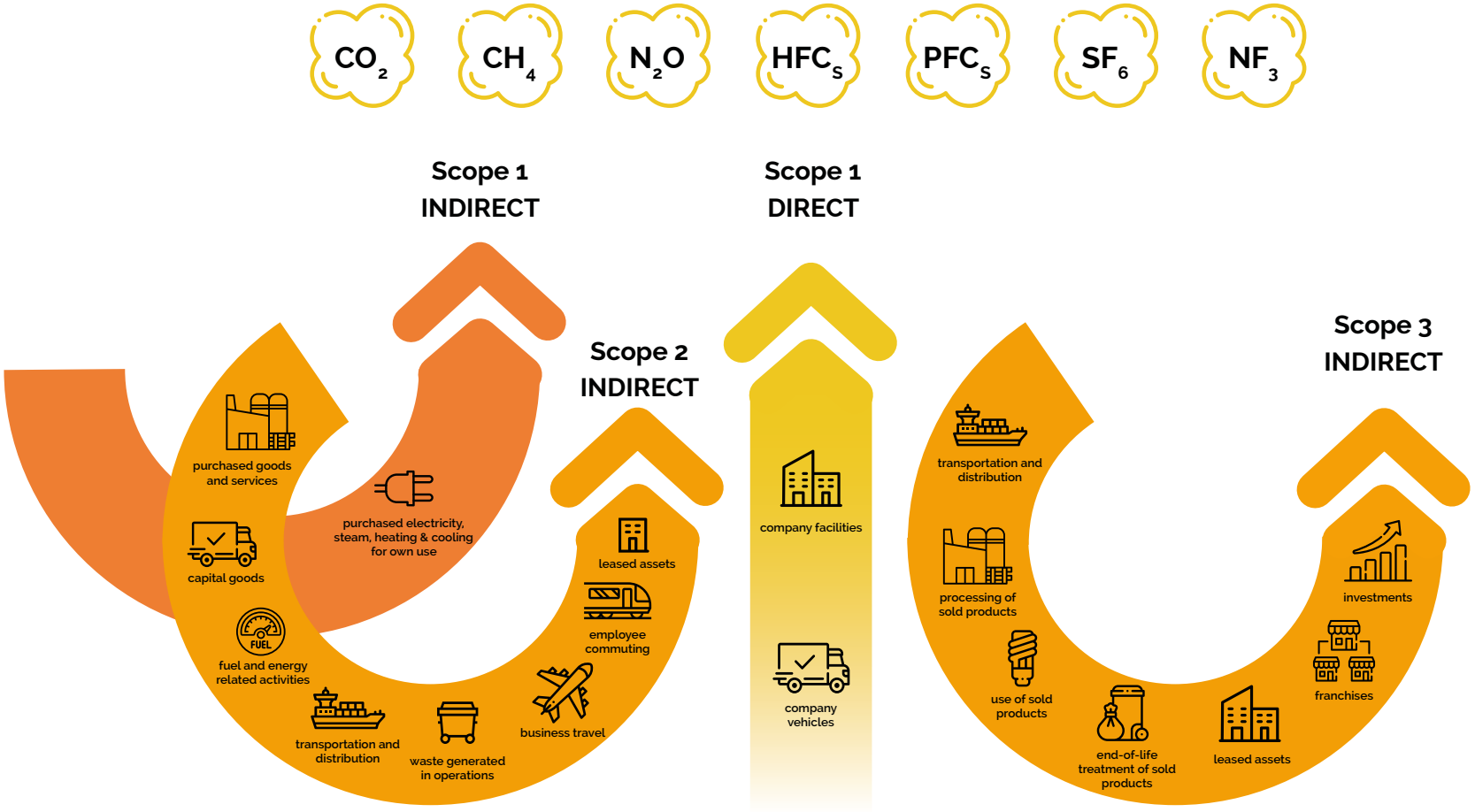
*Pre SAB-AB InBev combination
**Based on 2017 baseline

Analyzing Our Carbon Footprint

We assess and measure emissions across our entire value chain. In 2021, we estimated Scope 3 emissions represented over 85% of our total footprint which is why we aim to engage with our value chain partners to develop innovative solutions.



Our carbon footprint



https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporing-Standard_041613_2.pdf

The GHG Protocol classifies emissions as follows:

Scope 1:
Direct emissions occurring from sources controlled by the reporting company, including emissions from fuel combustion, process emissions (e.g. CO_2 emissions from breakdown of limestone in glass manufacturing) and fugitive GHG emissions (e.g. leaks of purchased CO_2 in breweries).

