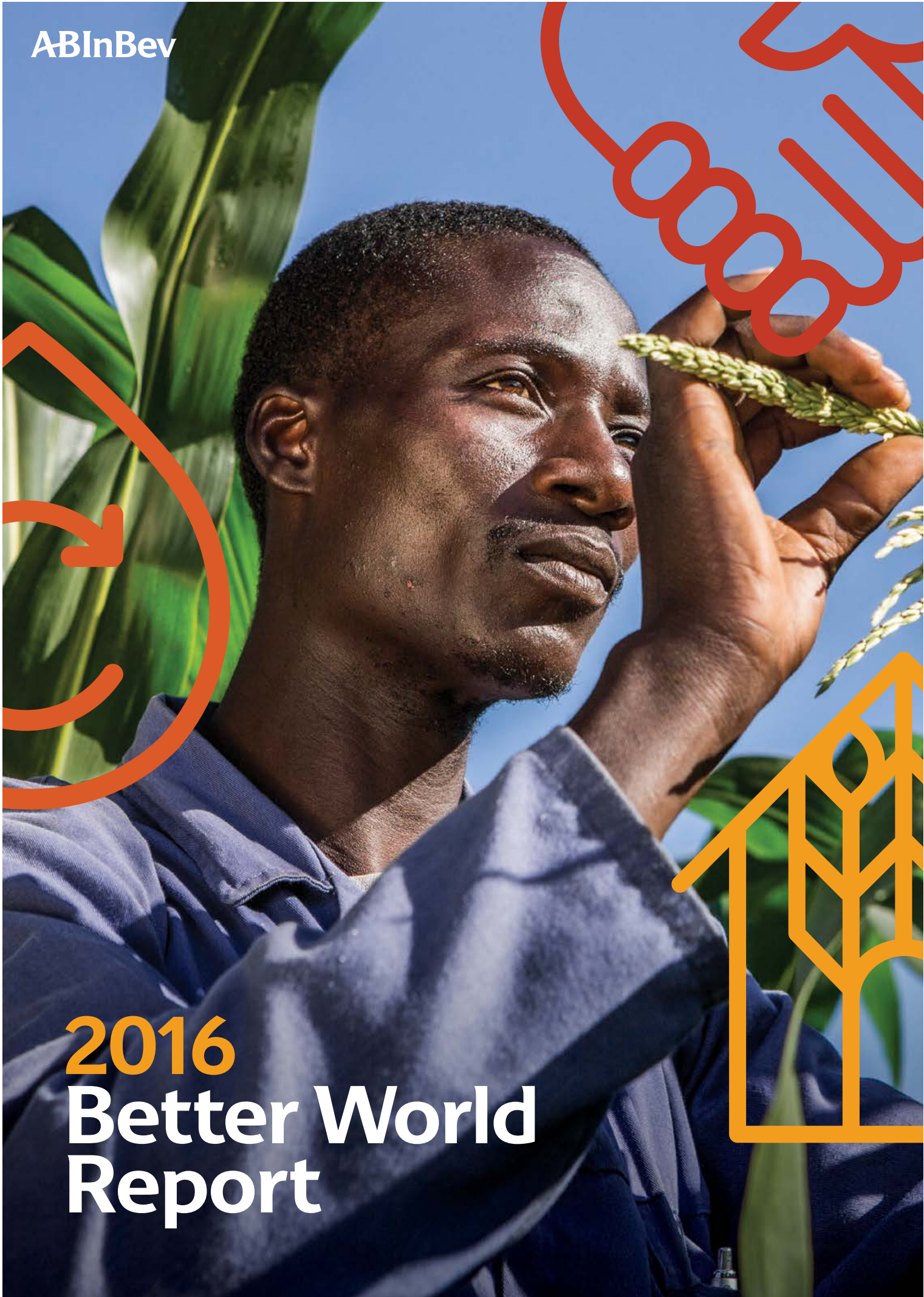


ABInBev



2016
Better World
Report





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About AB InBev

We are AB InBev. We are one company with one culture and one Dream: bringing people together for a better world.

For centuries, the simple act of sharing a beer has united people and cultures across the globe. We've dedicated ourselves to brewing the best beers for consumers—using only the finest, natural ingredients—in a variety of types and styles.

We strive to empower communities to become stronger and more sustainable. As a company, we're committed to driving growth and improving lives across our entire value chain—from our growers and retailers to our consumers and their communities.

This year, AB InBev's Better World reporting includes this self-contained PDF document and content on ab-inbev.com. The PDF document primarily summarizes our 2016 activities, initiatives, achievements and challenges, while the website, housed within the **Better World** section, provides further information on our Better World strategy and ongoing activities.

Together, the PDF and website content constitute our sustainability reporting for 2016.

Aggregated data on newer beverage facilities (including SABMiller legacy businesses) that were acquired during the course of 2016 are not included in global data sets. However, information from SABMiller legacy businesses is included in scope of the report's narrative.



Bringing People Together for a Better World

In October 2016, following our combination with SABMiller, we introduced our updated Better World strategy, aligning our environmental, social and alcohol responsibility efforts around three core pillars to make the world a better place. By combining the scale of our operations, resources and passion of colleagues around the world, we're working to bring this vision to life.



PILLAR Growing World

We envision a growing world where everyone has the opportunity to improve their livelihood. To get there, we help drive agricultural productivity, innovation and resilience, supporting our growers and their communities. We are also committed to helping small retailers grow—providing the next generation of entrepreneurs across our markets with the business skills and opportunities they need to thrive.



PILLAR Cleaner World

We want a cleaner world where natural resources are shared and preserved for the future. We are dedicated to enhancing water access and security across our markets through watershed restoration and conservation programs, and by mobilizing a global movement for water access. We will continue to tackle climate change through reducing our carbon emissions, investing in sourcing renewable electricity and increasing the recycled content in our packaging materials.



PILLAR Healthier World

We are committed to promoting a healthier world where every experience with beer is a positive one for lives well lived. We will extend and expand our Global Smart Drinking Goals to help ensure the harmful use of alcohol is reduced significantly and measurably across all of our markets.

Our People

Our people are what matters most. They are the ones committed to achieving our Dream of a Better World. We recruit, develop and retain colleagues who we believe can make us better, seeking out those with strong leadership potential and a disruptive mindset. They work with us as we innovate and build a company to last.



We are on a journey

to embed sustainability throughout our business and across our supply chain, enabling growth and opportunity for our company and communities in our markets. It is our mission to address issues, not only relevant for our business, but relevant to communities where we can make a positive impact. By working together with local communities, NGOs, suppliers, governments, consumers and beyond, we're working to create value for all.

Letter from Our CEO

In October 2016, we completed our combination with SABMiller, making us the first truly global brewer and one of the world's leading consumer products companies. Having now met many of our new colleagues, we are excited to work together and are enthusiastic about the skills, passion, commitment and drive of our combined global talent base.



We are particularly excited about how the combination will help us further our Dream of bringing people together for a better world. In October, we introduced our updated Better World strategy, combining the best of both companies and aligning our environmental, social and alcohol responsibility efforts around three core pillars:

- **A growing world**, where everyone has the opportunity to improve their livelihood;
- **A cleaner world**, where natural resources are shared and preserved for the future; and
- **A healthier world**, where every experience with beer is a positive one, for lives well lived.

In 2016, we made progress on our Better World strategy, having now achieved all but one of our 2017

Environmental Goals and advancing our Global Smart Drinking Goals, the latter were launched in 2015.

Reflecting our continued ambition to integrate sustainability into our business strategy, we recently expanded the role of Tony Milikin, who is now our Chief Procurement & Sustainability Officer and will help drive our agenda forward.

However, we know that we have to, and can, do more. In 2015, the United Nations launched 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet and ensure prosperity for all. Expectations of business are high and we welcome the challenge to step up and collaborate in addressing these global challenges. Our Better World strategy aligns with the SDGs, which present opportunities to both strengthen our business as well as to contribute to society. Throughout this

report, we will demonstrate how we are advancing towards achieving the SDGs, but also where we face challenges and need to work in partnership with others to find and to implement solutions.

A Growing World

Our ambition for a growing world gives everyone the opportunity to improve their livelihoods. Some of the initiatives from this past year include the 4e Path to Progress small retailer development program, which has helped over 20,000 shopkeepers in Latin America develop the skills they need to improve their business sustainability and quality of life, and our SmartBarley program, which has worked with over 4,500 growers with the goal of cultivating the highest quality barley with the best yields and lowest cost.

We have...

Worked with more than 4,500 growers to cultivate the highest quality barley with the best yields at the lowest cost

Committed to securing 100% of our purchased electricity from renewable sources by 2025

Extended our partnership with Water.Org to provide access to safe water to 3.5 million people in the developing world by 2020

Established the AB InBev Foundation in 2016, committed to invest 150 million over 10 years to help abate harmful alcohol use, encourage healthier lifestyles and advance broader social issues

UN Sustainable Development Goals

Throughout our operations and supply chain, we are aligning our Better World pillars to the UN Sustainable Development Goals (SDGs) that address areas most material to our business and critical to our stakeholders. We have placed a deliberate focus on driving progress towards the goals where we can use our scale and partnerships to drive meaningful positive change. This diagram illustrates how the most material SDGs for our business are aligned to our Better World strategy.



A Growing World



A Cleaner World



A Healthier World



Additionally, agriculture is a critical source of income and livelihood in a number of markets across Africa. We're working to make beer an affordable alternative to dangerous illicit alcohol by brewing beer from local crops grown by smallholder farmers.

A Cleaner World

Our ambition is for a cleaner world, where natural resources are shared and preserved for the future. This year, we continued Stella Artois' Buy a Lady a Drink program with Water.org, which aims to tackle the global water crisis. Having to date supported nearly 800,000 people, we recently announced our ambition to provide access to safe water to 3.5 million people in the developing world by 2020.

