

SUSTAINABILITY
REPORT
2019



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financial report.



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OUR PRINCIPLES



1

Our **shared Dream** energizes everyone to work in the same direction: Bringing people together for a better world.



2

Our **greatest strength is our people**. Great people grow at the pace of their talent and are rewarded accordingly.



3

We **recruit, develop and retain** people who can be better than ourselves. We will be judged by the quality of our teams.



4

We are **never completely satisfied with our results**, which are the fuel of our Company. Focus and zero complacency guarantee lasting competitive advantage.



5

The consumer is the boss. We serve our consumers by offering brand experiences that play a meaningful role in their lives, and always in a responsible way.



6

We are a **company of owners** who take results personally. We lead by example and do what we say.



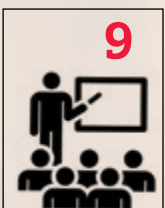
7

We believe that **common sense and simplicity** are better guidelines than unnecessary sophistication and complexity.



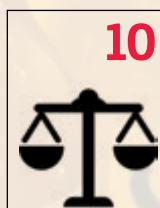
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We **manage our costs tightly** to free up resources that will support sustainable and profitable top-line growth.



9

Leadership by personal example is at the core of our culture. We do what we say.



10

We **never take shortcuts**. Integrity, hard work, quality, and responsibility are key to building our Company.

AT A GLANCE



OUR PRODUCTS COME FROM:

- Growers
- Farms
- Water from lakes, rivers and watersheds



THEY ARE MADE OF:

- Water, malt, hops, yeast and much more!
- Raw materials for guarana and other soft drinks and nonalcoholic and non-carbonated soft drinks



LOGISTICS MANAGEMENT

- The customer finds our products at points of sale such as bars, restaurants, supermarkets, bakeries, stores, etc
- Distribution to the franchise network
- Direct delivery to end consumer
- Distribution to partnering resellers

PRODUCTION QUALITY

- Natural ingredients
- Process and food safety management
- Brewmasters and skilled team
- Innovation and technology
- Sustainability



PRODUCTS

- Beers
- Soft drinks
- Waters and teas
- Juices
- Isotonic drinks
- Energy drinks

Ambev's team faced the challenges that arose in 2019

with plenty of grit and competence in order to overcome a less than favorable economic scenario. There was a heavy cost load, a substantial tax burden and a rise in commodity prices.

Even so, our investments in innovation, aimed at preserving our status as market leaders, improving our supply chain and bringing new products to the consumer, remained strong.

Specifically in Brazil, last year there were positive results in the beer and soft drinks segments, which saw an uptick in sales volume after going through some challenging years. Increase in net profit hit 7.1% and amounted to around R\$ 12 billion, while net revenue grew 4.7% and totaled approximately R\$ 53 billion.

Such strong numbers are directly related to the expansion of the product portfolio and to the highly satisfying performance of launches such as Skol Puro Malte, canned Original and Beck's – the latter of which being a remarkable example of how premium brands are gaining ground in our Company. In 2019, the compounded growth rate of premium brands was substantial, hitting the double digits. This shows that we have kept up with the advancement that had been outlined in 2018. For 2020, we expect to increase our presence in the equally promising innovation sector.

Still regarding launches, it was very gratifying to witness the birth of Legítima, in Ceará, which is another cassava-based beer that upholds culture, generates revenue for micro-farmers and strengthens the local economy.

The quality for which our products have been known for more than a century has once again been recognized, even more prominently, in international contests, where we won more than 100 medals. We keep offering Brazilian consumers world-renowned products. The awards won by Skol Puro Malte, specifically, endorse the use of the cutting edge technology that was employed in the creation and development of the beer.

Over this period, we also had to cope with challenges in some markets where we operate, such as Argentina, Chile and Bolívia, which had an impact on our results.

In Central America and in the Caribbean, we maintained a strong growth rate and our premium products enjoyed deep market penetration. Our net revenue increased by 10.0% organically, a result that was mainly driven by a strong performance in the Dominican Republic and in Guatemala. The scenario involving Canadian consumers remains stable, as they uphold Ambev's leadership status in their country – despite the hardships faced by the industry in 2019. The consistency of our portfolio and the work we have been doing with premium brands have been essential in achieving such results.

In 2020, we will remain committed to making the world a better place, both through environmental protection and through supporting communities, as well as promoting the mindful consumption of our products.

Victorio Carlos de Marchi

Co-chairman of the Board of Directors



2019 was a remarkable year for Ambev. Although we have been promoting initiatives aimed at caring for the society and the environment for 25 years (since our Brahma Brewery days), we have become even more conscious of our role in a wider ecosystem, in a chain which we need to tend to. This is why sustainability has become a fundamental pillar for the strategies employed in all of our brands.

At the same time we create value, we have to share it. To deliver the best possible experience to our clients while chasing sustainable results in the long term by taking care of our people as well as of communities, the atmosphere and the oceans. We embrace the leading role in a progressively greater change and are open to going beyond labels in order to strengthen our ecosystem.

We work with a commitment to comply with ESG (Environmental, Social and Governance) criteria, which guided the Brazilian operation and the other 17 countries in which we are present.

We seek to innovate at every inch of our supply chain, never losing sight of our human side. This is challenging, as innovation does not mean flooding the market with new products. It's a mindset that needs to spread across the whole Company – and I believe that we have advanced significantly in this endeavor. 2019 was a challenging year marked by transitions and instability shockwaves that were still being felt by the country, but we powered through the adversities while staying on track and achieved high levels of innovation and results with both beer and soft drinks. It is worth highlighting the premium brands, which saw significant growth.

We crafted campaigns aimed at promoting responsible drinking, which included the distribution of free water bottles in large events and the investment in pioneering traffic safety programs. Since 2015, we have helped save more than 1,000 lives. The smart cities model, implemented in Brasília, will be expanded starting in 2020.

One of the strongest initiatives resulting from Ambev's purpose of making the lives of Brazilians better is the VOA program, through which we fight for better conditions for all and transform realities. More than 500 of our employees are committed to the program and, for each of those people dedicating their time, there are dozens of Brazilians leaving destitution behind by engaging in sports, music and reading activities. We believe that supporting the work of NGOs around the country is a powerful way of generating impact.

Taking care of the environment is also a way of securing a better life for all Brazilians. Our wind farm in Bahia will guarantee that, by 2022, 100% of the Budweiser produced in Brazil will be made using clean energy. We have also invested in electricity generation from biogas in effluent treatment plants and in the recycling of glass and plastics. Our goal is to end plastic pollution from our packaging by 2025. On the glass recycling front, we are proud to work alongside a company that went through our 100+ Startup Accelerator, our program for the development of new businesses and entrepreneurship.

Regarding water conservation, the Watersheds Project fills us with pride, as it represents more than a reduction in environmental impact. It has a positive impact by recovering river watersheds in the country – not only because water is the main component of our beers, but because it is an essential asset for society. The SAVEh platform, in turn, has allowed companies from different industries to use our knowledge to save water in their own supply chains.

It is impossible to mention water without talking about AMA, which has transformed the lives of thousands of Brazilians who didn't have access to drinking water and now are not forced to walk for hours everyday in order to reach this essential good anymore. The project is expected to have an even greater impact after its canned version is launched.

In 2019, we supported two passions of Brazilians in order to get closer to consumers. We endorsed women's soccer by supporting the World Cup, the first foosball table with female players and a campaign with soccer superstar Marta. We launched courses related to the beer brewing universe, which had people waiting in line to attend them. Through the Em Busca da Cerveja Perfeita [In Search of the Perfect Beer] documentary, we shared our knowledge and showed the richness of our Company and of all the brands that it encompasses.

It is worth mentioning the medals that we won in the most important events in the beer brewing market, a feature achieved thanks to our high-quality, broad portfolio. At the World Beer Awards, we went from winning 63 medals in 2018 to snatching 100 of them in 2019. The recognition we have received of both the market and the public proves that we are on the right track.

The Skol Puro Malte beer, which has the density of a pure malt beer and the refreshing lightness of a traditional Skol beer, made waves in the Brazilian market. We are also excited with our innovations, such as Skol Beats 150 BPM and Skol Beats GT, which are expected to be successful hits in 2020.

Still regarding our product portfolio, partnerships with craft breweries have allowed us to explore new frontiers and made us glad to fulfill the dreams of so many talented brewers who needed a boost.

Lastly, we know that Ambev can only exist because we have thousands of people working to make that happen. The amount of women in leadership positions has grown over the years, having increased by 9% in 2019. It's still a low number, but we are on the way to an increasingly diverse and inclusive company. We continue investing in safety and comfort and guaranteeing several services to our factory teams. Our company has the will to grow and our team has built the largest brewery in the world. But now, more than ever, we are certain that we want to bring Brazil along with us, creating a positive impact for everyone and acting as a company that transforms lives.

Jean Jereissati
CEO



Innovating for a better world

Our performance in 2019 reveals that we remain committed to sustainable practices while using innovation as a tool. We had a positive impact on the whole ecosystem, including our employees, clients, suppliers and society at large.

We have operations in **18 countries**

We developed the **Budweiser Wind Farm**, in Bahia, which spreads over 1.600 ha and whose capacity exceeds **80 MW**

By **2023**, we will have reduced **CO₂ emissions by 30 million tonnes** by using **1,600 electric trucks**

We expanded **the Skol Beats family** by introducing 150 BPM and GT

We solidified the presence of **Skol Puro Malte** in the everyday life of Brazilians

We launched the **Legítima beer**, in Ceará, which is made of locally sourced cassava, thus making it possible for us to positively impact the lives of 600 families by the end of 2021

7.9% increase in **net revenue**

1.5% growth in **EBITDA**

More than **50,000 employees** across the American continent, of which around 29,000 are in Brazil

More than **15,000 suppliers** in Brazil and abroad

43,000 people benefitted by projects funded through **AMA water** profits

More than **100 medals** in beer awards won

+ 1,000 farmers registered in the SmartBarley agricultural development platform

In 2019, **Brahma sponsored the Copa América 2019** and the **Women's World Cup**

84 Breweries, Malt Houses and Vertically Integrated Factories [Brazil, Latin America South (LAS), the Caribbean and Canada] and 98 Direct Distribution Centers in Brazil

We reduced the average water volume index used in the production of beverages **by 46%** over the last 15 years

115 civil society organizations (CSOs) were mentored by our VOA Program, through the sharing of our management knowledge

+ **700** startups applied for the 100+ Accelerator Sustainability Program in 2019

700 developers focused on finding innovative solutions in the HBSIS startup, acquired in 2019





IN THE HEARTS AND MINDS OF CONSUMERS

In 2019, our brands were innovative and solidified themselves as market leaders in Brazil and Latin America, strengthening their presence in 18 countries



84

Breweries and Malt houses
Vertically-integrated Factories
(Brazil, LAS, the Caribbean
and Canada)



98

Direct Distribution
Centers in Brazil



+ 29,000
employees in Brazil



AMBEV BREWERY

GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-6 | 102-7 | 102-9 | 103-1

A leader in the Latin American beer market, Ambev Brewery produces and sells beers, soft drinks and other alcoholic and non-alcoholic drinks. The company was created in 1999 from the merger of Brahma and Antarctica breweries. It is part of the Anheuser-Busch InBev group (AB InBev) and currently has operations in 18 countries on the American continent.