Scope 2:
Indirect emissions associated with the generation of purchased electricity and steam consumed at sites controlled by the company.

Scope 3:
All other indirect emissions occurring as a result of the company's activities from sources not controlled by the company. The GHG protocol further categorises Scope 3 emissions as shown in the figure.

What is covered in our ambition to achieve net zero

Our ambition to achieve net zero will be measured versus a 2017 baseline, and builds upon our 2025 Climate Action Goal. We worked with descarbonization experts to define our footprint. Our near-term target was approved by the SBTi in 2018.

Our Scope 1 and 2 reduction target is consistent with the 1.5 degree pathway ambition. As more data becomes available, we aim to continue to improve our tracking and monitoring systems and we will report progress and updates through our Annual and ESG Reports.

As one of the first 100 companies to set a Science-Based target and SBTI approved us to be part of the first 80 companies on the road test for net zero SBTs we expect to continue to work in partnership with the initiative.

Our plan focuses on decarbonization first, and we plan to follow SBTs guidelines, not relying on carbon offsets to reach our ambition. Offsets will be used as a compensation mechanism but not as neutralization or to claim net zero achievement.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Scope 3 - Categories included in our ambition to achieve net zero:

- Purchased goods and services
- Fuel and energy related activities not included in Scopes 1 and 2 (T&D and WTT)
- Upstream transportation and distribution
- Waste generated in operations
- Downstream transportation and distribution
- Use of sold products
- End of life treatment of sold products



Actions and Opportunities Across Our Value Chain

Agriculture

- Increase yield through new, more resilient crop varieties
- Work with farmers on nutrient management and optimized fertilizer application
- Advance nature-based solutions for carbon removal

Conversion of brewing ingredients

- Increase efficiency in malting and milling processes
- Shift to biofuels and biomass
- Implement energy recovery

Packaging

- Increase recycled content
- Scale low-carbon packaging solutions
- Implement lightweighting solutions

Operations

- Implement renewable electricity and heat solutions
- Near-Zero to landfill production waste in brewing operations

Logistics

- Continue load optimization
- Improve routing efficiency and reconfigure modes of transportation
- Implement alternative fuel trucks (electric, hydrogen, biofuels)

Product cooling

- Implement more efficient refrigeration with innovative cooling solutions
- Scale renewable electricity across our retailers

End of life

- Promote local recycling
- Reduce waste through use of recycled content and lightweighting initiatives in packaging



Agriculture

We depend on high quality barley, hops, rice, maize, sorghum, cassava, and other crops from thriving communities and healthy ecosystems to brew our beers. We see the increasing impact from climate change in our sourcing regions and are working to build resilience and reduce GHG emissions by advancing regenerative agriculture and improving crop varieties.

Crop production comprises 12.5% of our total GHG emissions. We plan to focus our emission reduction efforts where we can drive the most impact and barley, rice and corn account for more than 90% of our crop production emissions.

In our direct sourcing programs, where we partner with over 22,000 farmers across 14 countries, we aim to leverage our agronomists and researchers on the ground to support emission reductions. We also plan to collaborate with our third-party suppliers and other industry stakeholders to align best practices and scale emissions reductions among our indirect farmers and across agricultural supply systems.



Agriculture

Our Transition Plan

We intend to work with our farmers, suppliers, and partners to build resilience and reduce GHG emissions by advancing regenerative agriculture and improving crop varieties.

We employ the Cool Farm Tool to quantify on-farm GHG emissions and identify the levers we need to focus on to reduce these emissions in each sourcing region. This analysis helps shape the support we provide to famers on the ground to implement sustainable practices that also maintain crop quality and farmer profitability.

Improving soil health is the basis of supporting water stewardship, enhancing biodiversity, and contributing to climate mitigation. We partnered with The Nature Conservancy to develop our Soil Health Framework, which provides a unifying structure to our soil health programs across the range of soil conditions, technical capacities, and external pressures in our sourcing regions. We have identified five principles for improving soil health highlighted in Figure 1 and reducing GHG emissions as well as a suite of practices and metrics to track our progress over time.

The Five Principles of Soil Health

1. Integrated soil fertility management – making science-based nutrient management decisions to optimize production and minimize pollution
2. Minimal tillage – reducing the extent and frequency of soil disturbance to improve soil structure and optimize water cycling
3. Diverse crop rotations – implementing complex, well-designed rotations to break pest and disease cycles and support healthy soils
4. Continuous cover – keeping live plants, mulch, or plant stubble to reduce soil losses and restore soil quality over time
5. Regenerative landscapes – taking a holistic view of the role of soil management on-farm in creating landscapes that promote biodiversity and deliver multiple ecosystem services

Figure 1



Developing high yielding, high quality, resilient crop varieties increases crop resource and input efficiency and mitigates land conversion required to expand agricultural production, reducing GHG emissions. Our Global Barley Research team is working to breed barley varieties today to thrive in the environments of the future, focusing on characteristics such as drought tolerance.