We are also excited about our commitment to securing 100% of our purchased electricity from renewable sources by 2025, reducing our operational carbon footprint by 30%. This will accelerate the transformation of the global energy market and aid the transition toward a low-carbon economy.

A Healthier World

Our ambition is for a healthier world, where every experience with beer is a positive one. This year, we continued to make progress on our Global Smart Drinking Goals, empowering consumers to make smart drinking choices and change behaviors by shifting social norms. One of our goals is to have No- and Lower-Alcohol beer products represent 20% of our global beer volumes by 2025. In 2016, we launched no-alcohol varieties of several brands, including two 0.0% ABV global brands: Budweiser Prohibition in Canada and Corona Cero in Mexico.

As part of our *Healthier World* focus, we have committed 150 million USD over a 10 year time period and created an AB InBev Foundation to invest in research to identify and share the most effective ways alcohol beverage producers can reduce alcohol misuse and its associated harms. The Foundation also will provide science-based guidance for the delivery and measurement of our Global Smart Drinking Goals. The creation of this Foundation demonstrates our commitment to tackling harmful drinking in a sustained, measurable and evidence-based way.

As we expand globally, we encounter both opportunities and challenges. We are committed to maintaining the highest compliance standards and to growing our business the right way. We have built a strong global compliance team and integrated compliance targets into key aspects of our business. A global whistle-blower line ensures our colleagues can anonymously voice concerns in a protected environment.

Together with our new colleagues, our ambition remains to build a company to last. As we do this, we look forward to extending our reach and resources to help ensure that day-by-day we are helping create a Better World for everyone. We invite you to explore our progress and read more about where we are going in the pages that follow and on our Better World [website](#).

Carlos Brito
Chief Executive Officer

Performance Overview

We have a strong culture of measuring and optimizing our performance in all aspects of our operations.

That is why we have set ambitious performance goals and regularly report on our progress. In addition to our Global Smart Drinking Goals, established in 2015, we track our progress on key metrics around environmental sustainability.

In 2017, we look forward to closing out our Global Environmental Goals, and are happy to report that, in addition to the goals we previously reached, we reached four more goals in 2016, one year earlier than our target. We invite you to explore our 2016 progress on our Global Environmental Goals. With the combined, larger business in 2017, we will work on a new set of ambitious goals that continue to drive us in our dream of building a Better World.



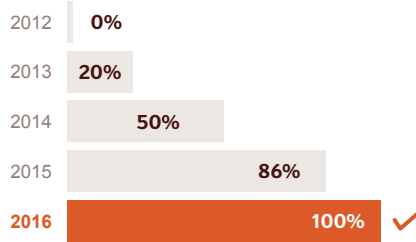
2017 Environmental Goals Our Progress in 2016

Goal Reduce water risks and improve water management in 100% of our key barley-growing regions, in partnership with local stakeholders



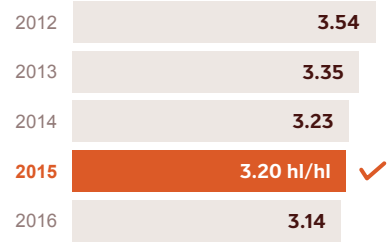
100% of eight key regions are actively reducing water risks and improving water management

Goal Engage in watershed protection measures at 100% of our facilities located in key areas in Argentina, Bolivia, Brazil, China, Mexico, Peru and the United States, in partnership with local stakeholders



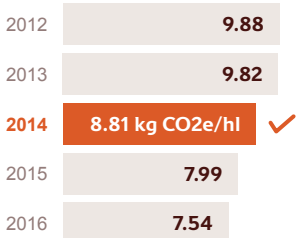
Percentage of facilities in key areas with watershed protection measures

Goal Reduce global water usage to a leading-edge 3.2 hectoliters of water per hectoliter of production*



Water use in hl by hectoliter of production

Goal Reduce global greenhouse gas emissions per hectoliter of production by 10%, including a 15% reduction per hectoliter in China



Global GHG emissions in kgCO2e/hl



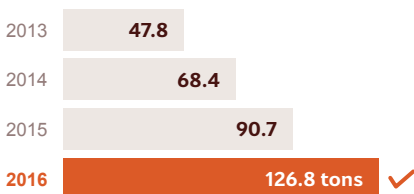
China GHG emissions in kgCO2e/hl

Goal Reduce global energy usage per hectoliter of production by 10%*



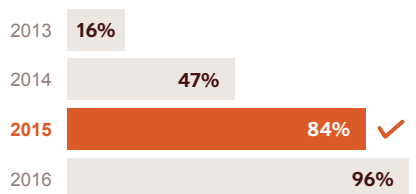
Energy use in Mj/hl

Goal Reduce packaging materials by 100,000 tons**



Reduction in packaging materials in thousand tons

Goal Reach a 70% global average of eco-friendly cooler purchases annually



Percentage of eco-friendly cooler purchases

Goal Reduce greenhouse gas emissions in logistics operations by 15% per hectoliter sold from our 2013 baseline***



Reduction in GHG emissions in kgCO2e/hl

Operational water and energy goals are measured against a 2012 baseline; our logistics goal is measured against a 2013 baseline.

Energy and water data above represents all beverage operations within the original scope of our 2017 goal—established in 2012. The 2015 data for water and total energy has been updated due to the addition of various new acquisitions and start-ups.

Ⓐ An external assurance provider was engaged by AB InBev to verify the data for all of the Environment goals above with the exception of:

- The goal to reduce greenhouse gas emissions in logistics operations by 15% per hectoliter sold from our 2013 baseline;
- Percentage of eco-friendly cooler purchases—for the year 2013.

The data in scope in relation to these goals can be found on page 32.

*Data is from the plants in the business footprint at the end of 2012 when the goal was established.

** The reduction in packaging materials is calculated based on budgeted and actual (where available) production volumes of these packaging materials. Differences can exist between actual and budgeted production volumes.

*** Our logistics goal was added in 2014 to formalize our aspiration to be the sustainable logistics leader in the brewing industry.

Growing World



One of the most powerful contributions we can make to the Sustainable Development Goals (SDGs) is through the jobs we create and sustain and through the economic growth and investment that our business stimulates. This is why we strive to create a growing world where everyone has the opportunity to improve their livelihood.

Small and medium-sized enterprises play a critical role in supporting economic growth and job creation. Globally, they account for nearly 70% of employment.¹ However, many face significant challenges in starting and growing their businesses—from limited business skills and management experience to lack of access to markets and affordable financial products.

We are working to accelerate growth and social development across our value chain—from growers to retailers. We help drive agricultural productivity, innovation and resilience, supporting our growers and their communities. We are also committed to helping small retailers expand their businesses—providing the next generation of entrepreneurs across our markets with the business skills and opportunities they need to thrive.

Critical to our approach is working in partnership with others. We recognize no organization alone can address the challenges small enterprises face. We can have a greater and more sustained impact by working in collaboration across the private sector, government and civil society.

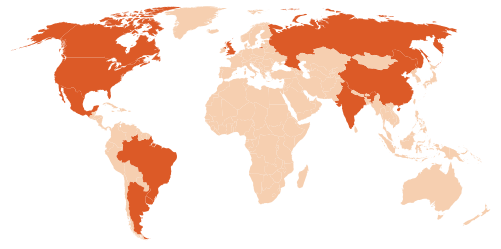
We are committed to business practices that support and respect human rights

¹ International Trade Centre, 2015.

² Bain & Company, 2014

³ FAO, 2013

⁴ WRI, 2013



and that align with the UN Global Compact principles. In 2016, we updated our Global Human Rights Policy, which sets out standards, expectations and commitments in relation to our responsibility to respect and promote human rights within our own company and to not, knowingly, contribute to the violations of human rights by other parties.



Read AB InBev's Human Rights Policy at

www.ab-inbev.com/humanrights

Supporting local communities

Around the world, our Foundations play an important role in supporting local communities where we operate. For example, in the US, in the past 20 years the Anheuser-Busch Foundation has contributed more than 573 million USD to charitable organizations. In Colombia, Fundación Bavaria has two main strategic pillars: 1) entrepreneurship and 2) improving the quality of life in vulnerable communities and within Bavaria's value chain.

In South Africa, the primary focus of the SAB Foundation is to inspire entrepreneurship as a means to growing the South African economy. In addition, we have committed to a package of public interest commitments, which include a commitment to invest 1 billion ZAR to areas including supporting smallholder farmers and promoting enterprise development.

Why agriculture matters to us

As a global brewer, we need agricultural crops to brew our beers. After water, barley is the primary ingredient in beer and our key focus. We also source hops, rice and corn as well as local crops such as sorghum and cassava in Africa.

We know that volatility in the external environment caused by water stress, soil and climate risks, infrastructure challenges and human rights issues can be a barrier to growth and supply security. Today around 2.5 billion people rely on agriculture for their livelihoods and the majority of these people are living on less than 4 USD per day.² With the world's population predicted to exceed 9 billion by 2050, food production will need to grow by 60% to meet increased demand.³ Meanwhile, 25% of global agriculture takes place in areas with high water stress and extreme weather, which affects agricultural yields in many parts of the world.⁴

There is a clear need to help growers across the world improve their productivity and competitiveness, in addition to being good stewards of land and natural resources for the long term. We want to optimize our supply chains by investing in our growers, accelerating agricultural innovations and leveraging our skill and scale to help transform agriculture.

Leveraging change through 'SMART' agriculture

We believe there is a great opportunity to secure our supply chains and help create more productive and resilient food systems by making agriculture smart. For us, smart agriculture means that we support growers with access to the tools, resources and partnerships they need to improve crop productivity, enhance grower livelihoods and protect natural eco-systems.