The Company is headquartered in São Paulo, but its vast distribution network ensures efficiency throughout the territory covered by Ambev. In Brazil alone, there are more than 1 million points of sale, including beverage distributors, franchises and commercial establishments.

By the end of 2019, the Company had over 50,000 employees, of which approximately 30,000 are in Brazil, 9,000 in the CAC region, 3,000 in Canada and 9,000 in the Latin America South units.

Regarding raw materials, packaging, logistics and services suppliers in general, the overall sum for 2019 in Latin America

South (LAS) and Brazil hit more than 15,000 suppliers, 9,000 of which are in Brazil alone.

In all regions and countries in which Ambev operates, it stands out with dozens of brands which are remarkable tradition, quality and public acceptance benchmarks. In Brazil, the main brands are Skol, Brahma, Antarctica, Bohemia, Original and Guaraná Antarctica. In other countries, brands such as Quilmes, Presidente, Paceña, Pilsen, Labatt Blue, Alexander Keith's and Kokanee stand out.

Ambev Brewery is one of the largest independent bottlers of PepsiCo in the world. It produces, sells and distributes products such as Pepsi, H2OH!, Lipton Ice Tea and isotonic drink Gatorade under license from PepsiCo in Brazil and other Latin American countries. In 2019, it entered an agreement with Red Bull to distribute its product portfolio in some specific sales channels in Brazil and some other markets. It also sells several products by Anheuser-Busch InBev S.A./N.V. ("AB InBev"), such as Budweiser, Bud Light, Stella Artois, Corona and Beck's.





OUR LOCATIONS

GRI 102-4 | 102-6

Our operations encompass 18 countries on the American continent, which are grouped into four zones:

- **BRAZIL**, where we manufacture and sell beers, soft drinks, non-alcoholic and non-carbonated beverages;
- **CENTRAL AMERICA AND THE CARIBBEAN (“CAC”)**, where we have operations in the Dominican Republic, Cuba, Saint Vincent and the Grenadines, Dominica, Antigua and Barbuda, Guatemala (which also supplies El Salvador, Honduras and Nicaragua), Barbados and Panama;
- **LATIN AMERICA SOUTH (“LAS”)**, where we trade beers, soft drinks, non-alcoholic and non-carbonated beverages in Argentina, Bolivia and Uruguay and also manufacture and sell beers in Chile and Paraguay;
- **CANADA**, where we manufacture and sell beers and a portfolio of mixed drinks and ciders and also export goods to the United States of America.

MAIN LAUNCHES

GRI 102-2

2019 was a year of portfolio expansion for Ambev, when innovation and serving different niches were emphasized. "Our portfolio has grown and we have once again positioned ourselves as a beverage company that offers good options to all audiences", notes Ricardo Dias, VP of Marketing in Brazil.

The advancements achieved in 2019 range from the new look created for an emblematic brand - the canned version of Original - to the upholding of regional culture and the strengthening of our presence in niche beverages that go beyond beer. Ambev expanded its portfolio - especially within the Skol Beats family - to keep winning the hearts of consumers.

SKOL PURO MALTE

There were big news for Skol Puro Malte, which reached the market in late 2018 and went through a period of consolidation in 2019. Its acceptance by Brazilians was automatic and made them appreciate one of the great brands in Ambev's portfolio even more.



COLORADO RIBEIRÃO LAGER

A craft beer fit for all situations, featuring a hint of orange. This is how we describe Ribeirão Lager, which honors the birthplace of the Colorado brewery, the city of Ribeirão Preto, in the São Paulo countryside.



SKOL BEATS 150 BPM E GT

The Skol Beats 150 BPM innovates in many ways within its category. Its name, which contains the abbreviation of beats per minute, is a reference to the faster beat of funk music, which has been a huge hit on the music charts. The strength of the product comes from both its flavor and its packaging, and also from the partnership with singer Anitta, who became a partner in the brand. The Beats portfolio was also reinforced by GT, a gin tonic flavored version for different occasions.



"In 2019, we repositioned our portfolio so we can work on solidifying it in 2020."

Ricardo Dias, VP of Marketing

LEGÍTIMA

Following the success of Nossa, in PE, and of Magnífica, in MA, Ambev has reinforced its support to microfarmers and encouraged the local development and regional culture with cassava-based Legítima, in Ceará.





The brand-owned Hoegaarden bar, in São Paulo, was one of the launches of 2019 and was well received by the public.

CORPORATE GOVERNANCE

GRI 102-5 | 102-18 | 102-22 | 102-24 | 102-25 | 102-35 | 103-1 | 103-3

Ambev is controlled by Interbrew International B.V. (IIBV), AmBrew S.A. (AmBrew), both of which are subsidiaries of Anheuser-Busch InBev (AB InBev), and by Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência. We are subject to regulation by the Comissão de Valores Mobiliários (CVM) and the Securities & Exchange Commission (SEC) since we are a publicly-held company with common stock listed on the B3 Stock Exchange and on the New York Stock Exchange (NYSE). Our governance is guided by the utmost respect for transparency and the best corporate governance practices, and is enforced by the following bodies: the Shareholders General Meeting, the Board of Directors (aided by its advisory committees), the Fiscal Council and the Executive Board.

The Shareholders General Meeting is the highest body in the Company, where the shareholders, convened in a general meeting, have the power to decide on the Company's business.

The Board of Directors is composed of 11 sitting members (ten of which are men and one of which is a woman) and two alternate members, all of whom are nominated by the controlling shareholders, based on criteria such as culture and expertise, and elected at a general meeting for a three-year mandate, with the

possibility of being reelected. Two of the sitting members of the Board of Directors are independent directors, pursuant to the Company's bylaws.

Some of the responsibilities of the Board are to make decisions related to the Company's short-, medium- and long-term strategy and to ensure that our values, our focus on proper conduct, ethics and culture are upheld and disseminated among our





employees. Pursuant to the Company's bylaws and the internal regulations of the Board of Directors, the directors, in the exercise of their powers, must not have access to information or participate in deliberations related to matters in which they have or represent an interest that conflicts with those of the Company.

The directors appoint the members of the Executive Board and do not hold executive positions themselves. It is also forbidden for the same person to serve as Co-chairman of the Board of Directors and as the CEO of the company.

We also have two corporate advisory committees that assist the Board of Directors, who elect their members.

- **The Operations, Finance and Compensation Committee (COF)** serves the purpose of providing advice to the Board of Directors on the annual and triennial planning, management and employee compensation policies, mergers and acquisitions, capital structure and cash flow, corporate restructuring etc.

- **The Competition Compliance and Related Parties Committee** advises the Board of Directors to ensure the standards

governing the Company's conduct in relation to competitors and transactions with related parties are being complied with.

In charge of managing the Company's business and presenting medium- and long-term planning proposals to the Board of Directors, the Executive Board is currently formed by a general director and 11 other statutory directors. The executives serve three-year terms, with the possibility of re-election. Jean Jereisati Neto has been the Chief Executive Officer of Ambev Brewery since January 1, 2020, and his term ends in December 2021.

Ambev Brewery's directors (ie, Board of Directors and Executive Board) are remunerated on the basis of the high performance culture adopted throughout the Company and their compensation is split into a fixed component, in line with the market average, and a variable component, which aims to stimulate and offset significant results through profit sharing and long-term incentives, as appropriate.

The Fiscal Council operates on a permanent basis, overseeing management and issuing assessments on Ambev's financial statements, being formed by members who are not part of the Executive Board, the Board of Directors, or the advisory committees.

ETHICS AND ANTICORRUPTION EFFORTS

GRI 102-16 | 103-1 | 103-2 | 103-3 | 205-2 | 102-17 | 102-25 | 205-3
206-1 | 307-1 | 415-1 | 419-1

Ethics and integrity are non-negotiable values within Ambev. The Company does not tolerate any type of corruption and believes in growth as a result of hard work on a daily basis. Its leaders are the greatest examples of proper ethical conduct, and it also has a team dedicated to disseminating these values throughout the Company, through an annual communication and training plan on ethics, compliance and anti-corruption rules. This plan is defined by the Ethics and Compliance team alongside the Internal Communication team and undergoes regular adjustments based on business risks and/or retention rates measured through surveys with employees. Communications are carried out via e-mails, posters, internal social media posts, training programs and videos.

Local or corporate leaders are actively involved and demonstrate their commitment to ethical issues to employees. Those who occupy strategic and/or leadership positions also receive an annual online compliance training and fill in a statement that attests the observance of anti-corruption rules. Also on a yearly basis, employees from strategic areas, including members of the Executive Board, receive on-site compliance training. If any employee has doubts about ethical and integrity issues, they can clarify them through an online channel managed by the Ethics & Compliance team. One hundred percent of the leadership team is trained annually. Online training is made available and it is required that the entire Company takes it at least once after joining. The number of confirmed cases of corruption is confidential, but the indicator is handled by the compliance team.

Still within the scope of these concerns, innovation and technology are present with the use of BrewRIGHT, a platform that analyzes data from various Ambev systems and allows the detection and prevention of potential fraud and corruption in its operations, allowing people to take action.

Ambev's relationship with government agencies and public officials occurs in adherence to the Compliance Policy, the Code of Conduct, the Anti-Corruption Policy and the Government Relationship Policy. The Company has no ties to political organizations, but recognizes the legitimacy and the right of employees to participate in political parties or entities of their choice. Nevertheless, any exchanges, donations or favors that breach the current anti-corruption legislation or Ambev's policies are prohibited. The Compliance and Legal areas can answer questions about these matters and are also responsible for defining rules governing payments.