Conversion of Brewing Ingredients

5.1%
of GHG emissions



Malting barley is a critical step in the beer making process. AB InBev has a long-standing tradition of using only the finest malt. No single ingredient contributes more to the flavor, color, and other quality characteristics of the final product. These characteristics provided by the malt distinguish a high quality beer.

In addition to working with our malt suppliers, we are implementing initiatives to decarbonize our malthouses across the world.

Conversion of Brewing Ingredients

- **Fuel Switch such as biomass, biogas and hydrogen**
  We intend to extend our renewable work to renewable heat, implementing sustainable sources of biomass, as well as exploring and scaling solar thermal heat and hydrogen solutions.
- **Energy recovery and balance**
  We will continue learning about new technologies that will recover wasted heat in our malting processes. These technologies are currently in test phase and could be ready to scale in the future.
- **Renewables**
  Our 2025 renewable electricity target extends to our malting verticals. This contributes to more than 100,000 tons of CO_2e reduction.

Passo Fundo:
Our first carbon neutral malthouse

In October 2021, we announced our first carbon neutral malthouse. We were able to reduce emissions by more than 90% and remove the remaining emissions through offsets. Although the offsets are not part of our strategy to reach net zero, they serve as compensation in the transition period. We will aim to continue driving excellence in all of our malting sites across the world.

Our work on Research and Development aims to create a pipeline of technologies enabling significant energy consumption reductions through highly efficient recovery and use of waste heat, optimization of existing sustainable biomass boiler, supplemented with solar heat, geothermal heat, and electricity from renewable sources such as wind and solar.

Consumption Reduction

Increased process efficiency has long been one of the most sustainable solutions to achieving net zero. Through implementing our Good Operating Practices (GOPs) to decrease energy use in our malthouses and milling processes, we estimate an additional 150,000 tons CO_2e reduction in our own operations.

Industry Partnerships

Data sharing is key for transparency and achievement of a net zero ambition. With that in mind, we are part of the Value Chain Transparency Pathfinder Project with the World Business Council for Sustainable Development (WBCSD). This initiative helps facilitate data sharing in order to increase transparency across the supply chain.

wbcsd



Packaging

38.4%
of GHG emissions



Packaging manufacturing has the largest impact in our value chain. With over a third of our emissions coming from packaging, we know the challenge that we face ahead. Our ambition to achieve net zero for packaging centers on innovation, energy efficiency and increasing circularity.

Supplier Engagement

ECLIPSE

Eclipse

Launched in 2019 in the United States, Eclipse, our supplier-collaboration platform, aims to engage suppliers across the world on the topic of decarbonization. Eclipse is designed for our network of suppliers and it promotes target setting, standardized ways of measurement, and best practice sharing to decarbonize our shared supply chains.
Eclipse targets suppliers at all stages of the decarbonization process.

- Webinars and Toolkits: designed for suppliers that are starting their decarbonization journey. Through these tools suppliers will learn the 1-2-3 of GHG emissions and Science-Based Targets, renewable electricity procurement, and many other topics that are essential for the decarbonization
- Eclipse Activate: Launched in 2020, Eclipse for beginners evolves into Activate, a program that targets suppliers that are looking for strategic projects that will allow decarbonization of their supply chains. Through workshops and guided discussions, workstreams enable co-creation of projects that will activate decarbonization.
- 1:1 Innovation: Innovation projects in partnership with our suppliers.

Packaging

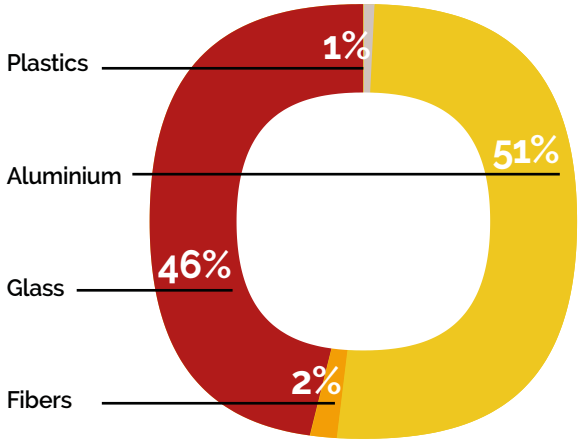
- **Renewable electricity implementation.**
  Renewable electricity implementation across our packaging supply chain is estimated to account for more than 40% potential emission reduction in packaging.