SmartBarley

Countries Covered Argentina, Brazil, Canada, China, India, Mexico, Russia, Uruguay, United Kingdom and United States

We initiated our smart agriculture strategy with barley—the “soul” of beer. We have a long history of working with our barley growers through our research and agriculture teams to help them produce high-quality malt barley while reducing their environmental impact.

In 2013, we created SmartBarley—an innovative platform and incubator which leverages data, technology and insights to help growers solve challenges and improve their productivity, livelihoods and environmental performance. SmartBarley enables farmers to benchmark their barley practices and performance across our global grower network, exchanging best practices that drive improved productivity and environmental practices. By the end of 2016, over 4,500 growers had participated in the program.

Water stress is a major challenge affecting agriculture globally. In 2012, we set ourselves a goal of reducing water risks and improving water management in 100% of our key barley-growing regions by 2017. We have achieved this by working with growers in our supply chain and setting up projects to improve productivity and water-use efficiency across key regions in the US and Mexico. But we recognize water issues are complex



and long term in nature, and we will continue to work collaboratively with to strengthen water stewardship.

Currently, we engage our direct growers in SmartBarley, which includes growers in our contracting programs and those supported by our own agronomists. We want to increase our impact, which

is why we are expanding this model by engaging our third-party barley suppliers. Our third-party suppliers in Brazil, UK and India are now participating in SmartBarley. We are also mapping out how this model can be applied to other crops including hops, rice, sorghum and cassava.



To read more on our SmartBarley programs around the world, visit www.ab-inbev.com/smartbarley and www.smartbarley.com

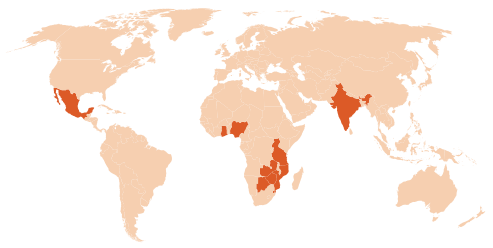


Growing our local sourcing in Mexico

One of the most successful examples of SmartBarley in action comes from Mexico, where, in 2015, we announced that all barley required to meet our local malt house capacity would be sourced locally by 2017. We've gone from sourcing 70% of barley locally in 2014 to 86% in 2016 and we're on track to achieve 100% local sourcing by 2017.

Using SmartBarley, we've identified key supply chain gaps and implemented a number of projects to help growers optimize production and profitability while minimizing their environmental impact. These include:

- Developing three new barley varieties which provide increased yields and incomes for farmers;
- Providing farmers with access to newer farm equipment by financing 100% of the cost;
- Utilizing technology to optimize fertilizer use;
- Promoting conservation agriculture practices; and
- Creating *Conecta Modelo*, a pilot project with 150 barley farmers that use mobile devices to receive climate, market and technical information.



Working with Smallholder Farmers

Countries Covered Botswana, Ghana, India, Mexico, Mozambique, Nigeria, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe

Smallholder growers are an integral part of our value chain, but often face some of the biggest challenges in terms of their livelihoods and resilience. Our businesses in Africa have pioneered the use of local smallholder crops to create new affordable beer brands—like Eagle Lager made with local sorghum in Uganda and Impala made with local cassava in Mozambique—reaching new consumer segments and driving growth, while providing a market and increasing incomes for local smallholder farmers. We plan to strengthen our agriculture development teams across Africa, so we can have greater direct engagement with our barley, sorghum and cassava growers and support them to improve productivity, resource-efficiency and resilience.



We support smallholders across Africa and have created

15+

brand families grown with local smallholder crops

Uganda: Developing smallholder supply chains and strengthening livelihoods

In Uganda, agriculture is a critical source of income where more than a third of the population lives on less than 1.90 USD a day. Nile Breweries Limited (NBL) pioneered the development of Eagle Lager by sourcing locally, helping to create a secure income stream for more than 20,000 smallholder farmers in Uganda. It has also helped grow NBL's market share 25% since it was created in 2002. Eagle brands now account for 66% of NBL's total sales volumes.

In 2016, we partnered with International Institute of Tropical Agriculture (IITA) to study the impact of our programs in Uganda. This study found the total household income of farmers in NBL's supply chain is more than double compared to a control group. Approximately 80% of farmers said their quality of life had improved since joining the NBL initiative. However, there are still a number of challenges in smallholder supply chains, including low yields, gaps in skills and communication and weak availability of agribusiness services and financing.

We partnered with TechnoServe in 2016 to help us map key opportunities to optimize our supply chains and enhance our social impact on farming communities. In 2017, we plan to advance our partnership with TechnoServe to help us improve the skills for our supply chain aggregators, train 2,000 farmers through their Farmer Field School model, and focus on empowering women and youth through these initiatives.



TechnoServe commentary on our partnership



“Across its emerging market operations, AB InBev has developed compelling initiatives—ranging from the creation of

new beers using locally-sourced materials from smallholders, to supporting small retailers in its distribution network to improve their businesses—that create value for society, its customers and its business. In 2016, we partnered with AB InBev to further improve two of its existing flagship programs—local sourcing of sorghum and barley in Uganda, and cassava in Mozambique (previously SABMiller businesses). By identifying innovative opportunities to improve farmer livelihoods and increase security of supply, the partnership demonstrated AB InBev’s commitment to creating sustainable “win-win” outcomes for AB InBev’s local businesses and the communities in which they operate.

As the world’s largest brewer, AB InBev has the opportunity, the resources and a clear business rationale to reach many more people in poverty with programs that create value for both the business and society. In the future, we would like to see AB InBev replicate the best of these “win-win” programs across its global footprint. In doing so, AB InBev should pursue quantifiable commercial and social impact, such as income improvements and value chain strengthening to achieve tangible outcomes for small enterprises in its supply chain and distribution networks.”



Supporting small retailers

In Latin America, a large proportion of beer is sold through traditional trade channels, which are often small, family-owned and -operated businesses. That is why we are committed to helping small retailers in our value chain to develop and grow, in order to support the current and next generation of entrepreneurs.

Small-scale shopkeepers, known locally as *tenderos*, are the beating heart of many communities across the region. But life is not always easy for a *tendero*. Their shops often earn just enough revenue to meet the daily needs of the owners and their families. To address these challenges, we take a holistic, collaborative approach to create a step change in improving their livelihoods and prospects, partnering with other organizations to help these *tenderos* develop and grow their businesses.

Launched three years ago, our 4e Path to Progress program across six markets in Latin America has supported over 20,000 *tenderos* with business and leadership training, in partnership with the Inter-American Development Bank and FUNDES. Participating *tenderos* have increased average sales growth in the year post-training. In Peru and Colombia, this approach has been widened to include access to micro-finance and technology.

In Africa, our Retailer Development Program operates in 13 markets and has trained over

9,000

small retailers to help improve their businesses and incomes.



Supporting small retailers also plays an important role in empowering women, who operate small stores in the six markets the program targets. According to the World Bank, economically empowering women boosts GDP, enhances productivity and feeds other development outcomes including those that directly impact children. Leveling the gender playing field can, in time, also lead to a fairer and more inclusive society.

Learning from our experience in Latin America, we launched a Retailer Development Program across 13 markets in Africa, training over 9,000 small retailers to date to help improve their businesses and incomes. In 2017, we plan to build on our learnings from these programs to launch a new retailer development program in Mexico.



Read more at
www.ab-inbev.com/retailersupport

Women comprise nearly

75%

of small retailer
(tienda) owners in the
six markets our
4e Camino al Progreso
program operates.

Financial inclusion

In Peru, small retailers, many of which are owned and operated by women, are a critical source of employment and livelihoods and often serve as social hubs in communities.

However, many operate on little more than a subsistence basis and are unable to respond to income shocks. Moreover, lack of access to appropriate and affordable financial services limits their ability to secure investment for business growth and to protect themselves from setbacks, forcing them to operate within the cash economy and leading to high transaction costs and risk of theft.

For Backus, our business in Peru, small retailers are an important product distribution channel. Over 96,000 small retailers play a role in Backus' distribution chain, accounting for approximately 40% of product sales. The challenges small retailers face can lead to distribution inefficiencies, such as high cash handling costs and lack of sales growth.

Since 2012, Backus has collaborated with banks, microfinance institutions and government to increase small retailers' access to financial services. The initiative has enabled retailers, who previously had no access to financial services, to access payment services and obtain loans with preferential terms through mobile phones.

As a result, more than 6,800 retailers have received 38 million USD in loans, helping them increase revenues by around 16%. In addition, over 1,200 retailers have set up as 'mini bank branches'. Cash collection levels have reduced from 60% to 30% of total transactions, saving Backus almost 2.3 million USD in cash handling expenses and helping reduce security risks.



Cleaner World



Climate change has far-reaching consequences for our business and the communities where we live and work, from water scarcity and energy constraints to reduced food security and increased health risks. This is holding back economic and social development of hundreds of millions of people around the world. At AB InBev, we are striving for a cleaner world where natural resources are shared and preserved for the future.

Our approach to water

Water is a key ingredient in all of our products and a scarce, unreliable or unsafe resource in many parts of the world (water scarcity already affects more than 40% of the global population⁵). Water resource challenges are increasingly magnified by climate pressures, inadequate infrastructure, mismanagement and poor governance. Left unmanaged, water risks negatively impact livelihoods, often among the poorest in society, resulting in significant missed opportunities for our communities. Goal 6 of the Sustainable Development Goals (SDGs) is to ensure access to water and sanitation for all by 2030. Within this goal are targets for reducing water use, improving water quality and managing water resources in an integrated way that involves local communities, business and civil society.