Ambev Brewery's Code of Conduct and its Global Responsible Sourcing Policy, which contain anti-corruption



"Ethics is the starting point for everything, it's a very strong value at Ambev."

Ricardo Gonçalves Melo,
VP of Corporate Affairs & Compliance

provisions, are available to all partners on its webpage. Some strategic partners also receive specific anti-corruption compliance training.

Regarding lawsuits for unfair competition, there was no record of this type of action during the period. In 2019, there were also no fines or sanctions for non-compliance with laws and regulations in the social, economic and environmental areas.

OMBUDSMAN

GRI 102-2 | 103-2

Our Ombudsman channel is operated by an external company and managed by our compliance team. Its activities are periodically reported to the Board of Directors and to the Fiscal Council, according to the competence of each body. Employees, customers, consumers and suppliers are able to make confidential reports regarding any violations of our Code of Conduct by calling 0800-250011 or by accessing ouvidoriaambev.com.br.





Teams in different areas of the Company work from the Central Administration office, in São Paulo

RISK MANAGEMENT

GRI 102-11 | 103-2 | 103-3 | GRI 102-29 | 201-2

The corporate risk management strategy is conducted jointly by the Board of Directors (which may call upon the advice of the Operations, Finance and Compensation Committee, depending on the nature of the risk) and by the Company's Executive Board, which establishes the strategies for the identification and monitoring of material events throughout the Company that may potentially affect it.

Corporate risks are grouped into five categories: strategic, operational, regulatory and legal, financial and image risks. The enforcement of financial discipline and the limiting of exposure to risk aimed at avoiding market fluctuations are two of the essential pillars of the risk management strategy.

The process of contracting suppliers and service providers involves a risk analysis phase, followed by compliance due diligence in some cases. This procedure involves consulting the suitability lists, a media analysis and completing an anti-corruption questionnaire. For this questionnaire, in addition to consulting Ambev Brewery's Code of Conduct, the partner must expressly agree with the anti-corruption rules. The procedure may also include anti-corruption compliance training, depending on the risk level of each partner. All contracts with suppliers include clauses that follow our Responsible Sourcing policies. Any conduct that goes against this allows for the unilateral breach of contract.

The assessment of potential partners also includes the analysis of their attitude regarding environmental issues. Ambev makes all its knowledge of sustainability, climate change and management available to suppliers and service providers, offering specific training to ensure that our value chain is not environmentally compromised.

PROCESS MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 301-1

Ambev's manufacturing process is based on the use of both renewable and non-renewable natural resources. Water is the main resource used in the production of soft drinks and beers, along with the ingredients that make up each of the products. Aiming to meet environmental impact reduction goals, we employ a standardized management process entitled Voyager Plant Optimization (VPO). Ambev invests in the modernization and improvement of production process control, sharing best practices among breweries and soft drink factories in order to guarantee the continuous improvement of this process.

The Company's manufacturing excellence - driven by the VPO - is based on a structure held up by seven regulated pillars in our plants: People, Management, Logistics, Maintenance, Environment, Quality, Safety. Furthermore, financial procedures are evaluated and internal audits are carried out to ensure adherence to the processes established in the VPO, DPO and SPO.

VPO has also inspired the development of Sales Process Optimization (SPO), a management system focused on improving the quality of sales services, and on customer service, in line with Ambev's principle that the consumer is our boss.

LOGISTICS MANAGEMENT

GRI 103-2 | 103-3 | 204-1

Ambev's logistical process follows the Distribution Process Optimization (DPO) operating manual to ensure quality and sustainable results. Through the TecLog platform, the Company adopts technology initiatives to optimize logistics operations. Drivers have access to applications developed specifically for the distribution operations. The system optimizes routes to serve the points of sale more quickly and reduce the



environmental impact of the emission of polluting gases by reducing the travelling time of the trucks. Thirty percent of our spend budget is directed to local partners (suppliers within 80 km of our breweries and DDCs).

Another effort we can highlight is the Shared Fleet initiative, which consists in establishing partnerships with other companies to optimize the logistic operations of each one of them. Vehicles that are used by Ambev and which would normally return to breweries empty after having restocked distribution centers will instead return with loads from partner companies. The logistical gain leads to an environmental benefit, since the cargo transported on the way back does not have to be carried by another vehicle of the partner in question.

PARTICIPATION IN ASSOCIATIONS

GRI 102-13

Working alongside several organizations allows Ambev to strengthen networks and ecosystems and disseminate unity and collaboration. The exchange of experiences helps the Company grow towards a better world. Ambev is a member of the following organizations: Brazilian Association of Advertisers (ABA), Brazilian Association of Food Industries (ABIA), Brazilian Association of Soft Drinks and Non-Alcoholic Beverages Industries (ABIR), Brazilian Association of Publicly-Traded Companies (Abrasca), Brazilian Business Council for Sustainable Development (CEBDS), Center for Fiscal Citizenship (CCiF), Economic and Social Law Studies Center (Cedes), Corporate Commitment to Recycling (Cempre), Center for Information on Health and Alcohol (CISA), Brazilian Institute for Ethical Competition (Etco), Federation of Industries of the State of Rio de Janeiro (Firjan), Group for Applied Tax Studies (Getap), Group of Business Leaders (Lide) and National Beer Industry Trade Union (Sindicerv).

ADVERTISING AND CONSUMER PROTECTION

GRI 102-16 | 103-1 | 103-2 | 103-3 | 416-1 | 416-2 | 417-1 | 417-2 | 417-3 | 418-1

Ambev's concern with its consumers has different layers. For example, the Company conducts studies to assess the impact of its products. It develops a series of alcohol-free, sugar-free and preservative-free products to provide the healthiest options to consumers. One hundred percent of its alcoholic and sugar products are evaluated from the point of view of the impact on consumer health and safety, as well as in relation to the proper packaging waste disposal.

We are guided by ethics and responsibility when promoting products. Our communications abide by all of the rules enforced by regulatory body Brazilian Advertising Self-Regulation Council (Conar). The campaign approval process involves an internal committee and external advisors.

In 2019, Conar flagged ten cases of non-compliance. Following the presentation of defense, no fine or penalties were incurred.

The Brazilian Association of Soft Drinks and Non-Alcoholic Beverages Industries (Abir), in turn, has not notified any infraction of the rules on child advertising.

All Ambev brand labels are analyzed by the legal department and a firm that specializes in this area. In 2019, no fines and/or warnings for irregular labeling were issued against the Company.

Procon, the consumer protection agency, imposed one R\$ 15,555.56 fine on Ambev in 2019. Issued in Minas Gerais, the penalty resulted from the alleged breaking of Federal Law no. 8078/90, due to the production and distribution of the non-alcoholic beer of the brand "Liber Brahma". The situation was resolved and the fine was duly paid.

In 2019, the STJ (Brazilian Superior Court of Justice)



In the two Vista Corona bar branches, in São Paulo, beer fans are transported to the beach

judged a lawsuit involving the Kronenbier beer, filed by SAUDECON, and upheld the decision to charge R\$ 1 million in damages as compensation from harm that would have been caused to consumers for the consumption of the non-alcoholic beer. The amount was paid by Ambev.

With regard to cases of non-compliance in relation to health and safety impacts of products and services on customers, the Company was a defendant in 59 lawsuits, of which 42 resulted in convictions and the rest in settlements. Ambev had three cases of “exploding bottles” and both were resolved through settlements, totaling R\$ 1,270,000.00. Altogether, the 17 settlements amounted to R\$ 1,343,221.45 and the convictions to R\$ 1,080,436.44. In total, between convictions and settlements, R\$ 2,393,657.89 were paid in damages. There were no cases of non-compliance involving laws and regulations in the economic and social areas. The area is under the responsibility of a director at the headquarters and of the legal department.

Between 2017 and 2019, there were eight notices of infrac-

tion issued by MAPA and INMETRO, in the states of SC, PR and SP. They resulted in fines totaling R\$ 97,119.36.

The infractions consisted of:

- product displayed without indication of quantity in the main panel;
- failure to declare an ingredient in the product’s ingredient list;
- product outside the standards of identity and quality;
- label highlighted only one of the fruits that make up the product;
- assigning functional properties to the product;
- irregularities in the label of imported beers;
- non-issuance of labels for the shipment of products for animal feed marketed in bulk;
- conflict between labeling and registration number.

There are still four notices of infraction pending judgment, three of which are related to the non-conformity of the label with the legislation, issued by MAPA of SP and CE. The latter refers to the lack of information regarding the

GRIEVANCES RELATED TO IMPACTS ON SOCIETY (TOTAL COMPLAINTS AND GRIEVANCES RECORDED) – GRI 103-3

Channels	2017	2018	2019
CAT	214,148	187,824	190,352
SAV	122,792	258,679	242,298
SAC*	672	515	478
NPS**	—	16%	17%

*Measured in ppb (parts per billion). **Collection of data in this category began in 2018.

production of barley seeds and the storage of such seeds in an unregistered establishment. A fine of R\$ 921,906.52 was imposed following this last notice, which is the subject of an appeal that has not been judged yet.

DATA PROTECTION

GRI 103-1 | 103-2 | 103-3 | 418-1

Ambev gathers a large volume of personal data, including those of employees, business partners, customers and consumers. It has a policy to ensure compliance with the General Data Protection Act (LGPD) and to protect the rights of the data subjects who entrusted us with their personal information.

Ambev's digital transformation takes place based on ethical personal data processing practices. Ambev benefits from the experience AB Inbev, its parent company, has complying with the European Union's General Data Protection Regulation (GDPR). Its effort to adapt to the LGPD relies on a series of controls tested on the European continent that have been sufficient to identify, control and resolve any risks to personal data that are under the company's responsibility.

Ambev's corporate policies govern the processing of personal data throughout its activities, from collection in different business areas to the retention of information and documents. In addition, it pays special attention to online portals involving direct interaction with customers, partners and consumers, where it provides transparency and provides holders with control over their own data, including subject access request channels.

We have created strategies to ensure compliance with the General Data Protection Act and protect the rights of data subjects.

Ambev created a multidisciplinary team that monitors the flow of personal data, analyzes the impact of treatment activities and implements corrective actions. New internal processes were also created by the working group to ensure that privacy is the foremost concern in the development of new products, with the application of the privacy by design and by default concept.