- **Increased recycled content:**
  In addition to reducing waste and driving inclusive growth, increasing recycling infrastructure can significantly reduce emissions, estimated at over 2 millions tons of CO_2e. This estimation is based on publicly available recycled content data vs virgin material emissions.

- **Removing materials** from our supply chain is one key driver for decarbonization in our suply chain. With more than 350 projects in the pipeline across 6 Zones, we are well positioned to deliver signicant CO_2 reduction across our Scope 3 emissions.

- **Packaging Innovation:**
  Tackling energy sources is the greatest challenge to reducing carbon footprint of primary aluminum. Electricity consumption accounts for the majority of emissions in aluminum production. Through partnerships such as the one with Rio Tinto in the United States, we are aiming to decarbonize segments where it is difficult to abate emissions.

Scope 3 Packaging Innovation CO_2 Reduction





Brewing Operations

With operations in over 50 countries and nearly 200 breweries across the world, our renowned expertise in brewing marks decades.

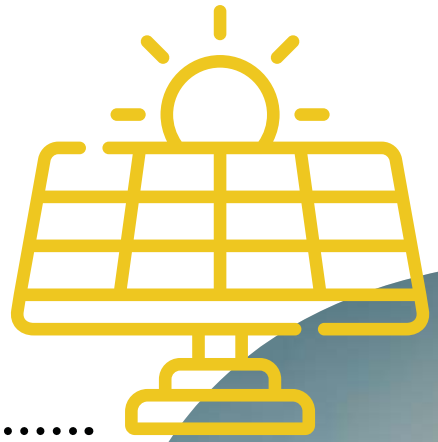
We are leveraging that expertise and the knowledge of our brewmasters to innovate and transform ingredients and raw materials in new ways that will aim to reduce our carbon footprint by over 95% in the coming decades.

Our close to 200 breweries have a roadmap in place to help further our ambition to achieve net zero across our operations. This involves up to 15 projects per brewery to reduce the required energy consumption to a minimum and then replace any remaining fossil fuel with renewable fuel.

~200
breweries have a roadmap



Brewing Operations





Initiatives toward Net Zero

Simmer and Strip

Reducing energy used is the most important tool in decarbonizing our energy consumption. Simmer and Strip is a patented brewing technology that involves bubbling inert gas through the kettle while boiling, increasing the kettle's efficiency at removing the unwanted flavours from our beer. In some cases, we have made this technology available for free to other breweries that may not otherwise be able to implement this carbon-reducing technology.

Solar Heat (Mozambique)

Many of our breweries produce beer in sunny climates. A field of solar collectors under construction in Mozambique will reflect the sun´s rays directly onto water pipes, capturing the heat in an easy to use and store format; coupled with a hot water tank, this will enable the effects of the sun to heat the brewery through the night into the next sunny day.

Hydrogen (Magor)

Locally generated electricity will be used to split water into hydrogen and oxygen. The hydrogen will be used as a fuel source for our transport fleet, and as a fuel for the brewery, This project is currently in the design phase with construction scheduled to start within the next 2 years.

Biomass (Ponta Grossa and Wuhan)

Reducing our heat requirement to a minimum is an essential part of our strategy, however the small residual heat requirement can in some locations be supplied from sustainably sourced biomass. Many of our breweries such as Wuhan in China, Ponta Grossa in Brazil, and Mwanza in Tanzania already use sustainable biomass from agricultural residues such as rice husks or forestry waste.

Renewable electricity

We are are committed to achieve 100% renewable electricity by 2025 in all of our operations across the world. To date, we have contracted over 80% of our electricity with renewable electricity and are close to 40%operational. By doing this, we will transform over 5TWh of electricity and reduce over 2 million tons CO e by 2025.

RE 100

Partnerships are key to success and we recognize we don't have all the answers. That is why since 2017, we have been members of the Climate Group's RE100 and part of the first Advisory Committee.

We believe public advocacy is key to achieving our goals. Through RE100 we go beyond our operations and we look for ways to engage suppliers and retailers. For more on these plans refer to pages 12 and 19.



Logistics

Logistics, including upstream and downstream, represent more than 9% of our GHG emissions. For the last 6 years, we have been committed to reducing our emissions in our distribution fleet through our Green Logistics program.