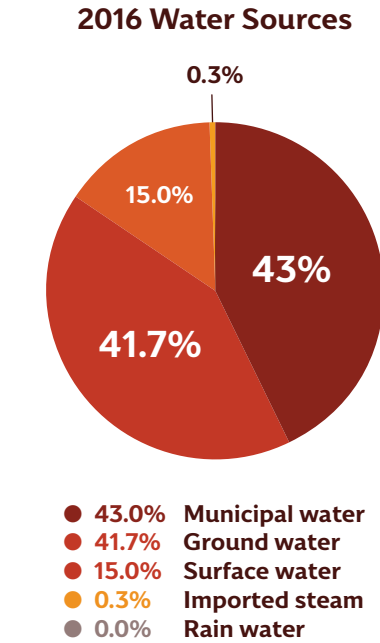
As a brewer, water is critical for us. Without water, there is no beer. Working in partnership with others, we have the opportunity to use our scale and expertise to work towards ensuring a reliable, clean supply of water is available for not just ourselves, but also for local communities and the environment.

⁵ United Nations, 2016

Total water savings between 2012-2016 is equivalent to more than **55 billion 12oz beer cans**

Throughout 2016 we continued to reduce the amount of water used in our breweries. Having already met our 2017 water usage environmental goal, we further reduced our global usage to 3.14 hectoliters of water per hectoliter of production. We're able to make these improvements because we focus on onsite water efficiency and risk management, watershed protection for operations and brewing materials, water access programs and employee engagement.

In addition to saving water in our own plants, we are dedicated to enhancing water access and security for people and ecosystems across our markets through watershed restoration and conservation programs. In 2016, 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



Ⓐ Assured Metric: Water data above represents all beverage operations within the original scope of our 2017 goal—established in 2012. The 2015 data for water has been updated due to the addition of various new acquisitions and start-ups.

(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.

Moving into 2017, in partnership with TNC, we are planning to launch a new watershed protection program in Mexico that will finance important conservation and restoration efforts in the water basin that supports Mexico City, one of the most stressed ones in the world.

Water Use by Hectoliter or Production (in hl) Ⓐ

2012	3.54
2013	3.35
2014	3.23
2015	3.20
2016	3.14

Total Water Use (billion hl) Ⓐ

2012	1.566
2013	1.461
2014	1.489
2015	1.521
2016	1.466

We know we do not have all the answers, which is why we constantly seek feedback on our approach. Our water initiatives are guided by a Technical Advisory Committee made up of experts on watersheds, water systems and sustainable agriculture. This group supports our strategy development and execution and provides feedback on the economic, environmental and social impacts of our initiatives. In 2016, the group reviewed our water risk methodology and approach to partnerships with a view to strengthen our programs in 2017, building on best practice from both AB InBev and SABMiller.

Projeto Bacias, in partnership with The Nature Conservancy (TNC), aims to better manage important Brazilian water basins and improve the quality and quantity of available water.





Partnering to Protect

Tackling water scarcity, reliability and quality issues requires collaboration between governments, affected communities, businesses, and other stakeholders. South Africa is a water-stressed country ranked as the 30th driest in the world, with annual rainfall of about half the global average. Recent droughts have placed agriculture under even more pressure. Based on South Africa's growing population, economic growth projections and current efficiency levels, the country could have a water deficit of up to 3.8 billion cubic meters by 2030—a 17% gap between water supply and demand. The major drought in 2015-2016—the worst experienced in 30 years—has placed water firmly on the national agenda.

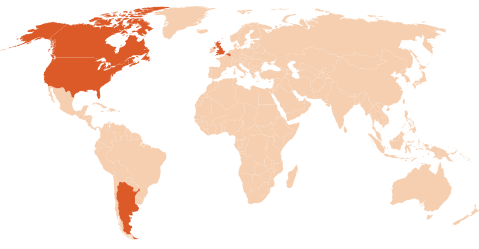
In an effort to tackle this issue, we play a leading role in the Strategic Water Partners Network (SWPN), through which

government and the private sector are working together to address pressing water challenges in South Africa.

We are also working directly with farmers to help institute better farming practices in South Africa. 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. 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.

Our colleagues engaged with their local communities to bring people together to celebrate World Environment Day, and we look forward to scaling our global programs and working with members of our supply chain to bring this commitment to life over the next several years.



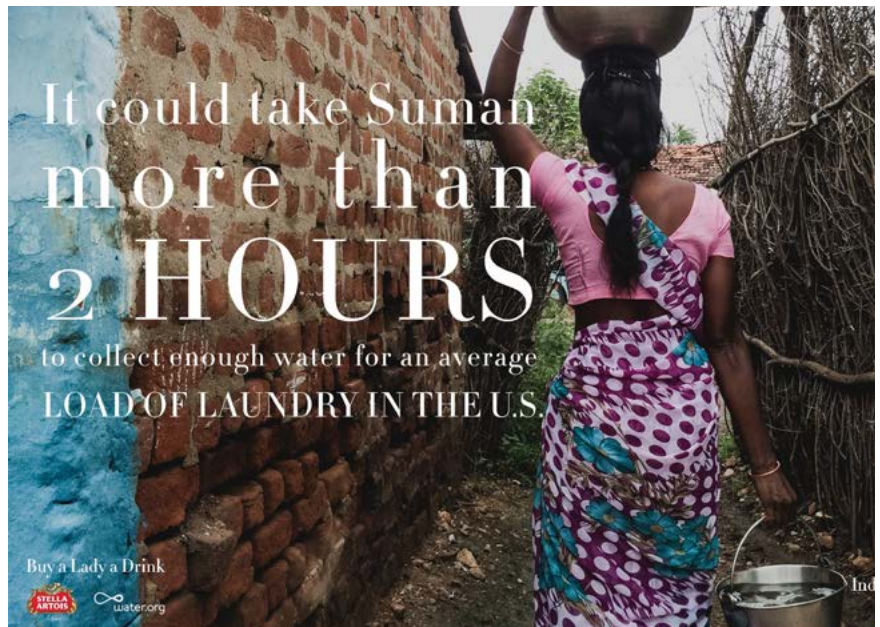


Stella Artois: Buy A Lady A Drink

Countries Impacted United States, United Kingdom, Canada, Belgium and Argentina

We are dedicated to enhancing water access and security for people across our markets through watershed protection and water access programs, and by mobilizing a global movement for water access through our brands. One in 10 people live without access to safe water. The crisis disproportionately affects women and children, who collectively spend millions of hours a day gathering water instead of working, attending school or caring for their families.

Water has been integral to Stella Artois' 600-year brewing heritage. The Stella Artois Buy A Lady A Drink initiative was launched in 2015 in five markets—the United States, the United Kingdom, Canada, Belgium and Argentina—in partnership with Water.org, a leading NGO, to challenge consumers to be the generation that ends the global water crisis.



To read more about Stella Artois: Buy a Lady a Drink, visit www.stellaartois.com/en_us/buy-a-lady-a-drink.html

Water.org commentary on our partnership



“Our mission at Water.org is to break down the barriers between people and access to safe water and sanitation. Water is a fundamental human need, yet 663 million people in the developing world lack access to safe water. Through more than 25 years of experience, we’ve found that if given a choice and an opportunity, families opt to finance long-term solutions versus struggle day-to-day to find that next liter of water. We connect them to affordable financing so they are empowered to access safe water and sanitation.

In 2015, we partnered with AB InBev to leverage the power of the Stella Artois brand to help us change the

lives of people affected by the global water crisis. We are proud that to date, 800,000 people have benefited from this partnership. And we know we can do more. In 2017, we expanded our ambition to provide access to safe water to 3.5 million people in the developing world by 2020, significantly increasing our impact to date.

Our partnership with Stella Artois will help us galvanize the conversation beyond the sector to mobilize brands, influencers, and consumers across global markets to get involved. Together, we can challenge business leaders, other global companies, and consumers to join our mission and help end the global water crisis.”



Total GJ of Energy (in millions) [Ⓐ]

2012	58.6
2013	54.3
2014	54.9
2015	56.1
2016	52.6

Global GHG Emissions (in kgCO₂e/hl) [Ⓐ]

2012	9.88
2013	9.82
2014	8.81
2015	7.99
2016	7.54

Total Direct and InDirect GHG Emissions (million metric tons of CO₂e) [Ⓐ]

2012	5.32
2013	5.90
2014	6.08
2015	5.18
2016	4.68

[Ⓐ] **Assured Metric:** Our per-hectoliter goals on GHG emissions and energy pertain to our beverage facilities only and do not encompass our vertical operations such as malt plants and packaging facilities. Specific data tables contain other footnotes about environmental performance data.

Scope 1 accounts for 64% of our emissions and includes CO₂ equivalent (CO₂e) from fuel used in our manufacturing processes and in cogeneration plants that generate on-site electricity. Scope 2 accounts for about 36% and represents emissions from purchased electricity.

Total GHG emissions data encompass beverage facilities and most vertical operations, including malt plants and packaging facilities.

Emissions arising from the combustion of biomass, biogas and landfill gas are not included in our GHG emissions, per the WBCSD/WRI protocol. Biomass and biogas are considered carbon neutral because the fuel sources served as an atmospheric carbon sink before being burned. Burning landfill gas, or methane, is considered beneficial because its combustion dramatically reduces GHGs emitted when compared to simply allowing it to enter the atmosphere unburned.

2013 reflects the rest year of the inclusion of Grupo Modelo vertical operations.

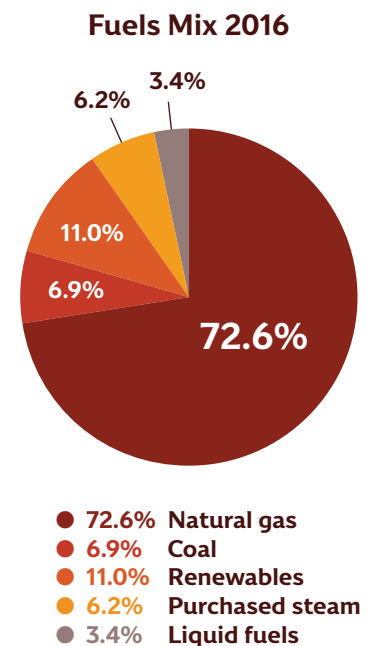
The GHG emissions data represents all beverage operations within the original scope of our 2017 goal—established in 2012, the baseline year for the per-hectoliter goals. GHG emissions data from previous years are not adjusted in the case of adjustments and acquisitions of beverage facilities, divestments have been removed from the baseline data.