The Company also invests in training in order to create and disseminate a corporate culture of regard for the information that travels through the company. Since 2019, the main personal data protection areas have started to receive training on the new law, notably on its principles, legal bases for treatment, best practices and day-to-day protection efforts. The 2020 training program includes awareness campaigns, training focused on specific issues and interactive material with practical examples.

The LGPD adoption working group reports to the company's top leadership and has a regular accountability routine to inform different corporate committees interested in the performance indicators of the project.

CUSTOMER RELATIONS

GRI 103-2 | 103-3 | 418-1

Ambev's customers come in different sizes and profiles. They include beverage distributors, supermarkets, bars, restaurants, warehouses, bakeries, cafeterias, kiosks and franchises. The relationship with each of them is essential for their develop and establishment as strong points of sales for the Company.

The year of 2019 was marked by developments in the four channels of communication with customers (see table on page 22). The Technical Assistance Center (CAT) received a slightly higher number of corrective calls, which reinforces the importance of the preventive maintenance strategy for beer coolers/postmix systems and refrigerators. There was a reduction in calls at the Retail Customer Service (SAV), which handles routine issues such as payment terms and delivery dates. In the Customer Service Department (SAC), there was





a slight reduction. Ambev also carried out the Net Promoter Score (NPS), aiming to make sure that customers are being well served and to improve their experience whenever possible (see table on page 22).

BREWERY TOURS

GRI 102-12 | 103-2 | 103-3

Welcoming consumers in our breweries is a way of bringing knowledge to people as well as delighting them, who are excited to dive into the world of beer. In 2019, Ambev maintained the visitation program in six brewing units, where connoisseurs learn about the history of beer and learn about Ambev's production process - from the selection of ingredients to the filling of bottles. At the end of the tour, the guests participate in a tasting session. 97,000 free visits were made in 2019, bringing up the total number of visits since 2017 to around 160,000.

MAIN RESULTS

GRI 102-7 | 102-45 | 201-1

Ambev Brewery's consolidated Net Sales in 2019 amounted to R\$ 52,599.7 million. The regions accounted for in the Financial Statements are Brazil, Central America and the Caribbean (CAC), Latin America South (LAS) and Canada. Our consolidated net revenue increased by 7.9% in 2019, thanks to growth in Brazil (+7.1%), LAS (+15.1%)

and CAC (+10.0%). There was a decrease in net revenues in Canada (-1.9%).

In Brazil, there was an increase in volume sold (+5.1%) and in the net revenue per hectoliter (ROL/hl) (+1.9%). In LAS, volume dropped (-3.5%) while ROL/hl increased (+19.0%). In the CAC region, volume grew (+5.3%), alongside ROL/hl (+4.4%). In Canada, there was a decline in volume due to the pressure being faced by the industry in the country (-3.6%), while ROL/hl increased (+1.7%).

All growth is measured in organic terms, excluding changes in scope and exchange rate differences.

DIVIDENDS, SHARES AND FINANCIAL DISCIPLINE

GRI 103-2 | 103-3 | 201-1

Our bylaws provide for mandatory minimum dividends corresponding to 40% of the Company's adjusted annual net income, including amounts paid as interest on shareholders' equity. In 2019, the total amount of R\$ 7,717.4 million was paid between dividends and interest on shareholders' equity. Profit sharing with employees and managers hit R\$ 459 million. This amount is part of the Company's employees' performance recognition policy. On B3 S.A. - Brasil, Bolsa, Balcão, we traded approximately R\$ 97.6 billion in common stock during 2019. Over this period, the Bovespa Index appreciated 31.6%, while our share price closed at R\$ 18.7 in

the end of the year (having appreciated 22.3% in 2019), considering the adjustments made to reflect dividends distributed, interest on own capital, stock splits or reverse splits in the period.

As of December 31, 2019, our net cash position was R\$ 8,852.4 million.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES (SG&A)

GRI 201-1

SG&A increased by 7.5%. SG&A, excluding depreciation and amortization, grew 6.1%, below the weighted average inflation of the countries in which we operate (around 8.9%).

EBITDA, GROSS MARGIN AND EBITDA MARGIN

GRI 201-1

Ambev's adjusted EBITDA was R\$ 21,147 million (+ 1.5%), while the gross margin and EBITDA margin decreased by -260 basis points and -260 basis points, respectively.

COST OF GOODS SOLD (COGS)

GRI 201-1

Ambev's COGS increased 15.3% in 2019. COGS excluding

depreciation and amortization, grew 16.8%. On a per hectoliter basis, COGS increased 12.2%, while COGS excluding depreciation and amortization rose 13.7%, mainly impacted by the unfavorable exchange rate, higher commodity prices and high inflation rate in Argentina.

NET INCOME, ADJUSTED NET INCOME AND EARNINGS PER SHARE (EPS)

GRI 201-1

Ambev's net profit grew 7.4% and reached R\$ 12,188 million. Adjusted for non-recurring items, net income increased by 8.5%, to R\$ 12,550 million. Earnings per share (EPS) hit R\$ 0.75 and adjusted earnings per share were R\$ 0.77 in 2019.

OPERATING CASH FLOW AND CAPEX

GRI 201-1

Cash flow from operating activities totaled R\$ 18,381 million last year. Capex investments amounted to R\$ 5,069 million in 2019, having grown 42% in comparison to 2018.

INCOME TAX AND SOCIAL CONTRIBUTION-

GRI 201-1

The effective income tax rate in 2019 was 5.8%, a reduction from the previous year's rate, which was 13.5%.

FINANCIAL HIGHLIGHTS – CONSOLIDATED (R\$ MILLIONS) – GRI 201-1

	12M18	12M19	% Reported	% Organic
Volume ('000 hl)	158,716.9	163,243.0	2.9%	2.7%
Net revenue	50,231.3	52,599.7	4.7%	7.9%
Gross profit	30,981.9	30,921.6	-0.2%	3.4%
Gross margin (%)	61.7%	58.8%	-290 bps	-260 bps
Adjusted EBITDA	21,685.7	21,147.1	-2.5%	1.5%
Adjusted EBITDA margin (%)	43.2%	40.2%	-300 bps	-260 bps
Net income	11,347.7	12,188.3	7.4%	
Adjusted net income	11,561.6	12,549.9	8.5%	
EPS (R\$/share)	0.70	0.75	7.1%	
Adjusted EPS (R\$/share)	0.71	0.77	8.1%	

BRAZIL (R\$ MILLION) GRI 201-1

	2018	Scope	Currency translation	Organic growth	2019	% Reported	% Organic
Volume ('000 hl)	101,642.9			5,163.8	106,806.7	5.1%	5.1%
Net revenue	26,814.2			1,910.3	28,724.5	7.1%	7.1%
ROL/hl (R\$)	263.8			5.1	268.9	1.9%	1.9%
COGS	(10,014.8)			(2,081.5)	(12,096.3)	20.8%	20.8%
COGS/hl (R\$)	(98.5)			(14.7)	(113.3)	14.9%	
COGS excl. deprec. & amort.	(8,513.8)			(2,078.2)	(10,592.0)	24.4%	24.4%
COGS/hl excl. deprec. & amort. (R\$)	(83.8)			(15.4)	(99.2)	18.4%	18.4%
Gross income	16,799.4			(171.2)	16,628.2	-1.0%	-1.0%
Gross margin (%)	62.7%				57.9%	-480 bps	-480 bps
SG&A excl. deprec. & amort.	(6,970.1)			(250.8)	(7,220.9)	3.6%	3.6%
SG&A deprec. & amort.	(1,157.3)			(207.5)	(1,364.8)	17.9%	17.9%
Total SG&A	(8,127.4)			(458.3)	(8,585.7)	5.6%	5.6%
Net other operating income (expenses)	965.0			(138.6)	826.4	-14.4%	-14.4%
Adjusted EBIT	9,637.0			(768.1)	8,868.9	-8.0%	-8.0%
Adjusted EBIT margin (%)	35.9%				30.9%	-500 bps	-500 bps
Adjusted EBITDA	12,295.3			(557.3)	11,737.9	-4.5%	-4.5%
Adjusted EBITDA margin (%)	45.9%				40.9%	-500 bps	-500 bps

BRAZIL – BEER (R\$ MILLION) GRI 201-1

	2018	Scope	Currency translation	Organic growth	2019	% Reported	% Organic
Volume ('000 hl)	77,784.2			2,479.6	80,263.7	3.2%	3.2%
Net revenue	23,008.5			1,295.8	24,304.2	5.6%	5.6%
ROL/hl (R\$)	295.8			7.0	302.8	2.4%	2.4%
COGS	(8,214.2)			(1,823.7)	(10,037.9)	22.2%	22.2%
COGS/hl (R\$)	(105.6)			(19.5)	(125.1)	18.4%	18.4%
COGS excl. deprec. & amort.	(6,918.5)			(1,818.0)	(8,736.5)	26.3%	26.3%
COGS/hl excl. deprec. & amort. (R\$)	(88.9)			(19.9)	(108.8)	22.4%	22.4%
Gross income	14,794.3			(528.0)	14,266.3	-3.6%	-3.6%
Gross margin (%)	64.3%				58.7%	-560 bps	-560 bps
SG&A excl. deprec. & amort.	(6,029.4)			(9.1)	(6,038.5)	0.2%	0.2%
SG&A deprec. & amort.	(1,021.0)			(193.0)	(1,214.0)	18.9%	18.9%
Total SG&A	(7,050.3)			(202.2)	(7,252.5)	2.9%	2.9%
Net other operating income (expenses)	740.1			(168.5)	571.6	-22.8%	-22.8%
Adjusted EBIT	8,484.0			(898.6)	7,585.4	-10.6%	-10.6%
Adjusted EBIT margin (%)	36.9%				31.2%	-570 bps	-570 bps
Adjusted EBITDA	10,800.7			(699.9)	10,100.8	-6.5%	-6.5%
Adjusted EBITDA margin (%)	46.9%				41.6%	-530 bps	-530 bps

