

Our Ambition to Achieve Net Zero

ambev

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 part of the economic group that is one of the first 100 companies to have a climate action goal, which is consistent with a 1.5-degree path, validated by the SBTi. As Ambev, we were one of the first Brazilian companies to commit to SBTi in 2019. We have made progress: between 2017 and 2020, we reduced absolute GHG emissions in our direct operations (Scopes 1 and 2) by almost 11.6%, and our value chain emissions (Scopes 1, 2 and 3) by over 9.5% 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.

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“The new purpose is the connection between our ability to mobilize people towards a common goal and our actions to build a better future. Sustainability is fundamental for this construction. The advance of the climate action agenda represents the solid results of our actions and environmental commitments so far, and the certainty that we can and will do much more.”

Rodrigo Figueiredo,
VP Procurement
& Sustainability

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2017 >>

2025 >>

2030 >>

2040

ACHIEVED 2017 ENVIRONMENTAL GOALS





2025 SUSTAINABILITY GOALS ON TRACK 2025

-  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 in Brazil

CATALYZING ACTION ACROSS OUR VALUE CHAIN

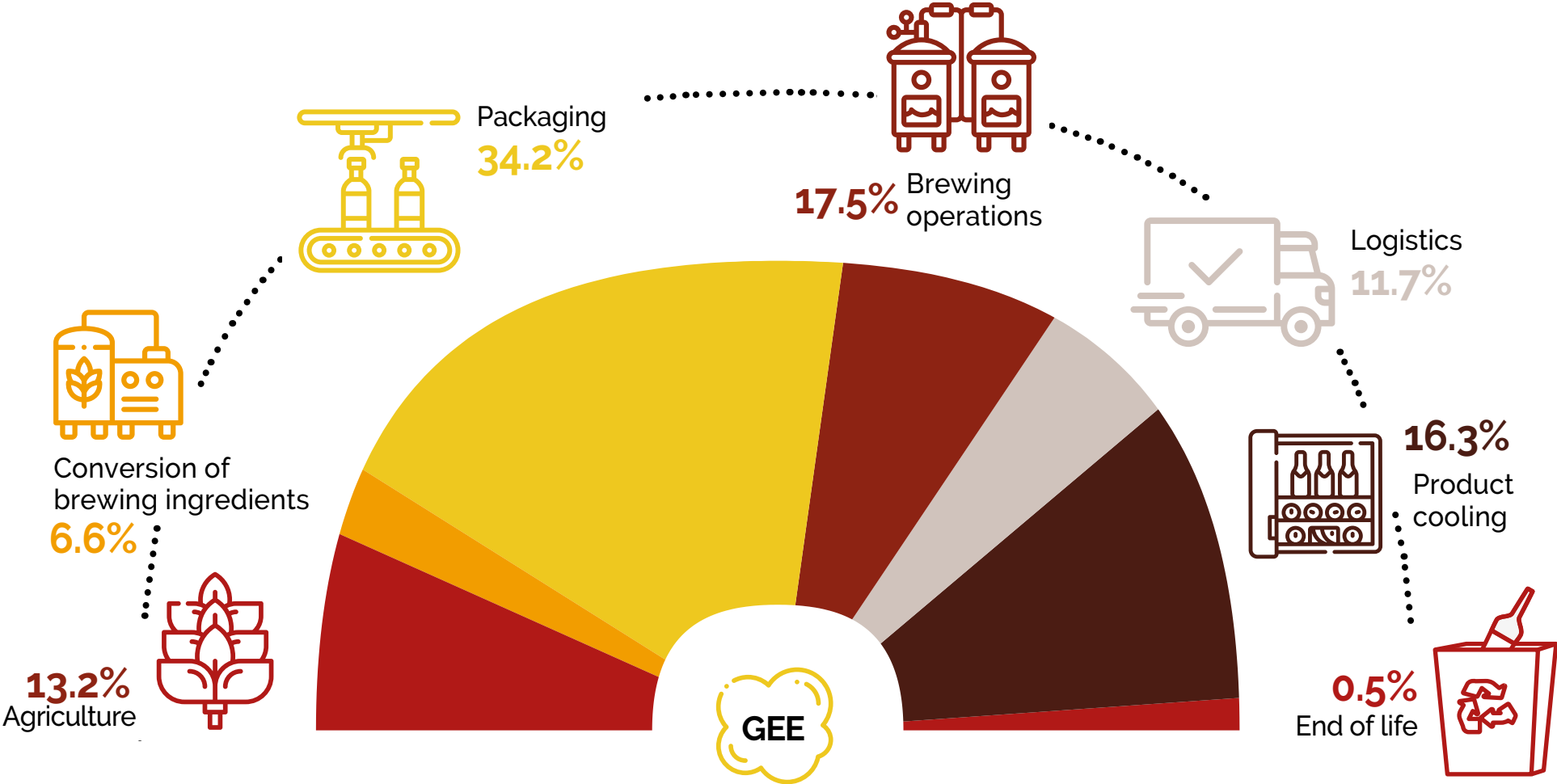
-  Reset short-term target
-  Scale energy efficiency and renewable thermal energy solutions
-  Scale renewable electricity in retailers
-  Accelerate low-carbon packaging solutions
-  Implement green logistics initiatives
-  Expand regenerative agriculture practices

OUR VISION FOR A SUSTAINABLE FUTURE

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

Analyzing Our Carbon Footprint

We assess and calculate emissions from our entire value chain. In 2020, we estimated Scope 1 (12.6%) and Scope 2 (4.4%) emissions, with Scope 3 emissions representing approximately 83.0% of our total footprint. That's why we engage with our value chain partners to develop innovative solutions.