Energy data above represents all beverage operations within the original scope of our 2017 goal—established in 2012. The 2015 data for total energy has been updated due to the addition of various new acquisitions and start-ups.

Reducing our carbon footprint

Brewing, packaging, cooling and distributing our beers all generate greenhouse gas (GHG) emissions. We're reducing these emissions in our brewing and logistics operations by sourcing more renewable electricity, improving brewing efficiency, investing in green logistics programs, purchasing more efficient coolers, and using more recycled packaging. The work we're doing now is laying the foundation for our latest goal to secure 100% of our purchased electricity from renewable sources by 2025, a commitment we've made as part of our recent membership in RE100, a group of businesses that all have made this pledge. This commitment will make AB InBev the largest corporate direct purchaser of renewable electricity in the consumer goods sector globally⁶ and will reduce the company's operational carbon footprint by 30%.

In our own operations, driving energy efficiency is central to our approach. In 2016, we met our 2017 goal to reduce global energy usage per hectoliter of production by 10%. We have also reduced our total absolute energy usage by 10% since 2012. This makes



business sense; in the same period, we saved just under 60 million USD through energy efficiency improvements.

Beginning in 2012 through to the end of 2016, we have converted 19 plants from coal to natural gas or steam. In 2016, GHG emissions per hl of production fell by 6% from the previous year to 7.54 kgCO₂e/hl. Total direct and indirect GHG Emissions for the year were 4.68 million tons.



BROUGHT TO YOU BY THE CLIMATE GROUP
IN PARTNERSHIP WITH CDP

We have joined RE100, a global initiative of influential businesses that are committed to using 100% renewable electricity.

Reducing emissions through innovation

Around the world we have launched a number of green logistics initiatives to reduce energy usage and emissions in the supply and logistics process. For example, in Belgium, with our partner NinaTrans, we piloted longer trucks, known as ecocombis, which enabled us to avoid 418 trips over 18 months and reduce related carbon emissions by 21%. In the U.S., we partnered with Uber-owned Otto Motors in 2016 to deliver Budweiser by a self-driving truck for the first time in Colorado. The 120-mile route stretched from the Fort Collins brewery to Colorado Springs, with a professional driver assisting the truck on and off the highway. The concept, while still in the earliest stages, offers exciting possibilities for the future in areas like road safety, fuel efficiency and faster delivery times. Overall, we have driven major improvements across our entire logistics footprint resulting in a 12% reduction in emissions since 2013.

Another contributor to our carbon footprint is refrigeration. To that end, we set a goal of reaching a 70% global average of eco-friendly cooler purchases annually by 2017. We reached that goal in 2015, and this year, 96% of our cooler purchases met the standards we set for environmentally friendly coolers, which include having at least two of the following features: long-lasting, energy-efficient LED lighting; energy-saving controllers; or an eco-friendly refrigerant gas that has much lower GHG impacts than conventional alternatives.



Self-driving truck pilot

Minimizing our packaging and waste

Packaging is one of the most significant components of our beer's carbon footprint. We are constantly looking for ways to increase the recycled material in our packaging, support recovery and re-use of bottles and reduce the amount of material in our packaging through actions such as light-weighting our containers.

Our beers are sold in a variety of recyclable package types, from bulk packaging like beer kegs, which are typically returnable and reusable, to cardboard boxes, aluminum cans and glass and PET bottles. We have increased the recycled content in our packaging and continue to make progress in protecting the use of returnable packaging. Through light-weighting and packaging reduction initiatives we have reduced the amount of packaging we use by 126,800 tons since 2012, exceeding our 2017 reduction goal of 100,000 tons a year early.

There are many examples from across the business where we have worked to reduce the weight of packaging. In Brazil in 2016, our business reduced the weight of our 275ml Stella Artois bottles by 7% from 200g to 187g, which will produce an annual saving of over 4,400 tons. In Australia, we worked with glass suppliers to remove 14,000 tons of glass from packaging since 2013.

Post-consumer packaging waste is another big challenge and, increasingly, visible problem in several of our markets. In some markets, our businesses



36%
of our beer and soft drinks was sold in returnable bottles or kegs in 2016

have partnered with local stakeholders to develop recycling solutions in areas where returnable bottles are not viable. In Honduras, our local operation actively supports the recycling of aluminum and PET on the beautiful Caribbean island of Roatan, partnering with local communities to improve ecosystems and livelihoods while also contributing to social development and the creation of local enterprises. In Zambia, through our *Manja Pamodzi* (Hands Together) program with the Lusaka City Council, we have piloted supporting small-scale waste collectors to gather cartons and plastic bottles and we are looking to scale this initiative.

Beyond our packaging, we seek to minimize the amount of waste we send to landfill from our breweries through recycling initiatives, including using waste as fuel in our operations. In 2016, we decreased the amount of waste sent to landfill by 26% compared to 2015 and decreased our total waste by 2% over the same period. In 2016, we also recycled 99.2% of brewery waste, compared with 99.01% in 2015.



For more stories around how we're driving progress for a Cleaner World, visit www.ab-inbev.com/cleanerworld

⁶ Based on a comparison of current public commitments of major consumer goods companies to directly source electricity from renewable sources through direct purchasing. Excludes electricity purchased through green tariffs, contracts with grid suppliers and certificate purchases. Electricity consumption of companies taken from publicly available data.

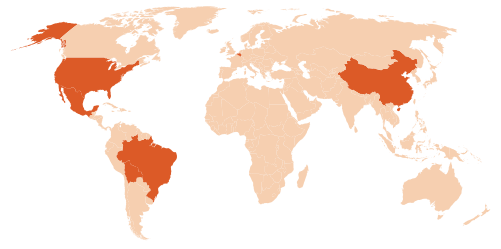
Healthier World



We aspire for a healthier world where every experience with beer is a positive one. We are passionate about brewing great beers for our consumers to enjoy, but know that not all the drinking choices of our consumers are the right ones all the time. The harmful use of alcohol remains an issue of significant concern to governments, society and to us. To address this global issue, the World Health Organization (WHO) has set a target to reduce the harmful use of alcohol by 10% by 2025. This is also an area of focus within the Sustainable Development Goals (SDGs).

We know that in order to ensure a long-term and sustainable reduction of harmful drinking, consumer behaviors need to shift. We are driving meaningful impact through our Global Smart Drinking Goals (GSDGs), launched in 2015. These goals encapsulate our efforts to make a deeper investment in programs that measurably shift social norms and behaviors around harmful alcohol use. We are also helping to empower consumers to make smart drinking choices by ensuring they have access to No- and Lower-Alcohol options and robust health information about the products they are consuming. Our programs and initiatives in these areas have been developed in partnership with public health experts to ensure we're following highest level of technical and scientific evidence approach.

We established an independent Technical Advisory Group (TAG) to ensure the programs and initiatives launched in support of our goals reflect current evidence-based research, correspond to the state of relevant science and are credible and well-executed.



In 2016, we also established the AB InBev Foundation with a commitment of a 150 million USD investment over ten years to help address harmful alcohol use and spread ideas for advancing broader health and social issues, globally, by 2026. We believe the harmful use of alcohol is a global

health issue, and as a brewer we have the opportunity—and a responsibility—to contribute to reducing its harmful use. This is why we established the Foundation with a Board of Directors and a majority of independent members, who work with our TAG to help advance AB InBev’s role as a responsible brewer.

Global City Pilots

Countries Covered Belgium, Mexico, Bolivia, China, Brazil and United States

Our first Global Smart Drinking Goal is to reduce the harmful use of alcohol by 10% in six pilot cities. We have worked with experts to examine a combination of factors to determine where we could best make an impact. These include locations where we have a strong presence, evidence suggests progress to address harmful alcohol use in the city is lagging, there is local political will to implement the necessary programs and there are local organizations with relevant technical expertise. These criteria led us to select: Leuven, Belgium; Santa Cruz, Bolivia; Brasília, Brazil; Jiangshan, China; Zacatecas, Mexico, and Columbus, Ohio, USA.

In an effort to ensure we are able to effectively measure our progress and report on our impact, in 2016 we began independent baseline studies for each of the cities, where we measured current alcohol use and attitudes towards drinking. Together with the studies, we have brought together research universities, hospitals, public health officials and city governments in public-private partnerships that will help find, test and measure policy interventions to reduce the harmful consumption of alcohol.

Building on the experience of our Zacatecas, Mexico pilot city launch in 2015, we kicked off our public private partnership in four additional cities in 2016: Jiangshan, Columbus, Brasília and Leuven. In Columbus, we are working with Ohio State University, Columbus Public Health and neighborhood groups. The first phase of the work has been to launch a survey to examine local drinking habits.



To learn more about our GSDGs and TAG, visit www.ab-inbev.com/healthierworld

H. Westley Clark, MD, JD, MPH commentary on our Technical Advisory Group (TAG)

“AB InBev’s Global Smart Drinking Goals initiative is enhanced by the involvement of an independent Technical Advisory Group (TAG). The TAG aims to foster evidence-based programming, well-designed program implementation and strong measurement and evaluation of the Global Smart Drinking Goals. By including in the TAG a spectrum of experts from across alcohol research, alcohol treatment, health communication, and measurement and evaluation, the TAG offers both academic and practical opinions to the larger effort of the Global Smart Drinking Goals. By operating outside of the business interests of AB InBev, the TAG can recommend practical strategies which hold the most promise for community-based efforts linked to the Global Smart Drinking Goals.”