BRAZIL – NAB (R\$ MILLION) GRI 201-1

	2018	Scope	Currency trans- lation	Organic growth	2019	% Reported	% Organic
Volume ('000 hl)	23,858.8			2,684.2	25,542.9	11.3%	11.3%
Net revenue	3,805.7			614.5	4,420.2	16.1%	16.1%
ROL/hl (R\$)	159.5			7.0	166.5	4.4%	4.4%
COGS	(1,800.6)			(257.8)	(2,058.4)	14.3%	14.3%
COGS/hl (R\$)	(75.5)			(-2.1)	(77.5)	2.8%	2.8%
COGS excl. deprec. & amort.	(1,595.3)			(260.2)	(1,855.5)	16.3%	16.3%
COGS/hl excl. deprec. & amort. (R\$)	(66.9)			(3.0)	(69.9)	4.5%	4.5%
Gross income	2,005.2			356.7	2,361.9	17.8%	17.8%
Gross margin (%)	52.7%				53.4%	70 bps	70 bps
SG&A excl. deprec. & amort.	(940.8)			(241.6)	(1,182.4)	25.7%	25.7%
SG&A deprec. & amort.	(136.3)			(14.5)	(150.8)	10.6%	10.6%
Total SG&A	(1,077.1)			(256.1)	(1,333.2)	23.8%	23.8%
Net other operating income (expenses)	224.9			29.9	254.8	13.3%	13.3%
Adjusted EBIT	1,153.0			130.5	1,283.5	11.3%	11.3%
Adjusted EBIT margin (%)	30.3%				29.0%	-130 bps	-130 bps
Adjusted EBITDA	1,494.6			142.6	1,637.1	9.5%	9.5%
Adjusted EBITDA margin (%)	39.3%				37.0%	-230 bps	-230 bps

CAC (R\$ MILLION) GRI 201-1

	2018	Scope	Currency trans- lation	Organic growth	2019	% Reported	% Organic
Volume ('000 hl)	13,159.8			699.7	13,859.5	5.3%	5.3%
Net revenue	5,813.9		363.5	580.5	6,757.9	16.2%	10.0%
ROL/hl (R\$)	441.8		26.2	19.6	487.6	10.4%	4.4%
COGS	(2,559.1)		(155.5)	(219.5)	(2,934.1)	14.7%	8.6%
COGS/hl (R\$)	(194.5)		(11.2)	(6.0)	(211.7)	8.9%	3.1%
COGS excl. deprec. & amort.	(2,233.8)		(137.5)	(221.4)	(2,592.7)	16.1%	9.9%
COGS/hl excl. deprec. & amort. (R\$)	(169.7)		(9.9)	(7.4)	(187.1)	10.2%	4.4%
Gross income	3,254.8		208.0	361.0	3,823.9	17.5%	11.1%
Gross margin (%)	56.0%				56.6%	60 bps	50 bps
SG&A excl. deprec. & amort.	(1,301.1)		(73.4)	85.4	(1,289.0)	-0.9%	-6.6%
SG&A deprec. & amort.	(169.9)		(11.1)	(24.0)	(205.0)	20.7%	14.1%
Total SG&A	(1,470.9)		(84.5)	61.5	(1,494.0)	1.6%	-4.2%
Net other operating income (expenses)	20.1		4.4	61.3	85.8	nm	nm
Adjusted EBIT	1,803.9		127.9	483.8	2,415.6	33.9%	26.8%
Adjusted EBIT margin (%)	31.0%				35.7%	470 bps	480 bps
Adjusted EBITDA	2,299.1		157.1	505.8	2,962.0	28.8%	22.0%
Adjusted EBITDA margin (%)	39.5%				43.8%	430 bps	440 bps

LAS (R\$ MILLION) GRI 201-1

	2018	Scope	Currency trans- lation	Organic growth	2019	% Reported	% Organic
Volume ('000 hl)	33,971.2	188.1		(1,168.2)	32,991.1	-2.9%	-3.5%
Net revenue	10,753.9	44.0	(2,385.1)	1,615.9	10,028.7	-6.7%	15.1%
ROL/hl (R\$)	316.6	(0.4)	(72.3)	60.2	304.0	-4.0%	19.0%
COGS	(4,261.7)	(16.7)	817.9	(537.4)	(3,998.0)	-6.2%	12.6%
COGS/hl (R\$)	(125.5)	0.2	24.8	(20.7)	(121.2)	-3.4%	16.5%
COGS excl. deprec. & amort.	(3,569.1)	(16.7)	627.5	(398.1)	(3,356.4)	-6.0%	11.2%
COGS/hl excl. deprec. & amort. (R\$)	(105.1)	0.1	19.0	(15.8)	(101.7)	-3.2%	15.0%
Gross income	6,492.2	27.3	(1,567.2)	1,078.5	6,030.7	-7.1%	16.7%
Gross margin (%)	60.4%				60.1%	-30 bps	90 bps
SG&A excl. deprec. & amort.	(2,251.0)	(22.8)	619.2	(609.9)	(2,264.5)	0.6%	27.1%
SG&A deprec. & amort.	(329.3)		93.1	(39.8)	(276.0)	-16.2%	12.1%
Total SG&A	(2,580.4)	(22.8)	712.3	(649.7)	(2,540.5)	-1.5%	25.2%
Net other operating income (expenses)	(24.6)		14.7	(8.1)	(18.0)	-27.0%	32.7%
Adjusted EBIT	3,887.2	4.5	(840.2)	420.7	3,472.2	-10.7%	10.9%
Adjusted EBIT margin (%)	36.1%				34.6%	-150 bps	-140 bps
Adjusted EBITDA	4,909.1	4.5	(1,123.7)	599.9	4,389.8	-10.6%	12.3%
Adjusted EBITDA margin (%)	45.6%				43.8%	-180 bps	-110 bps

CANADA (R\$ MILLION) GRI 201-1

	2018	Scope	Currency trans- lation	Organic growth	2019	% Reported	% Organic
Volume ('000 hl)	9,942.9			(357.2)	9,585.7	-3.6%	-3.6%
Net revenue	6,849.3		372.6	(133.3)	7,088.6	3.5%	-1.9%
ROL/hl (R\$)	688.9		38.9	11.8	739.5	7.4%	1.7%
COGS	(2,413.8)		(139.3)	(96.7)	(2,649.8)	9.8%	4.0%
COGS/hl (R\$)	(242.8)		(14.5)	(19.1)	(276.4)	13.9%	7.9%
COGS excl. deprec. & amort.	(2,247.4)		(129.6)	(87.7)	(2,464.6)	9.7%	3.9%
COGS/hl excl. deprec. & amort. (R\$)	(226.0)		(13.5)	(17.6)	(257.1)	13.8%	7.8%
Gross income	4,435.5		233.3	(230.0)	4,438.8	0.1%	-5.2%
Gross margin (%)	64.8%				62.6%	-220 bps	-220 bps
SG&A excl. deprec. & amort.	(2,406.6)		(134.1)	(9.8)	(2,550.5)	6.0%	0.4%
SG&A deprec. & amort.	(106.6)		(8.2)	(41.9)	(156.8)	47.0%	39.3%
Total SG&A	(2,513.3)		(142.3)	(51.7)	(2,707.3)	7.7%	2.1%
Net other operating income (expenses)	(13.1)		(0.8)	(2.2)	(16.1)	23.4%	16.9%
Adjusted EBIT	1,909.1		90.2	(283.9)	1,715.4	-10.1%	-14.9%
Adjusted EBIT margin (%)	27.9%				24.2%	-370 bps	-370 bps
Adjusted EBITDA	2,182.3		108.1	(233.1)	2,057.4	-5.7%	-10.7%

**VALUE ADDED STATEMENT FINANCIAL YEARS LEADING UP TO DECEMBER 31 IN 2019 AND 2018
(IN THOUSANDS OF REAIS)**

- GRI 201-1

	Consolidated	
	2019	2018
Revenues	79,589,129	76,976,596
Sales of goods, products and services	79,473,627	76,727,601
Net other operating income (expenses)	154,993	298,778
Allowance for Loan and Lease Losses	(39,491)	(49,783)
Inputs acquired from third parties	(31,166,492)	(28,097,877)
Cost of products, goods and services sold	(21,981,152)	(18,947,213)
Materials, electricity, outsourced services and others	(9,032,294)	(8,971,154)
Impairment of assets	(153,046)	(179,510)
Gross value added	48,422,637	48,878,719
Retentions	(4,522,182)	(4,268,919)
Depreciation and amortization	(4,522,182)	(4,268,919)
Net value added generated by the Company	43,900,455	44,609,800
Value added received via transfer	1,271,636	300,306
Share of profit (loss) of joint ventures	(22,310)	1,040
Financial income	1,638,866	653,893
Other	(344,920)	(354,627)
Total value added left for distribution	45,172,091	44,910,106
Distribution of value added	45,172,091	44,910,106
Personnel	4,831,364	4,464,939
Direct compensation	4,323,359	3,949,345
Benefits	229,362	248,894
Government Severance Indemnity Fund for Employees (FGTS)	123,043	118,113
Other	155,600	148,587
Taxes, fees and contributions 24.700.335	23,388,888	24,684,634
Federal	8,034,601	9,606,260
State	15,323,893	15,049,487
Municipal	30,394	28,887
Remuneration of third-party capital	4,763,507	4,412,823
Cost of finances, excluding Financial Transaction Tax	4,546,350	4,346,567
Rentals	217,157	66,256
Remuneration of Own Capital	12,188,332	11,347,710
Payment of Interest on Own Capital	7,717,420	5,030,507
Dividends	-	2,515,101
Retained earnings	4,062,545	3,449,353
Non-controlling interests	408,367	352,749



WHOLE-SYSTEM IMPACT

In 2019, the 2025 Sustainability Goals were solidified, supported by six pillars: Water Stewardship, Smart Agriculture, Climate Action, Circular Packaging, Entrepreneurship and Smart Drinking



– 46%

water consumption
over the last 15 years



43,000

people benefitted
by AMA water across
9 states in Brazil



by 2025

our goal is to have
ended plastic pollution
from our packaging



ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

GRI 102-35

All the work carried out by Ambev has sustainability at its core. For this reason, the Company takes into account the concept of ESG (Environmental, Social and Corporate Governance). ESG indicators are widely adopted to measure the social and environmental impact of the company's actions. Top leadership has to achieve goals and KPIs linked to ESG issues. This top-down system chain allows all employees to be involved in activities aimed at fulfilling major sustainability objectives.

The sustainability goals, which involve the top leadership of different countries in which Ambev is present, are an excellent example. They are measured through several indicators, each related to the area of the respective VP responsible for the goal.