Since 2017, we have reduced our emissions in logistics by over 10% and we have implemented EV-truck pilots in every zone across the world. We have gathered learnings that will allow us to continue our decarbonization across our logistics fleet and we have developed a roadmap that aims to switch our fleet to net zero by 2040 in most of our markets.

9.4%
of GHG emissions



We have 3 global pillars that drive our emission reduction:

1. Alternative Fuel Strategy:

Switching to alternative sources of fuel for upstream and downstream transportation is key to our ambition to achieve net zero by 2040.
We continue to understand the local context of each market and implementation of e-trucks will happen as technology becomes available in each of these markets.

We estimate fuel switch will contribute to the most significant decrease in logistics emissions, accounting for an estimated 400K tons CO_2e or the equivalent of 86,000 cars on the road per year*.

a. Rollout of EVs for last-mile deliveries.

b. Rollout of alternative fuels (depending on the country) for heavy-duty trucks in primary transportation.

c. Introduction of biofuel trucks where EVs or hydrogen is not available.

d. Continue to partner with industry-leading companies to utilize EVs and hydrogen fuel cell for heavy-duty trucks where applicable.

2. Network Optimization:

a. Localization of production to reduce ocean transportation emissions. Ocean transportation accounts for 3% of our distribution emissions. Through localizing production we could potentially reduce over 10,000 tons CO_2e.

b. Sourcing from the most direct source and reduction of the Average Distance per trip.

c. Usage of alternative modes besides road transportation (bicycles / motorbikes / trains / boats / cabotage).

3. Operational Initiatives:

a. Empty miles reduction through internal (e.g. raw materials and finished goods) or external collaborations.

Over the past five years we hace implemented collaborative logistics processes in several countries across the world in partnership with other consumer goods companies in order to reduce empty miles travelled both upstream (eg raw materials) and downstream (finished goods) We plan to continue scaling this up as well as collaborating with our supplier base.

For our supplier base we have identified an opportunity to do cross-sector collaboration through Eclipse conversations. This will enable us to reduce emissions across our shared value chains.

b. Reduction of total number of trips through Load Densification and Optimization, among other initiatives.

*Source: https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle#:~:text=typical%20passenger%20vehicle%3F-,A%20typical%20passenger%20vehicle%20emits%20about%204.6%20metric%20tons%20of,8%2C887%20grams%20of%20CO2.

Product Cooling



20.2%
of GHG emissions

Our products are best enjoyed cold, and therefore cooling our products to the perfect temperature is crucial for the best experience. The energy consumption of the equipment used for cooling accounted for more than 20% of our CO_2 emissions in 2021, whether through our own branded refrigerators, or the ones placed by retailers and other points of sale where our products are stored and sold.

We are committed to finding solutions to accelerate and implement new technologies that reduce this consumption, and in 2021 we reduced over 18% of emissions compared to our 2017 baseline. We are confident we will be able to reach a 25% reduction by 2025 in line with our Sustainability Goals, but we are committed to go further to support our ambition to achieve net zero by 2040. We strongly believe we will be able to achieve this ambitious goal through two main initiatives:

Fridge of the Future

Investing and boosting new disruptive technologies is key to unlocking efficiencies beyond what the market can offer today at a large scale. Through our 100+ Accelerator, we aim to identify the big bets that will make a step change and will redefine the traditional vapor compression cycle. In 2021 we partnered with V-Chiller, which uses vacuum technology to not only make the process more efficient, but also offers a new exciting cooling experience for our customers and consumers, cooling 10 times faster than a traditional refrigerator. With this technology we aim to make at least an additional 15% efficiency in energy consumption to our current most efficient refrigerator. We plan to consider other disruptive technologies for funding through the same program to ensure we are looking into all available options and are able to boost what makes sense to scale up through our key partners.

Product Cooling

We acknowledge that these efforts will make an even more significant change if we act as an industry, which is why we have partnered with The Coca-Cola Company through our 100+ Accelerator program to scale these technologies together, aiming to further accelerate the potential impact and broaden its scope to drive positive change.

The adoption of new technologies can enable a reduction of more than 20% of our cooling emissions, which could potentially contribute to over 5% of our ambition to achieve net zero by 2040.

Industry Engagement

Through the Beverage Industry Environmental Roundtable (BIER), we engage with industry leaders to discuss standards, GHG accounting for coolers, and future expectations of product cooling to achieve shared visions.

Renewable POCs

We work with a network of millions of retailers across the world and as such, we are committed to extending our sustainability work to our customers. We are currently looking for ways to extend our renewable electricity to our retailers, providing them with access to green, clean energy at their establishments.

Through renewables, we expect to achieve the majority of emission reductions in cooling.