How are we going to do it?

Changing Behaviors Through Social Norms

Multi-Year Pilots

-10%

Reduce the harmful use of alcohol by at least 10% in nine cities by the end of 2020.

Implement the best practices globally by the end of 2025.

Social Norms



\$1B

Influence social norms and individual behaviors to reduce harmful alcohol use by investing at least 1 billion USD across our markets in dedicated social marketing campaigns and related programs by the end of 2025.

Empowering Consumers Through Choice

Product Portfolio



Ensure **No-or Lower-Alcohol beer products** represent at least 20% of AB InBev’s global beer volume by the end of 2025.

Alcohol Health Literacy



Place a **Guidance Label** on all of our beer products in all of our markets by the end of 2020.

Increase **alcohol health literacy** by the end of 2025.



We partnered with the government of Brasília in Brazil to launch *Brasília Vida Segura* or “Brasília Safe Life.” The program, which focuses on road safety as well as improving citizens’ quality of life and health, kicked off with a meeting in September that brought together more than 300 stakeholders.

In partnership with the City of Leuven, the University of Leuven and the academic hospital UZ Leuven, we launched our program to reduce drunk driving, underage and binge drinking. As part of our launch, we engaged a local celebrity to showcase “Safety Spin”, a machine that simulated the experience of driving drunk by spinning the user in an effort to make them dizzy. The simulation machine was placed in a busy parking garage, where it proved to many that while they felt they might be able to drive after drinking, they were unable to do so safely.

Building on the learnings identified in the pilot cities, we will identify best practices and develop targeted implementation plans to roll out across all of our markets by 2025.

Influencing social norms and behavior

Over the course of the next few years, we have committed to investing at least 1 billion USD across our markets to dedicated social marketing campaigns and programs to influence social norms and behaviors around alcohol consumption. We are currently developing a Global Social Norms toolkit with the input of experts in social norms and marketing that will provide guidelines to support the design, deployment and internal assessment and monitoring of our smart drinking campaigns and programs around the world. All the information contained

in the toolkit is based on cutting-edge research and approaches to alcohol harm reduction from leading universities and thought leaders.

There are many examples from around the world where we are making progress on this goal. For example, in India, we used social media to spotlight road safety through our Respect the Road campaign, partnering with a local theatre group to run street plays to raise awareness of the dangers of drunk driving. In Brazil, since 2010, we have partnered with local NGOs on a responsible drinking program aimed at adolescents in low income communities. To date, around 20,000 teenagers have participated in workshops and training and close to eight million have engaged the program’s online communications channels.

We are also going beyond the harmful effects of drunk driving, by focusing broadly on creating safer roads for all people, from our colleagues to our customers. That is why we are investing in coalitions such as Together for Safer Roads and scaling successful pilots like our *Por un Buen Camino* road safety program to help change driver behaviors by instilling powerful best practices delivered through channels that have proven to be effective in reducing road accidents and fatalities.

Por un Buen Camino (On the Right Path)

The Por un Buen Camino (On the Right Path) program, launched in 2015, is now operating in seven of our Latin American companies. Pioneered in Panama, the campaign developed road safety solutions to protect road users, while sharing best practice and lessons learned among governments, the private sector and other stakeholders. Through a mixture of social and traditional media, as well as messages on vehicle fleets, the program deals with topics such as texting while driving, speeding, road infrastructure, vehicle safety and drunk driving.

In Panama, the program is believed to have reduced traffic collision injuries by 15% over a four-year period, and the success of the model is being scaled to several other markets in which we operate.



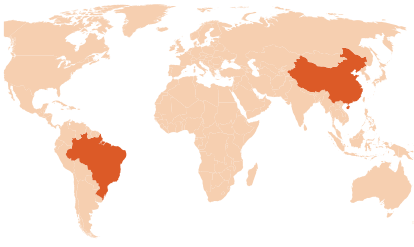
Budweiser Give a Damn and Lyft Partnership

Budweiser sparked conversations during the weekend of the 2016 Super Bowl—one of the biggest drinking occasions of the year—by releasing *Simply Put*, a candid responsible drinking spot starring British actress Helen Mirren. It was Anheuser-Busch's first Super Bowl commercial focused on preventing drunk driving since 2005 and was supported through a branded website that helped viewers find convenient, safe rides home, from ride-sharing services to taxis. The spot and accompanying campaign generated more than one billion media impressions with over 90% positive consumer sentiment.

Continuing the momentum of *Simply Put*, Budweiser launched *Give A Damn*, a partnership with ride-sharing app Lyft to distribute up to 6,000 safe rides in the United States each weekend from September to December 2016. The goal was to encourage a simple behavior change among consumers and create a habit of using safe rides to get home as an alternative to drunk driving. We piloted the program in New York, Illinois, Florida and Colorado, later adding Washington, D.C., Pennsylvania and Massachusetts. One day a week, consumers could receive a code from Budweiser's Facebook page to redeem for a 10 USD Lyft coupon. The coupon could be used between 11 p.m. and 2 a.m. each night that weekend, the time period when drunk driving is most prevalent.

The response was overwhelming, especially during holidays like Halloween, Thanksgiving and New Year's Eve. The program's average redemption rate of 33%, bettered the 10% redemption rate for similar programs in the industry. Budweiser distributed more than 35,000 safe rides across those states in less than four months, and our hope is to scale the program in the coming year, expanding to even more locations to give drinkers more options to get home safely. Perhaps most notably, 49% of Millennials (ages 21–34) nationwide reported being aware about the Budweiser-Lyft partnership.





Together for Safer Roads

Countries Covered Brazil and China

In 2014, we collaborated with leading global companies to create a coalition dedicated to improving road safety and reducing deaths and injuries from traffic collisions. We called it **Together for Safer Roads** (TSR). The private sector coalition has four key focus areas: safer companies and fleets; local demonstration projects; data collection and management; and advocacy and thought leadership.

For World Day for Safety and Health at Work in April 2016, we devoted an entire week to increasing awareness around safe driving practices at work. The TSR initiative promoted the **"Advancing Road Safety Best Practices for Companies and Their Fleets"** report, outlining practices that companies can use to keep employees, partners and contractors safe on the world's roads.

In São Paulo, we launched *Vida de Preferência: Movimento Paulista de Segurança no Trânsito*, a partnership between the State of São Paulo and the non-governmental organization, Centro de Liderança Pública, to help save 22,000 lives in São Paulo State—reducing the state's crash fatalities by half by 2020. Groundbreaking work to increase data collection on traffic deaths, as well as key education programs around road safety, contributed to an 11% reduction in traffic accident deaths in the 15 prioritized cities in 2016 as compared to 2015.

In Shanghai, we partnered with Tongji University to complete relevant demonstration projects and make a real impact on traffic safety improvement. An action plan was defined to reduce accidents in seven hotspot roadway segments in 2017.



Expanding our product portfolio

More consumers are looking for alternatives to traditional beer that are light, refreshing and in-sync with their active lifestyles. An ideal choice for occasions like a work lunch, a casual afternoon with friends and those of people with active lifestyles, we believe the market for No- and Lower-Alcohol beers is likely to grow significantly in the next decade.

Reducing the alcohol content in beverages has been advocated by leading researchers as one of the viable mechanisms through which to reduce harmful alcohol use.⁷ Our goal is to have No- and Lower-Alcohol beers represent 20% of our global beer volumes by 2025. We define No-Alcohol products as having an alcohol by volume (ABV) of 0.0%–0.5% and Lower-Alcohol products as having an ABV between 0.51% and 3.5%.

We have continued to expand our global portfolio of non-alcoholic beverages, which currently houses over 15 brands. Most notably, Brahma 0.0%, the number one non-alcoholic beer in Brazil, reached over 70% market share in the non-alcohol beer category in 2016.⁸ Budweiser and Corona have followed, both launching non-alcohol variants in 2016: Budweiser Prohibition and Corona Cero. Hoegaarden continues to expand its Radler varieties with the launch of a 0.0% variant also in 2016.

Other No-alcohol beers in our global portfolio include Aguila Cero, Jupiler 0.0% and Beck's Blue.

Increasing alcohol literacy

We are currently working with Tufts University's Public Health group to prototype a Global Guidance Label, which we plan to place on all our beer products by the end of 2020. This label will include information about avoiding harmful drinking and will reflect current



Brahma 0.0%



Budweiser Prohibition



Corona Cero

evidence-based practices and state of the art science for effective consumer guidance labeling. The guidance label will be implemented in markets that does not have government-mandated labeling in place and where it is permissible by local regulation.

To complement our labeling efforts, our goal is to, significantly, increase alcohol literacy by 2025. In September 2016, we launched an internal Alcohol Literacy Training program to equip our colleagues with the basic knowledge

about alcohol and the skills necessary to enjoy responsibly. The training will be rolled out across all of our markets by March 2017 and, by next year, will include external partners, as well as consumers, in our pilot cities.

⁷ Rehm, J, Lachenmeier, Dirk, Llopis; Eva Jane; Imtiaz, Sameer; Anderson, Peter. Evidence of reducing ethanol content in beverages to reduce harmful use of alcohol. *The Lancet GH*; September 2016; Vol 1: page 78–83.

⁸ Nielsen.



Our People



Dream-People-Culture

Our people are what matters most. They are the ones committed to achieving our dream of a Better World. We recruit, develop and retain colleagues we believe can make us better, seeking out those with strong leadership potential and a disruptive mindset. They work with us as we innovate and build a company to last.