THE SIX PILLARS

GRI 102-12 | 103-1 | 103-2 | 103-3

The dream of bringing people together for a better world has guided Ambev's initiatives. The Company understands socio-environmental sustainability not only as part of the business, but as its very core. For this reason, it is responsible for giving back to the planet through its actions. And in 2019, it took important steps towards that purpose.

This cycle, which began in 2018, has the year 2025 as its arrival point and is based on major pillars: Water Stewardship, Smart Agriculture, Climate Action, Circular Packaging and Entrepreneurship. Added to them is the work on Smart Drinking.

The entire Ambev ecosystem - formed by customers, suppliers, partners, social organizations, stakeholders and society as a whole - was pointed towards the fulfillment of the



se global goals, which match the commitments made when the company joined UN's Global Compact Network Brazil. It is an initiative that brings together companies willing to work with the international community to manage business in a sustainable way. Ambev is committed to taking direct action to support 11 out of the 17 Sustainable Development Goals (SDGs), based on its pillars:

- No poverty
- Zero hunger and sustainable agriculture
- Good health and well-being
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Reduced inequalities
- Responsible consumption and production
- Climate action
- Partnerships for the goals

These are the SDGs on which the company works directly, but its better world platform has an indirect impact on virtually all other SDGs.



+ 50,000 guarana seedlings distributed to 2,000 families of local growers, benefiting more than 10,000 people

SMART AGRICULTURE

GRI 102-9 | 102-10

Carefully tending to each stage of the production chain is one of Ambev's main concerns, which is made evident by the goal of having 100% of its farmers trained, connected and financially structured by 2025. The training of farmers is an ongoing activity that is divided into three fronts:

- **Quality of raw materials:** we supply grains developed by our research team or by partner companies. For over 30 years we have worked in partnership with the Brazilian Agricultural Research Corporation (Embrapa) to encourage the planting of barley crops in Brazil. Based on the gradual evolution, we aim to improve the planting of barley by 7% by 2025, to combine higher quality with minimal environmental impact.
- **Good practice protocol:** we have developed a technical protocol that includes indication of dates for planting and harvesting, fertilization and disease control, which improves management, thus optimizing production and minimizing the use of natural resources. We have also incentivized the practice of reducing the use of pesticides, which is based on the innovations achieved by our team at the Colorado Laboratory, in the United States.
- **Team of experts:** we have a field team formed by agrono-

mists, phytopathologists, quality and efficiency professionals who advise and perfect the management practices of farmers with periodic technical visits. The Field Day, a traditional initiative of Ambev's, is an example of knowledge sharing aimed at more sustainable agriculture.

The work developed in close proximity to with our partners was intensified with the creation of the SmartBarley application, which created a fully connected network. All technical analysis of crops - cultural practices, characteristics of the region's soil and crop performance - is done through the program. The second version of SmartBarley, launched in 2018, made the tool even better and more intuitive for growers.

The financial structure of farmers is another concern that guides our actions. We have adopted policies to encourage the planting of barley by regions and offer subsidies on seeds, financing of fertilizers, guarantees for the purchase of beer barley before planting and also the option to purchase forage barley. This means that we buy it from our partners even when it is not high-quality enough to be used for producing the beverage and we send this raw material to companies in other sectors for other purposes, such as manufacturing animal feed. The agricultural insurance project reduces the financial risks involved in the growing of crops by our partnering farmers.



- **+ 1,000** growers registered on **SmartBarley**
- **6 malt houses** malt houses **78,000** tonnes of malt every month
- **+ 3,400** families benefited by the cassava supply chain

All the purchased barley supplies the six malting plants that the Company operates in Latin America, two in Rio Grande do Sul (Maltaria Navegantes, in Porto Alegre, and Maltaria Passo Fundo), two in Uruguay (Cympay, in Paysandu, and MUSA, in Nueva Palmira) and two in Argentina (Maltaria Pampa, in Puan, and Maltaria Tres Arroyos).

Ambev's efforts towards sustainable agriculture also takes place through the supply chain surrounding cassava, which is used in the production of beers Nossa (PE), Legítima (CE) and Magnífica (MA). Social good is the hallmark of the three brands, which honor the ingredient and the local culture, generate income for thousands of families and contribute to the fight against child labor. "Cassava was already being used in Maranhão, Pernambuco and Ceará to make tapioca, but this did not yield a significant financial return. Ambev helps farmers become more efficient and make more money from their own production", says Rodrigo Figueiredo, VP of Procurement and Sustainability.

There are still no figures on the results of the impact

in the region, but measuring this is among our priorities for 2020. We already know that the popularity of Ambev's local beers has been increasing gradually, thus reinforcing the importance of buying the region's raw material.

GUARANA CROPS

GRI 102-9 | 103-2

Maués, in Amazonas, became known worldwide as the city of guarana. The birthplace of Guaraná Antarctica is Fazenda Santa Helena, where the fruit started being cultivated in 1972 and, currently, where research is being carried out to incorporate new technologies into the production of guarana as a whole. This research work allows for only the most resistant and sustainable plants to become seedlings, which are later distributed to local riverside-dwelling communities.

The entire guarana production chain is essential for the sustainable development of Maués. For this reason, in addition to the seedlings, Ambev offers training, consultancy and technical assistance for its sustainable production. The guarana ecosystem gained strength and efficiency with the use of seedlings, as it minimized losses with seeds that did not work. Added to this is the fact that there are not any middlemen anymore. This is because, now, growers receive the seedlings directly from Ambev. A technician periodically visits each agricultural hub and provides support to the producers. In 2019, the Maués Guarana Alliance was created to improve the quality of life of the population of Maués. With this, local products started being sold in other regions of Brazil to increase the income of farmers and social organizations were developed to bring culture, sports, leisure and learning, especially to children, who have access to activities that favor

their education and keep them away from child labor. This major project known as the Maués Guarana Alliance was chosen to represent Brazil on a panel at the Madrid COP in 2019.

WATER RESOURCE MANAGEMENT

GRI 102-11 | 103-2 | 103-3 | 303-1 | 303-2 | 303-4

Water is the most important raw material for Ambev's production process, which is why its management is an absolute priority at the Company. Our vision of corporate sustainability in relation to water is based on three pillars: reduced consumption, preservation of river watersheds and access to drinking water.

Ambev's team of specialists has been working on the water issue for more than 20 years to ensure sustainable management. The work, based on knowledge and technology, allowed significant advances, which made Ambev an international reference in the management of water resources.

The water used in the Company's industrial operations come from three sources: surface water, groundwater and third-party water. Its usage follows the guidelines set by the competent agencies, respecting limits and variables so as not to significantly impact water resources. Wastewater discharge is carried out as established and standardized by such bodies.

Ambev respects the local legislations on effluent discharge as defined by each state and country in which it operates, as well as the legal obligations established by the competent environmental agencies specifically in each plant and location. All items are listed according to a corporate monitoring standard. No plant is free from specifications for discharging effluents. Some of the main monitoring parameters are: pH, temperature, solids and organic load.

The volume of water consumed is measured daily using ca-

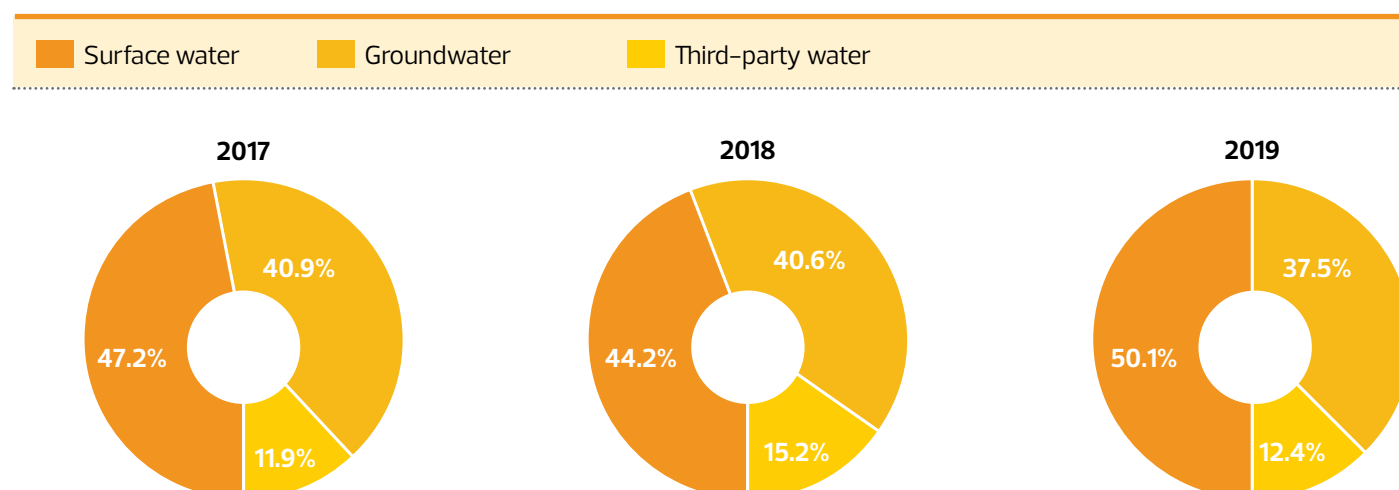


Planting of seedlings from the Cerrado during a Watersheds Project event, in Jaguariúna (SP)

librated meters. In each plant, there is a monthly target to be met. As water is its main raw material, Ambev participates in watershed committees in locations where it has industrial operations and works collaboratively to preserve and recover water resources.