Switching our retailers to renewable electricity, in addition to reducing our footprint significantly helps communities and the local markets in which we operate achieve a sustainable future and have access to clean, renewable energy.

- **Lemon Energia:**
  We are working to provide renewable electricity to our retail partners. Z-Tech, our technology and innovation hub that was launched to connect small and medium sized businesses in our value chain with digital platforms to improve their business and their livelihoods, has partnered with the startup Lemon Energia to provide small retailers in Brazil with renewable, clean energy. Retailers sign up to the Lemon Energia platform and are connected to the nearest solar farm in the region. Through this partnership we aim to bring renewable electricity to 72,000 retailers across Brazil, reducing more than 220,000 tons of CO_2e in our value chain.

- **Modelo Power:**
  In Mexico, through the installation of on-site solar panels on both our Modelorama stores and third-party retailers, we aim to provide our partners with renewable electricity from our own energy company Modelo Power.



Modelo Power plans to provide franchises with renewable electricity over the next five years, reducing emissions in our value chain by more than an estimated 140,000 tons CO_2e while reaching over 20,000 stores by 2025.

- **Other Partnerships:**
  We are actively looking to support our retailer partners to transition to green energy and are launching programs to bring solar panels to bars and restaurants in Ireland and South Africa. The initial pilot expects to see 100 bars in these locations benefit from these assets, but we aim to expand this agenda to not only more locations within these markets, but also to other countries.

Adaptation and neutralization through nature-based solutions



Our value chain is embedded in larger landscapes that support nature and communities – we intend to scale initiatives that neutralize remaining emissions by improving ecosystems in watersheds and surrounding farms. Today, we have estimated close to 10 million tons CO_2e may remain be neutralized in 2040. This value will be revised continuously as technology advances and we aim to continue to focus on decarbonization. Our neutralization priority firstly will be focused on our value chain and the communities where we operate.

Scaling watershed reforestation projects:

We are working with local partners to advance reforestation projects in Brazil, Colombia, and México. Such projects helps recharge watersheds and restore ecosystems that support our operations.

Installing windbreaks:

In farming areas subject to win erosion, helping farmers evaluate where rows of trees can provide a windbreak to reduce erosive power and provide habitat for biodiversity.

Establishing vegetative buffers:

For fields that abut water bodies, we will encourage buffer strips of native vegetation to reduce pollution of aquatic ecosystems.

Adopting agroforestry:

The integration of trees and shrubs can diversify farmer livelihoods while protecting soils, removing emissions, and providing a habitat for biodiversity. In the Altiplano region of Mexico, our teams are promoting the use of a native cactus species as a functional field buffer that reduces soil loss and the sedimentation of nearby water bodies and provides opportunities for additional farm income.

Advancing regenerative agriculture:

- Minimizing the extent and frequency of soil disturbance improves soil structure and optimizes water cycling. On our model farm in the Western Cape, South Africa, a shift to minimum till farming has increased yields and reduced the impacts of drought by improving soil health. We are working to extend proven practices to our farmers.

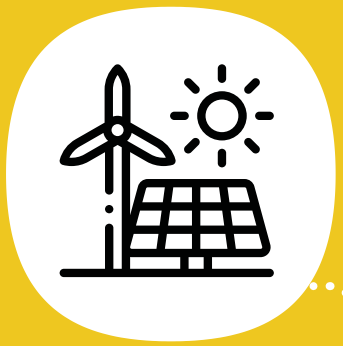
- Rotating crops break pest and disease cycles, increasing agrobiodiversity, and minimizing fallow periods that contribute to erosion and soil greenhouse gas emissions. Incorporating adittional crops in a rotation can also offer an opportunity to diversify farm income and mitigate or reduce risk associated with poor crop performance or losses. Our farmers are trialing diverse rotations to reduce fertilizer inputs to other crops in their rotations, improve soils and biodiversity, and access new markets.

- Continuous cover can help keep soil in place, mitigating wind and water erosion, and living cover can restore soil quality and productivity over time while sequestering emissions. On our research farm in Tres Arroyos, Argentina, forage crops are planted preceding and alongside barley to promote living roots in the soil year round. The research farm serves as proof of concept, providing robust evidence for our agronomy teams to communicate to local farmers.

Industry Partnerships

AB InBev is proud to be represented on the Taskforce for Nature-based Financial Disclosure (TNFD), which is leading the development of a risk management and disclosure framework for organizations to report and act on nature.