We believe our team gets much of its strength from our culture. We work with an ownership mindset, setting achievable targets and aligning incentives to help everyone focus. We share a strong sense of personal responsibility and a dedication to putting consumers' interests first, creating shareholder value and delivering on our Dream. We promote initiative—from individuals and teams—and recognize and advance leaders at a fast pace. These leaders set the tone for our company. We expect them to deliver results and to inspire our colleagues through a spirit of passion, sense of urgency and accountability. And, most importantly, we never take shortcuts. Integrity, hard work, quality and responsibility are essential to our growth.



To read more about how we find and develop talent, instill a culture of learning and increase diversity in our workforce, visit www.ab-inbev.com/people

Creating a safe place to work

Ensuring the health and safety of our employees and consumers is critical to our business operations. We amplify awareness of safe behaviors every year through World Safety Day by sharing what safety means to us with our colleagues and communities. These behaviors range from responsible

consumption to proper operation of our trucks and forklifts in our facilities. We use technology systems on our trucks to track driver behaviors, which has increased accountability among our managers and resulted in a reduction of speeding and safer fleet operations. We also continue to look for ways to ease the stress on our drivers, who take our off-road routes by replacing the hazardous routes with cars.

Lost Time Injuries (LTI)	2013*	2014**	2015	2016***
Supply Employees (own)	291 [Ⓐ]	151 [Ⓐ]	126 [Ⓐ]	96 [Ⓐ]
Second Tier/Sales Employees	1,728	898	568 [Ⓐ]	302 [Ⓐ]
Contractors (all)	358	211	147	122

Total Recordable Injuries

Supply employees (own)	1,189	644	544 [Ⓐ]	378 [Ⓐ]
Second Tier/Sales Employees	–	–	1,948	1,293

Fatalities****

Supply Employees (own)	4	0	0 [Ⓐ]	1 [Ⓐ]
Second Tier/Sales Employees (own)	4	4	4 [Ⓐ]	7 [Ⓐ]
Contractors (all)	11	12	8 [Ⓐ]	4 [Ⓐ]

Days Lost Due to Injury (supply own)

Supply Employees (own)	11,561	9,229	6,180 [Ⓐ]	4,711 [Ⓐ]
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Global Severity Rate

Supply Employees (own)	73	64	43	37
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Key

Lost Time Injuries (LTI)
Occupational injury resulting in more than one day absence from work.

Total Recordable Injuries LTI + modified duty injuries + medical treatment injuries.

Global Severity Rate
Lost days per 1,000,000 hours worked. Lost days only include the days that are effectively lost in the year due to LTI in this year.

Supply Employees
Brewery and manufacturing facility employees, including first-tier logistics.

Second Tier/Sales Employees
Second-tier logistics, sales, Zone and global corporate employees.

[Ⓐ] Assured Metric

*AB InBev took management control of Grupo Modelo following the combination on June 4, 2013. 2013 data includes Mexico in order to allow for comparison and show progress since the combination.

**2014 data does not include Oriental Breweries, South Korea, or additional Asia-Pacific Zone breweries acquired during the course of the year, as we did not have operational control for the entire year.

***2016 data only cover sites for which AB InBev has full management control since 01 Jan 2016.

**** On 23 June 2016 a worker died inside the Nanchang plant, China, due to a heat stroke. The investigation could not determine if this case was work related or not. Heat strokes which are not clearly work related are not considered to be in scope for this report. However, we have decided to consider all heat stroke cases inside the plants as work related as of 2017, unless there is clear evidence that the case is not work related.

94%

Response rate to employee opinion survey in December 2016, up from 92% in 2015

86%

Employee engagement index (end of 2015)

90%

of employees believe our company acts in a socially responsible way (end of 2015)

4.1 million

total training hours, an average of 30.2 hours per full time employee

Women represent 18% of our global workforce (based on blue and white collar employees)

30% of leaders in our business are women (based on white collar employees)

In 2016, we were proud to made good progress against a number of our key safety metrics. For example, the total number of Lost Time Injuries decreased by 38% in the last year. We also achieved a milestone of zero fatalities in our Tier 2 Trucking operations in 2016. However, we regret to report that 12 employees and contractors lost their lives at work this year. Three of these fatalities resulted from accidents during on-site maintenance or repairs, five from road traffic accidents, and four were the result of robberies or assaults on employees during sales or trade visits. In each case, we undertook an in-depth investigation and implemented measures to reduce the likelihood of these incidents recurring.

Road traffic accidents accounted for a significant proportion of fatalities and road safety remains a top priority. In Brazil, we have invested in proprietary technology to help ensure the safety of employees, who comprise the drivers of one of the country's largest fleets. Our Tech Safety software monitors vehicles and drivers, tracking speed and driving patterns. In the last three years, the program has reduced the number of traffic accidents involving our logistics and sales teams by 72%.

In 2017, we will continue working to instill a culture of safety across our business. This will include standardizing safety equipment for motorcycles and scooters, focusing on preventing violent situations which put our employees at risk and expanding our use of telemetry instruments in all company vehicles, not just trucks.



Donated
2.3 million
cans or bottles
of drinking water in
areas of need



Voluntarios Modelo

In 2015, our Mexico team spearheaded the *Voluntarios Modelo* effort to help employees and community members better connect to causes and find projects they are passionate about through developing a user-friendly, accessible online volunteer portal. The introduction of the portal also strengthened our relationship with organizations who work on those causes. Because the system can be updated in real-time, employees always know which volunteer opportunities are available.

In 2016, we took *Voluntarios Modelo* to new heights with a flagship road safety campaign, *Cuida Tu Vida Y La De Los Demas*—"Care for Your Life and the Lives of Others." We activated 50 business units, 78 universities, 130 allied companies and 55,000 volunteers to promote safe driving.

A component of the campaign, *Juntos Por La Seguridad Vial*, alongside our flagship creative idea behind the road safety campaign, #seguridadvial, had activations which reached over one million people, championing safe driving in their communities.

Employee volunteering

Our colleagues' passions come to life through their volunteer work. As a company, we are committed to helping our diverse workforce raise the bar in their communities by providing a volunteer structure that empowers them to undertake community projects aligned to their personal passions.

Throughout 2016, 97,030 employees volunteered 452,660 total hours of their time to make a difference in the communities where we live and work. Our colleagues also helped us donate over 2.3 million cans or bottles of drinking water in areas of need. At AB InBev, we are committed to helping our diverse workforce raise the bar in their communities by encouraging service to others.



97,030 employees
volunteered

452,660 total hours
of their time



Zika—I Won't Stay Still

In 2016, our colleagues in Brazil were shaken by the spread of the Zika virus, the public health crisis that made headlines around the world. In an unprecedented effort that mobilized our entire operation in the country, we leveraged our employees and partnership network in a campaign to educate Brazilians about the aedes aegypti mosquito, known for spreading diseases like yellow fever, dengue fever, chikungunya, and the Zika virus.

Around 32,000 employees used an exclusive application, developed specifically for the initiative, to map out their efforts and distribute lifesaving preventive tips. They went door-to-door, delivering messages on disease prevention and on ways to help stop the spread of the disease. The campaign—*Nao Fico Parado* ("I Won't Stand Still")—encouraged the elimination of still water, which is known to be the most effective way to stop mosquito breeding.

We estimate around 900,000 households were directly impacted by the campaign.

Integrating Sustainability

At AB InBev, we are committed to using our global resource—and our ability to bring people together—to make a better world.

To help achieve this, we are working across our business, from procurement to sales, to ensure that sustainability is integrated into our business strategy.

As the leading beer company in the world, our portfolio consists of over 500 beer brands that span local and international markets. This reach enables us to build strong connections with diverse consumers around the world and join together with communities to be the agents of change for environmental and social stewardship. As this report demonstrates, we are working to bring our Better World commitments to life through our brands. In 2017, we plan to build on this foundation with additional activations, using both global and local brands.

Governance and reporting

Accountability for our sustainable development performance is monitored closely at the global and Zone level. At all levels, Better World performance often forms part of our senior managers' performance objectives and remuneration.

Within our breweries, at the heart of our efforts to create a better world is our global management system, known as Voyager Plant Optimization (VPO). This system is used to manage every aspect of our brewery operations, including environmental performance. It is the centralized framework we use to benchmark our water and energy use, quantify performance gaps, identify and disseminate best practices in order to better monitor our continuous improvement efforts.

This past year, building on the success on VPO, we launched our Better World Insights (BWI) tool to gather data across other areas of Better World, such as our Global Smart Drinking Goals and community support. The BWI tool will help us to better benchmark performance across our business and share best practices. For 2017, we plan to strengthen our reporting processes and roll-out BWI to new markets in Latin America and Africa.

Learning from others

We know we do not have all the answers, which is why we constantly seek feedback on our approach. Our water initiatives are guided by a Technical Advisory Committee made up of experts on watersheds, water systems and sustainable agriculture. This group supports our strategy development and execution and provides feedback on the economic, environmental and social impacts of our initiatives. In 2016, the group reviewed our water risk methodology and approach to partnerships with a view to strengthen our programs in 2017.

Similarly, we have set up an independent Technical Advisory Group (TAG), established to ensure that the programs and initiatives launched in support of our Global Smart Drinking Goals reflect current evidence-based research, correspond to the state of relevant science, are credible and well-executed and are conducted, independently, from our business interests.

The TAG is made up of eminent experts in alcohol science, health communication, measurement and evaluation and related areas, who will advise us and oversee the implementation, measurement and evaluation of our goals.



Report Scope

This report, in conjunction with content on our corporate website, presents Anheuser-Busch InBev's annual update on key performance data and information for calendar year 2016 and provides data on specific targets in our Better World strategy.

This report is intended to provide meaningful updates to stakeholders around the world, including investors, employees, governments, NGOs and customers and consumers in the countries where we operate.