Actions and Opportunities Across Our Value Chain

Agriculture

- Increase crop productivity with new, more resilient varieties
- Work in partnership with farmers for low carbon processes
- Advance nature-based solutions for carbon removal
- Agtech development in partnership with academia, research centers, and other partners
- Incentive to family, local and sustainable agriculture

Conversion of brewing ingredients

- Increase energy efficiency in manufacturing processes
- Shift of heat fuels for low emission sources
- Energy cogeneration
- Install photovoltaic panels

Packaging

- Increase recycled content
- Scale low-carbon solutions
- Increase nature-based innovation
- Implement lightweighting solutions
- Partner for reverse logistics and foster a returnable culture

Brewing Operations

- Renewable energies in all units
- Near-zero to landfill production waste from manufacturing processes
- Scale biomass and other low carbon solutions
- Implement energy, refrigerant, and heat recovery processes

Logistics

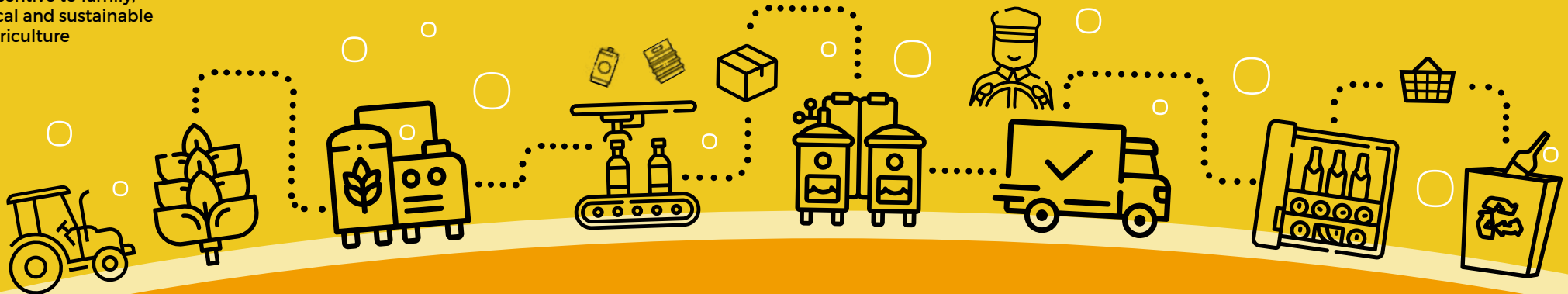
- Continue load optimization
- Improve routing efficiency and reconfigure modes of transportation
- Implement alternative fuel vehicles (electric, hydrogen, biofuels)

Product Cooling

- Implement more efficient and innovative refrigeration
- Scale access to renewable electricity to retailers
- Scale energy efficiency services to our value chain and to any company in the country

End of life

- Promote local recycling
- Reduce waste through use of recycled content and lightweighting initiatives in packaging
- Partner for innovation in reuse, and recycling



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 will also continue to pursue assurance for key performance metrics.



We were one of the first Brazilian companies to commit to the SBTi in 2019. We will start disclosing our inventory to CDP Climate Change annually.



We continuously engage our value chain through Connecting for a Better World – Climate Action, and CDP Climate Change Supply Chain.



Hybrid measurement approach

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



We are starting to implement the framework developed by the Task Force on Climate-related Financial Disclosures to assess potential impacts of climate change on our business. We use a multipronged approach engaging with consultancies, academia, NGOs, government institutions, and industry alliances to understand climate scenarios and assess future risks. We will continue to develop the protocol to learn and unlock new opportunities as we decarbonize.

Legal Disclaimer

This report contains forward-looking statements regarding estimates for the future. These often include words and/or phrases such as "probably will work", "intends", "will continue", "is expected", "estimate", "anticipate", "estimate", "project", "result", "is predicted", "may", "should", "could", "believe", "hope", "plan", "potential" or other similar expressions. These statements are subject to uncertainty and are out of the scope of assurance. Actual results may differ from those stated in this report due to, but not limited to, the impact of 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 others associated risks not mentioned as well as risks identified in our Form 20-F filed with the US Securities and Exchange Commission and the Securities and Exchange Commission of Brazil. Additional information about AB InBev's global climate and water risks, management and performance of such is available through CDP.

Global targets on water, energy purchased and GHG emissions presented here, as well as KPIs such as energy usage, include only Ambev SA's own operations, unless stated otherwise in text or footnotes.

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

For recycled content calculation, a weighted average recycled content is calculated based on purchases for each supplier and recycled content in the material. Our packaging goal applies to our primary packaging, which represents approximately 85% of our total packaging volume by weight, though our work in circularity extends to secondary packaging and post-consumer waste. For packaging that is not returnable—namely one-way glass bottles, aluminum cans, and PET bottles—we are committed to achieving a minimum of 50% recycled content. Data on recycled content percentage is provided by suppliers and tracked on a regular basis. Packaging purchases are derived from the Ambev SA's owned procurement system.

In the scope of our reported Sustainability Goals, both our beverage and vertical operations are included in addition to our Scope 3 emissions regarding information beyond our operations and that impact our supply chain with exception of the KPIs on energy and water usage and the KPI on Scope 1 and 2 emissions per hectoliter of production (in kg CO₂ /hl), as the relative KPI regarding Scope 1 and 2 emissions also excludes vertical operations. For our beverage and vertical operations, including malting and packaging facilities, we use our VPO global management system. This data is reported annually to CDP on a global level. 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.