Taking the steps to inspire climate action



Take action

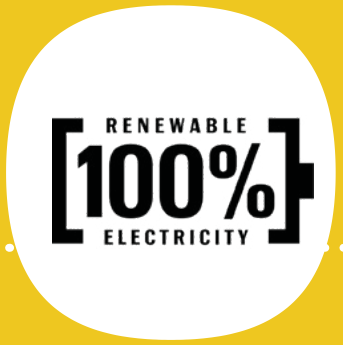
Consumers expect businesses to act to reduce their impact, so it is crucial to look inwards first.

Budweiser took the step to brew all beers with 100% renewable energy, a significant step towards a more sustainable impact.

Inspire hope

Credible action allows companies to advocate for change and inspire others. Budweiser's Earth Day Campaign "Turn It Around" was a rallying call in 2021 to inspire consumer action.





Offer utility

Through our 100% renewable mark we created a symbol that we could share with other businesses to give consumers a clear and simple guide of what is and is not renewably made, for the first time.

Motivate behavior change

Our action is designed to also drive behavior change helping everyone make the renewable choice

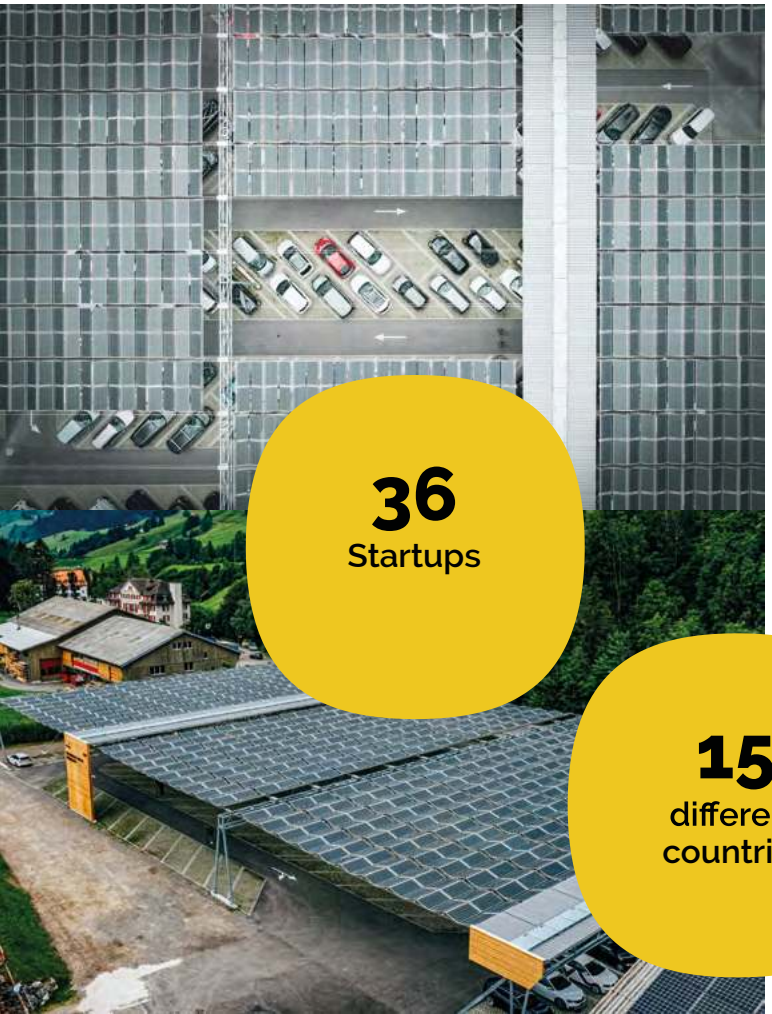




Where next?

Having established our credentials and taken action to reduce our own impact, we have expanded our potential to drive greater impact, as we look to where else we can inspire change and create a better world, powered by renewables.

Harnessing innovation through our 100+ Accelerator



36
Startups

15
different countries

Our ambition to achieve net zero by 2040 is ambitious and we recognize that we won't be able to solve this change alone. The 100+ Accelerator will support this ambition. The purpose is to look beyond our own walls to scientists, inventors and entrepreneurs who are at the cutting edge of innovation in the march to net zero and a more sustainable future. Each year, we run a global survey to understand the key sustainability challenges where we need new innovations to close the gap to our sustainability ambitions.