AB InBev prepared this reporting (encompassing the PDF report and the website) in accordance with the Global Reporting Initiative's (GRI) G4 "Core" level. To help determine the content for our reporting, we worked with Business for Social Responsibility (BSR) in 2014 to conduct a materiality assessment that helped identify the issues most important to our stakeholders and our company. A more detailed look at our materiality process, including the resulting Boundary Analysis Table, is available [here](#) and a GRI Index for this year's report can be found [here](#). Since our combination with SABMiller, we have begun investigating any potential changes to the issues most material to our business and stakeholders; we intend to update our assessment in 2017.

The data and stories presented were gathered and verified with the assistance of content owners across all functions and geographic Zones.

The company has established a Data Management Plan to ensure accurate and consistent reporting of smart drinking, environment goal performance data and key performance indicators. We have noted which environmental and social metrics have been externally assured by KPMG in the Independent Assurance Report here, in key locations throughout the report and in our online GRI Index referenced above. For information included in our consolidated financial statements, AB InBev's statutory auditor is Deloitte (see pages 57–58 of the AB InBev 2016 Annual Report).

Our report structure parallels our Better World focus areas—Growing World, Cleaner World and Healthier World. Information presented in our report encompasses AB InBev's company-wide wholly-owned operations represented in global goal performance for water and energy use, unless otherwise noted. Some newer beverage facilities (including SABMiller legacy businesses) that were acquired during in 2016 are not yet included. These facilities will be included in future reporting, which typically takes six months to a year after acquisition. However, information from SABMiller legacy businesses is included in scope in the report's narrative.

Our per-hectoliter goals on GHG emissions, energy and water pertain to our beverage facilities only and do not encompass our vertical operations such as malt plants and packaging facilities. Specific data tables contain other footnotes about environmental performance data. The GHG emissions data represents all beverage operations within the original scope of our 2017 goal—established in 2012, the baseline year for the per-hectoliter goals. GHG emissions data from previous years are not adjusted in the case of adjustments and acquisitions of beverage facilities, divestments have been removed from the baseline data.

This report contains "forward-looking statements", which generally include the words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "anticipate", "estimate", "project", "may", "might", "could", "believe", "expect", "plan", "potential" or similar expressions. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to, among others, the impact of water availability, climate change, economic recession, negative publicity, our ability to hire and retain the best talent, government regulations, the reputation of our brands, the ability to make acquisitions or divest divisions, access to capital, volatility in the stock market, exposure to litigation and other associated risks, as well as the risks described in our most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission. Additional information about AB InBev's GHG and water risks, management and performance is available through CDP.

For questions regarding the content of this report, please contact us at betterworld@ab-inbev.com.

Independent Assurance Report

To the readers of the AB InBev 2016 Better World Report:

Our conclusion

We have reviewed the following information within the 2016 Better World Report (hereafter 'The Selected Information') of Anheuser-Busch InBev S.A./N.V. (hereafter 'AB InBev') based in Leuven, Belgium:

- Reduce water risks and improve water management in 100% of key barley-growing regions, in partnership with local stakeholders (page 7)
- Engage in watershed protection measures at 100% of facilities located in key areas in Argentina, Bolivia, Brazil, China, Mexico, Peru and the United States, in partnership with local stakeholders (page 7)
- Water Use by hectoliter of production and total Water Use (page 7 and 15)
- Total GJ of Energy, Energy usage per hectoliter of production, Total Direct and Indirect GHG Emissions and global GHG Emissions per hectoliter of production (page 7 and 18)
- Reduction in packaging materials (page 7)
- Percentage of eco-friendly cooler purchases (page 7)
- Lost-time Injuries (LTI)—Supply Employees (own), Second Tier and Sales Employees (page 27)
- Total Recordable Injuries (TRI)—Supply Employees (own) (page 27)
- Days Lost due to injury—Supply Employees (own) (page 27)
- Fatalities (page 27)

The information reviewed as part of our assurance engagement has been indicated throughout the Better World Report with the symbol 'Ⓐ'.

Based on our review, nothing has come to our attention to indicate that The Selected Information is not presented, in all material respects, in accordance with the internally developed criteria as described in the section 'Report Scope' (page 31).

We do not provide any assurance on the achievability of the objectives, targets and expectations of AB InBev.

Basis for our conclusion

We have performed our review on The Selected Information in accordance with Dutch law, including Dutch Standard 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

This review engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of The Selected Information' below.

We are independent of Anheuser-Busch InBev S.A./N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Executive Board for The Selected Information

The Executive Board of AB InBev is responsible for the preparation of The Selected Information in accordance with the internally developed criteria as described in the section 'Report Scope' (page 31).

The Executive Board is also responsible for such internal control as it determines is necessary to enable the preparation of The Selected Information that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of The Selected Information

Our responsibility is to plan and perform the review assignment in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

A review is aimed to obtain a limited level of assurance. Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than a reasonable assurance engagement. The level of assurance obtained in review engagements is therefore substantially less than the level of assurance obtained in an audit engagement.

We apply the 'Nadere voorschriften accountantskantoren ter zake van assurance opdrachten (RA)' (Regulations for Audit Firms Regarding Assurance Engagements) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of The Selected Information. The materiality affects the nature, timing and extent of our review procedures and evaluation of the effect of identified misstatements on our conclusion.

We have exercised professional judgment and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000, ethical requirements and independence requirements.

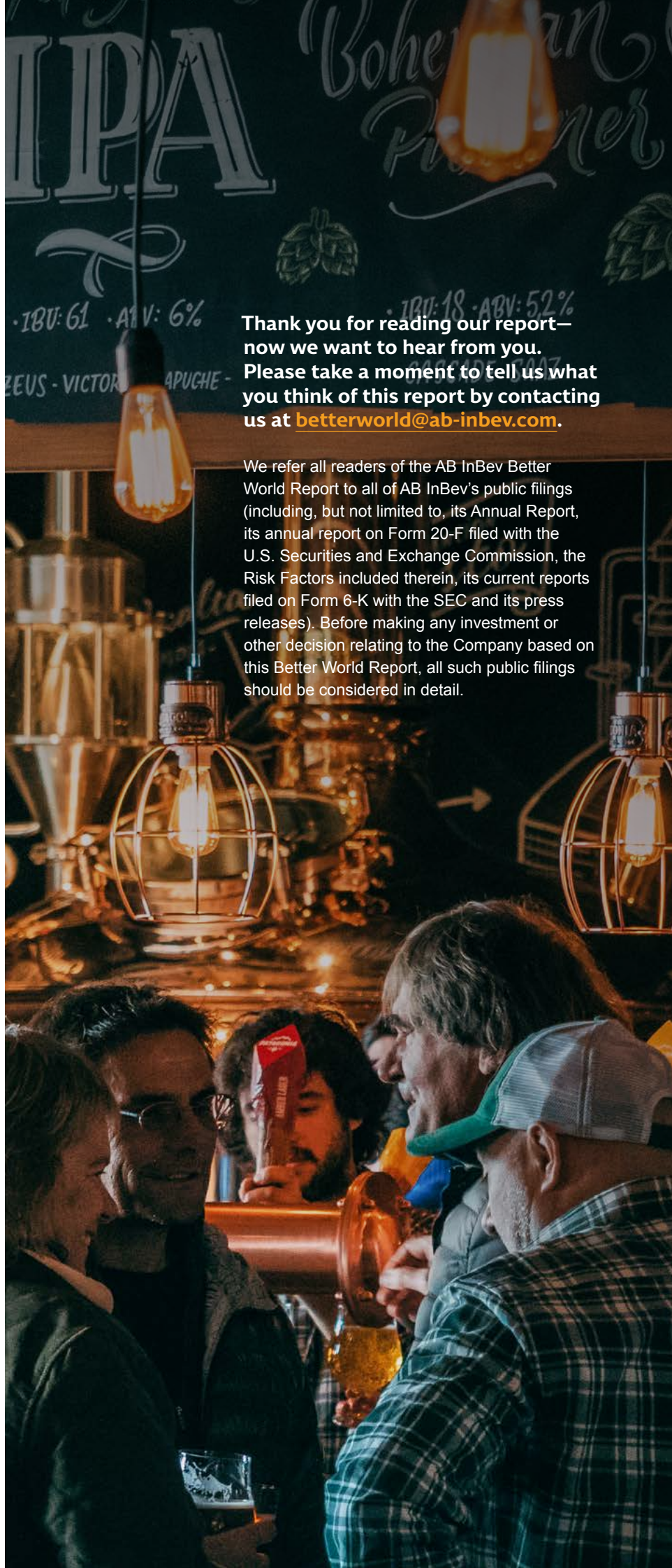
Our main procedures consisted of:

- Evaluating the appropriateness of the reporting criteria and its consistent application, including the evaluation of the reasonableness of management's estimates;
- Evaluating the design and implementation of the reporting systems and processes related to The Selected Information;
- Interviewing relevant staff responsible for providing the underlying data for The Selected Information, carrying out internal control procedures on the data and consolidating the data in the 2016 Better World Report;
- Visits to seven production sites in Argentina, Brazil, Belgium, China, Mexico and the United States of America (two sites) to review the source data and the design and implementation of internal controls and validation procedures at local level;
- An analytical review of data and trends submitted for consolidation at corporate level;
- Reviewing relevant data and evaluating internal and external documentation, based on limited sampling, to assess the accuracy of The Selected Information.

Amsterdam, 26 April 2017

**KPMG Sustainability,
Part of KPMG Advisory N.V.**

**M.A.S. Boekhold-Miltenburg RA
Director**



**Thank you for reading our report—
now we want to hear from you.
Please take a moment to tell us what
you think of this report by contacting
us at betterworld@ab-inbev.com.**

We refer all readers of the AB InBev Better World Report to all of AB InBev's public filings (including, but not limited to, its Annual Report, its annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, the Risk Factors included therein, its current reports filed on Form 6-K with the SEC and its press releases). Before making any investment or other decision relating to the Company based on this Better World Report, all such public filings should be considered in detail.