Ambev uses the global ABI water risk assessment approach. This approach takes into account the current situation and also a forecast for the local/regional context of each operation. Water risk assessment does not only involve issues related to the quality and availability of water collected, but also regulatory issues and the local context of access to water. Today, there are seven operations in Brazil that are classified as high risk. In 2019, we had a total

PERCENTAGE OF WATER WITHDRAWAL BY SOURCE - GRI 303-3





Águas do Saber Project at the João Avelino da Silva School, in the Chã de Areia community, in the municipality of Mogéiro (PB), the result of a partnership between Ambev and Fundación AVINA with AMA water.

water consumption of 35,038.98 megaliters; the total at-risk water consumption according to our criteria, was 14,212.92 megaliters. Regarding water withdrawal across all areas, the rates were as follows (100% fresh water):

- **Surface water:** 17,546.2 megaliters
- **Groundwater:** 13,131.6 megaliters
- **Sea water:** zero
- **Water produced:** 35,038.9 megaliters
- **Third-party water:** 4,361.1 megaliters

We also measured the total water withdrawal from all areas under water stress:

- **Surface water:** 9,353,253 megaliters
- **Groundwater:** 2,831,225 megaliters

We also take the total water discharge across all areas into account in our water resource management. The volumes recorded in this category, of which 100% of discharge was fresh water, were as follows:

- **Surface water:** 22,287.9 megaliters
- **Groundwater:** zero
- **Sea water:** zero
- **Third-party water and total volume sent to be used in**

other organizations: 914.7 megaliters

The total water discharge for areas under water stress was 8,954.1 megaliters in fresh water (= 1,000 mg / L Total Dissolved Solids). The initiatives that have been carried out as part of our water resource management are based on the goal of improving the quality and availability of water in 100% of our communities in areas under water stress by 2025. To this end, we maintain three major programs:

1. Watersheds Project: recovery and preservation of important Brazilian watersheds. We are the biggest sponsors of the Cities for Water Coalition, led by NGO The Nature Conservancy (TNC), and we also have a partnership with The World Wide Fund (WWF) NGO.

2. SAVEh: platform for the sharing of knowledge, management tools and water conservation strategies with other companies.

3. AMA: mineral water that allocates 100% of its profits to projects for access to drinking water in the Brazilian semiarid region. (More information on that can be found in the next page.)

In addition, we are part of the UN's CEO Water Mandate, which brings together the main companies dedicated to fighting water scarcity around the world.



Water assessment on the World Water Day, in Jaguariúna (SP), in 2016



"The AMA project is about much more than bringing water to people. It's about generating impact and transforming people's lives. In some schools, student attendance increased because access to water allowed for the preparation of lunch for students."

Carla Crippa,
VP of Corporate Affairs Brazil



- **R\$ 3.5 million** in profits (**23 million** bottles sold)
- **R\$ 720,000** invested in 2019
- **43,000** people and **50** projects benefited across **9** states

WATERSHEDS PROJECT

GRI 102-11 | 102-12 | 303-1

The Watersheds Project was created in 2010, in Gama (DF), with the mission of restoring soil and riparian forest in Areas of Permanent Preservation (APPs) along riverbanks and other bodies of water. As a result of a partnership with WWF, the project reached other municipalities such as Jaguariúna, Jundiaí and Jacareí (SP); Guandu (RJ); Anápolis (GO); and Sete Lagoas (MG).

The Watersheds Project includes the Cities for Water Coalition, a collective action initiative led by The Nature Conservancy Brazil (TNC), whose main sponsor is Ambev. The initiative also includes other players from the public and private sectors and civil society. Its goal is to promote water security with solutions aimed at preserving nature, to generate a positive impact on the quality and quantity of water. Actions for the conservation of springs and rivers are carried out in critical areas for the production and conservation of water. In 2019, the Coalition carried out efforts that involved fundraising, training farmers to preserve environmental areas and studies for the implementation of new initiatives in different regions of Brazil.

The support from the TNC has been fundamental to the success of the initiative, which has the joint action with farmers who live around important sources or springs and receive financial incentives to help conserve and restore the bodies within their properties as one of its pillars. The collaboration of bodies such as Embrapa and the Brazilian National Water Agency (ANA) is also of great value.

AMA

GRI 103-2 | 103-3 | 303-1

AMA is the first social business owned by a large company in Brazil. It was launched in 2017 to transform the reality of thousands of people who suffer with water scarcity. All the profits obtained through AMA sales go to projects that bring drinking water to communities in the semiarid region of the country. In other words, Brazilians who buy AMA directly help their fellow citizens who face exceedingly difficult living conditions.

One of AMA's priority is to make access to drinking water permanent through the supported projects. In addition to the funding granted to the local programs, intelligence



"Ambev depends on water to exist. At a time when Brazilians are increasingly concerned with the quality of the water that reaches their homes, valuing our springs is very important."

Mauricio Soufen,
VP of Brewing Excellence

and training support is offered to ensure their sustainability in the long term. Three examples of sponsored projects are the drilling of deep wells and the installation of solar panels to lower the cost of distribution and ensure environmental sustainability, the revitalization of distribution systems that were inoperative and the installation of cisterns in schools.

At the end of 2019, the (100% recyclable) aluminum can version of AMA was launched, thus providing a new, more sustainable option which tends to increase revenue, generating more resources for the supported projects. With AMA, Ambev contributes to social development and unites consumers and communities that are often distant from each other around the same cause, promoting the collective good.

SAVEH GRI 303-1

The online platform SAVEh (Water Efficiency Self-Assessment System) was created in 2016 with a focus on disseminating knowledge and management tools so that companies from all over Brazil could reduce their water consumption levels. This support to the adoption of good practices is part of Ambev's understanding that union and shared management must prevail and that sharing its expertise with other companies is a straightforward way to do that. This encouragement of best practices in water efficiency is yet another example of Ambev's effort to meet the goals set in the CEO Water Mandate. SAVEh allows the creation of customized reports by companies that register on the platform. With this, they can monitor indicators to improve their performance and make sure their water resource management gets increasingly better and to disseminate the results both internally and externally. The main priority of the knowledge shared through SAVEh is water conservation, but

Being highlighted in Exame magazine's SustainabilityGuide was a great recognition



it also generates a broader impact, reducing production costs and increasing the competitiveness and water security of the industry, thus ensuring the solidity of the production chain and the maintenance of jobs.

PARTNERSHIP WITH THE CEBDS

GRI 102-12 | 303-1

Ambev is also a signatory to the Brazilian Business Commitment for Water Security, an initiative of the Brazilian Business Council for Sustainable Development (CEBDS), which established the following goals:

- To expand the insertion of the water management topic in the business strategy;
- To mitigate water risks for the business;
- To measure and communicate the company's water resource management strategies and encourage shared projects geared towards water conservation;
- To contribute with technologies, knowledge, processes and human resources;
- To promote engagement across the value chain



ENERGY AND EMISSIONS

Energy management and emissions are fundamental aspects of sustainability. For this reason, Ambev develops actions aimed at reducing the environmental impact and, consequently, at the general improvement of the climate change scenario.

In 2019, Ambev received significant recognitions that endorse the projects it developed in this area. For the first time, the company was a climate change highlight in Exame magazine's Sustainability Guide (one of the most well-regarded guides covering this topic in Brazil). At COP 25, it was invited to participate in a high-level meeting with the UN Secretary General, António Guterres, to undersign a sustainability commitment. Ambev was also one of the first companies in Brazil to sign the commitment of the UN Global Compact and Science Based Targets Initiative (SBTi), which aims to keep global warming at 1.5 degrees above pre-industrial levels.

ENERGY CONSUMPTION

GRI 103-1 | 103-2 | 103-3 | 302-1 | 302-3 | 302-4

In 2019, Ambev followed through with its commitment to invest in renewable energy. The main highlight was the investment in a wind farm in Bahia - an initiative that will enable all production and distribution of Budweiser to be 100% based on clean energy by 2022.

"The wind farm is another step taken by Ambev Brewery towards an operation that is 100% supplied with clean energy. Together, we can generate an even greater and more

positive impact on the world", states Rodrigo Figueiredo, vice-president of Procurement and Sustainability.

In addition to the wind farm, we announced the launch of 30 solar plants in various regions of Brazil, with the capacity to supply all 94 Ambev distribution centers throughout the country - thus continuing the work carried out in Minas Gerais in 2018.

Ambev's initiatives against climate change also involve sharing knowledge and management tools with other companies. Based on the success of the SAVEh platform, SAVEe was created with a focus on reducing consumption and improving energy management. All suppliers and other interested companies can access the platform free of charge to receive guidance and online consultancy on smarter energy consumption. The development of the SAVEe platform was made in partnership with French multinational Schneider Electric.

In 2019, Ambev consumed 6.98 billion megajoules (MJ) of non-renewable energy in Brazil, which represented a reduction of 800 million MJ in comparison with 2018. Part of the electricity is generated in the Company itself, through the use of natural gas, which reduces the cost of purchasing energy and makes the operation more reliable. Ambev is continuously working to replace fossil fuels and electricity with renewable sources such as vegetable oil, biomass and biogas.

The energy matrix has been expanded, including the acquisition of boilers and the use of fuels such as biomass and biogas. BPF oil was replaced with vegetable oil from renewable sources. In 2019, we consumed more than 3.47 billion MJ of renewable energy in the Brazil and Latin America South (LAS) zones. Between 2018 and 2019, the reduction in total energy consumption per hectolitre of beverage was 628,209 gigajoules (GJ). This number includes the following different sources: electric, biomass, natural gas, vegetable oil and biogas. Ambev's parameters for energy intensity are: MJ/hln (standardized hectoliter); production volume in standardized hectoliters; fuel (biomass, natural gas, vegetable oil, biogas) and electricity; only within the organization (breweries and soft drink factories).

ENERGY CONSUMPTION REDUCTION IN GJ - GRI 302-4

2017	<div></div>	444,853
2018	<div></div>	125,555
2019	<div></div>	628,209

The formula used is the following: $((KPI_{Fuel} + KPI_{EE} * 3.6) 2019 - (KPI_{Fuel} + KPI_{EE} * 3.6) 2018) * Volume 2019 [GJ / hln]$

FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES, IN MJ – GRI 302-1

Type of fuel	Total consumption		
	2017	2018	2019
Electricity purchased	3,404,771,453.8	3,516,378,809.6	3,210,983,714.4
Electricity generated (source: natural gas)	371,279,180.3	271,146,614.5	184,315,140.2
Natural gas purchased – Electricity generated (source: natural gas)	3,758,560,867.6	3,470,470,946.4	2,977,825,530.3
Steam purchased (natural gas)	610,889,852.5	585,166,794.0	611,092,061.8
Total	8,145,501,354.2	7,843,163,164.4	6,984,216,446.7

FUEL CONSUMPTION FROM RENEWABLE SOURCES, IN MJ – GRI 302-1

Type of fuel	Total consumption		
	2017	2018	2019
Biogas	76,145,299.4	84,107,440.1	71,863,096.4
Vegetable oil purchased	638,993,471.1	821,626,188.2	340,094,337.5
Biomass purchased	2,152,764,110.8	2,163,562,703.8	1,983,272,806.8
Steam purchased (biomass)	637,055,951.8	645,671,394.9	625,761,672.2
Total	3,504,958,833.1	3,714,967,727.0	3,020,991,912.9

EMISSIONS

GRI 103-2 | 103-3 | 305-1 | 305-2 | 305-4 | 305-5

Within Ambev, all breweries, soft drink factories and vertically integrated operations submit an annual greenhouse gas (GHG) emissions inventory to the Company's Engineering Center. The inventory is made from a spreadsheet that follows the ISO 14064 standard and the Brazilian GHG Protocol Program. The global inventory (AB InBev) gathers the data and information from each of the company's units and is then audited by KPMG. The following gases are included in the emission inventory: CO₂, SF₆, CH₄, N₂O, HFCs, PFCs and NF₃.