We consolidate and prioritize those challenges before publishing them in an open innovation format – accessible to startups all over the world. Using our network of internal experts, both local and global, as well as external partners from venture capital, NGOs, multilaterals, universities and public sector organizations, we select a cohort of startups. For the 6-month program, we developed a curriculum to train, mentor, develop their business and, most importantly, for them to pilot within our own operations in order to validate the viability of their solutions.

accelerator 100+

From the onset of the program, the 100+ Accelerator team recognized that there were dozens of accelerator programs in the world and identified the most valuable contributions that an accelerator of a multinational business could make to a small startup and codify them to measure success. The 100+ Accelerator established four key performance indicators to measure the success of the program including:

1. Startup graduates to a long-term commercial contract with the business post-program
2. Contributions and impact on net-zero and our broader 2025 Sustainability Goals.
3. External funding
4. Marketing executions with AB InBev brands. By achieving these metrics, the 100+ Accelerator could materially impact the success of the startups in the program through revenue growth, adequate capital and cash flow and amplification through AB InBev brand power and channels.

For the first two cohorts, the 100+ Accelerator worked with 36 startups from over 15 different countries with solutions ranging from renewable heat to reusable packaging. Of the startups in Cohorts 1 and 2, 47% signed long-term commercial contracts with the business. In addition to the pilots, AB InBev acted as an ambassador for these startups to venture capital investors which enabled them to raise over $200M in external funding.

The two cohorts also participated in numerous campaigns with some of AB InBev's most recognizable brands including Corona, Jupiler, Goose Island, Wicked Weed, Michelob Ultra and Elysian among others. However, there was an even bigger opportunity to make impact.

The 100+ Accelerator team looked beyond AB InBev and invited other large CPG companies to join and sponsor the program. Through their combined scale and purchasing power, the 100+ Accelerator corporate partners: AB InBev, Unilever, The Coca Cola Company and Colgate-Palmolive, could supercharge the net zero transition with cutting-edge innovation.

Renewable Energy & Storage

Yushuo, Absolicon, Enexor, Nostromo, Sunman

Carbon Capture & Sequestration:

AirCapture, Soil Capital, Toroto, Arborea

Returnable Packaging, New Packaging Materials & Increasing Recycled Content:

Green Mining, Pragma, Conscious Container, Again, Mi Terro, Erthos, Nafigate, Solutum, Can I Recycle This?, Plastics for Change, ReciVeci, Recycle Points, Ripple and Watttron

+$ 200 Million USD raised

50% of startups in cohorts 1 and 2 signed long-term contracts



Transparency and Disclosure

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

We currently disclose to CDP Climate and Water on a yearly basis. In 2021 we received A for Water, A- for Climate, and for the third year in a row we received Supply Engagement Leader.

CDP DISCLOSURE INSIGHT ACTION A LIST 2021 WATER

CDP SUPPLIER ENGAGEMENT LEADER 2021



Hybrid approach to measurement

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

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

"We are paving the way in climate action through our 2025 Sustainability Goals. We are proud to be one of the first 100 companies to have our climate action goal, which is consistent with a 1.5- degree pathway, validated by the Science Based Target initiative. From building a resilent and agile value chain to solidifying our role as trusted partner in local communities to identifying and capturing new sources of business value, climate transition and our broader ESG agenda will play a key role in delivering on our company's strategy and purpose".

Ezgi Barcenas.

ABInBev

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Legal Disclaimer

AB InBev prepared this Roadmap using the GHG Protocol and Representative Concentration Pathways as presented by the IPCC as guides. To help determine the content developed, a materiality assessment was conducted, which helped identify the key segments that are relevant across the value chain for the organization. The preparation of this Roadmap requires management to make estimates and assumptions regarding contingencies which affect the progress toward and likelihood of achieving our ambition to achieve net zero at the date of the Roadmap publication. As there are numerous milestones, tests, plans and third-party actions described in this Roadmap, both the items in this Roadmap and the ultimate outcome of the ambition to achieve net zero by 2040 are contingent on each such milestone, test, plan and/or third-party action occurring as currently anticipated. Should any individual event not occur as anticipated, this Roadmap is subject to revision.

The data and stories presented in this report were gathered and verified with the assistance of content owners across all functions and geographic zones. Environmental data from newly acquired operations are excluded from the running cycle. These facilities will be included in future reporting. For all environmental and safety data, divestitures and closures are removed from the scope for the reporting year, but prior years are not adjusted.

GHG emissions referred to in this roadmap and used to calculate reductions, include AB InBev's wholly owned operations unless stated otherwise in text or footnotes. Energy usage and purchased excludes the energy exported to third parties and certain projects under construction. The excluded energy use and purchase does not reflect the amount of energy used in our beer brewing processes.

In this roadmap, renewable electricity is contingent on the achievement of 100% operational renewable electricity. Our primary strategy is to help fund new build renewable electricity projects, and as these can take time to build, we believe it is important to report both metrics.

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

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