In 2019, about 517,000 metric tonnes of CO₂ were emitted, adding up Scope 1 (direct) and Scope 2 (indirect) emissions in the countries that make up LAS and Brazil. This represents an increase of approximately 29,000 tonnes in relation to 2018, which is justified by an increase in production. Regarding Scope 1 direct emissions, 315,000 metric tonnes of CO₂ equivalent (tCO₂e) were emitted, while in the previous year this indicator was at 330,000. Indirect emissions (Scope

2) totaled about 202,000 metric tonnes of CO₂ equivalent (tCO₂e), an increase of 43,500 in relation to 2018. Regarding the intensity of emissions, the GHG index was 3.7 (kgCO₂e/hl) in 2019, below the 3.8 mark recorded in 2018. The mostly positive numbers are the result of the good partnerships established by Ambev, among other factors. An example of a joint effort that is yielding good results for the planet is Volkswagen's fleet of electric trucks. They are the first 100% electric trucks in Latin America and emit zero greenhouse gases and polluting particles, in addition to contributing to reducing noise pollution in cities. The vehicle is 100% powered by electricity from clean sources, such as solar and wind. By 2023, one third of the fleet that serves the operations of Ambev Brewery will be composed of such vehicles. The plan is for the trucks to be 100% powered by solar energy from distribution centers.

It is worth noting that this truck is developed in Brazil and has state-of-the-art green logistics solutions, from smart systems to optimize battery usage to regenerative braking.

- More than **60%** of our guarana production volume uses PET bottles made of 100% recycled resin (the goal is to hit 100% by 2025)

- The production of **1.9 billion** PET bottles was avoided over the last 6 years

- The use of **94,000** tonnes of virgin materials was avoided (which is equivalent to the waste generated by 245,000 people over one year)

CIRCULAR PACKAGING

GRI 103-1 | 103-2 | 103-3 | 301-1 | 301-3

One of the goals set by Ambev to be met by 2025 is ensuring that 100% of the Company's products use either returnable packaging or are made mostly of recycled material. Effluents and waste are the responsibility of the corporate supply manager, who works from the engineering excellence center.

Since 2012, Ambev has set benchmarks for recycled packaging innovation. It was in that year that the company presented the first PET bottle made with 100% recycled materials for the 2-liter Guaraná Antarctica. Currently, the manufacture of this bottle consumes 70% less energy and 20% less water when compared to ones made of virgin resin.

And innovation goes far beyond PET bottles. Returnable glass bottles, for example, have a longer lifecycle and can be reused more than 20 times.

In Rio de Janeiro, the Ambev Glass factory produces glass bottles through the recycling of shards and uses them as raw material for 47% of the packaging produced at the plant. The glass factory also has equipment capable of purifying the gas generated by its oven, which removes up to 99.95% of pollutants. Glass recycling represents a 35% energy saving and the preservation of about 90,000 tons of virgin material which are no longer consumed annually.

The production of beer and soft drinks at Ambev used 12,773,549,337 cans, 2,311,527,180 PET bottles and 7,644,245,718 glass bottles. These totals include both returnable and disposable bottles.

One of the focuses of sustainable management is the packaging recovery. In 2018, 97.7% of cans and 66.2% of the cardboard sold were recovered, according to the CEMPRE Review 2019 report. CEMPRE does not disclose the percentage recovered from other materials.



DIRECT GREENHOUSE GASES EMISSIONS – SCOPE 1 – GRI 305-1

(IN METRIC TONS OF EQUIVALENT CO₂)

2017		351,297
2018		274,598
2019		457,821

EMISSION INTENSITY – GRI 305-4

(IN KGCO₂E/HL)

2017		4.2
2018		3.6
2019		3.3

INDIRECT GREENHOUSE GASES EMISSIONS – SCOPE 2 – GRI 305-2

(IN METRIC TONS OF EQUIVALENT CO₂)

2017		125,278
2018		136,256
2019		225,098

REDUCTION OF GREENHOUSE GAS EMISSIONS – GRI 305-5 (TOTAL EMISSIONS INCLUDING SCOPES 1 AND 2, IN METRIC TONNES OF EQUIVALENT CO₂)

2017		476,575
2018		411,214
2019		683,729

ENDING PLASTIC POLLUTION

GRI 103-1 | 103-2 | 103-3 | 301-1 | 301-3

In addition to our global circular packaging goal, we have made an ambitious commitment in Brazil: to end plastic pollution from our packaging by 2025.

To take this step, we entered partnerships to further foster innovation within our ecosystem. We are already working alongside ValGroup, ANCAT, the Federal University of Rio de Janeiro - UERJ and other partners to walk together on a path of innovation that leads to a long-term solution for plastic.

We created three avenues for action: elimination and replacement of unnecessary plastic; use of returnable packaging or 100% recycled materials for manufacturing new packaging; and investment in innovation and technologies for circularity, recycling and new materials.

We are developing research and technology initiatives and reverse logistics to ensure the replacement of raw materials, weight reduction and elimination of plastic in some of our packaging.

RECICLAR PELO BRASIL

GRI 103-1 | 103-2 | 103-3 | 301-3

The Reciclar pelo Brasil (Recycling for Brazil) platform emerged from a partnership deal signed in 2017 between the Brewery and Coca-Cola Brazil. Its mission is to develop waste picker cooperatives in Brazil by offering management counseling, donating equipment and encouraging them to network with other cooperatives. Behind all

of this is the central objective of boosting the income of waste pickers and enabling them to have wider access to the recycling industry.

In 2019, the program entered strategic partnerships with Vigor, Nestlé and Dr. Oetker. Reciclar pelo Brasil continues to be the largest inclusive recycling program in the country, which reinforces our commitment to combine environmental and social development.

We are affiliated to the Brazilian Business Commitment for Recycling (Cempre), a non-profit association dedicated to promoting recycling within the concept of integrated waste management.

SUPPLIERS

GRI 102-9 | 102-16 | 103-1 | 103-2 | 103-3 | 205- | 413-1

Entrepreneurship is an essential pillar for actions geared towards sustainability. We see our suppliers as entrepreneurs who can and should grow alongside ourselves. We seek to provide them with a work logic and tools that allow for their development, and for our chain to be able to involve more and more people, generate more jobs and change people's lives. Our entrepreneur base is distributed throughout Brazil and other countries, operating in various sectors such as raw materials, packaging, logistics and services in general. The relationship with suppliers is aimed at sustainable development. Therefore, above all, we seek to help small and medium-sized partners. A few years ago, we created the Supplier Sustainability Platform, which relies on the following pillars:

+15,000 active suppliers of products and services in the Brazil and Latin America South (LAS) zones 62 NPS in Brazil (from a survey with suppliers)

1. Communication and training: to facilitate our communication, we launched a portal in which suppliers can find policies, workflows, training and other tools to aid our communication and relationship.

2. Management consulting: we developed a platform (<https://voa.ab-inbev.com/aluno>) to share our knowledge and management tools with our partners, helping them further develop their business. There, they can find useful tools with video lessons and written material to assist them in topics such as people management, cash flow, strategic planning, productivity and more. Additionally, based on our knowledge about water and energy efficiency, we created SAVEh (<https://saveh.ambev.com.br>) and SAVEe (<https://savee.ambev.com.br>) to share tools to save water and energy in companies within our supply chain.

3. Supporting small and micro-suppliers: we hold regional fairs with the aim of providing opportunities for micro and small entrepreneurs to be part of our network of partners, helping develop the communities in our surroundings. Last year, we held more than 15 fairs and 1,700 new partners became part of our network.

4. Flexible payment terms: our old unified payment policy did not take into account the different profiles of each partner and used to drive away small suppliers. Being aware of our role in the development of our supply chain, we have created more lenient payment terms according to the revenue range of each partner of Ambev's. To those who earn up to R\$ 100,000 per year, which make up 62% of our supplier base, there was a reduction in payment terms to up to 30 calendar days. To those who earn up to R\$ 200,000 a year, there was a reduction of up to 60 calendar days. For those whose revenue levels are above such amounts, the terms are negotiated on a case-by-case basis.

5. Responsible Sourcing Policy: our Responsible Sourcing Policy defines standards and principles that we must follow together with our partners. The policy is available at www.ambev.com.br/sobre/etica



Hop harvest at a supplier's farm in Patagonia, Argentina

[ambev.com.br/sobre/etica](http://www.ambev.com.br/sobre/etica) and handles matter such as respect to work hours, accident prevention, the fight against corruption, environmental and waste management.

6. Satisfaction survey: we carry out an extensive satisfaction survey in all countries in which we operate in Latin America. The survey guarantees the anonymity of the respondents and the results are analyzed internally and converted into practical actions to improve the relationship with our suppliers.

The survey also points out suppliers' perceptions of our Global



Promoting sport
is one of the
hallmarks of VOA

Responsible Sourcing and Anti-Corruption Policies. The data can be found on the different links:

Brazil: www.ambev.com.br/sobre/etica

Argentina: <https://www.cerveceriaymalteriaquilmes.com/nosotros/abastecimiento-responsable>

Bolivia: https://www.cbn.bo/Proveedores/trabajando_juntos/

Chile: <https://www.abinbev.cl/compliance>

In 2018 in Brazil, 59.9% of suppliers were aware of ethics, compliance, human rights, environmental management, waste treatment and personal protective equipment, among others. Regarding the disclosure of policies, 53% of suppliers state they disseminate them internally. The use of recyclable materials by 73.6% of respondent suppliers reinforces our goal of establishing a sustainable chain at all stages. In addition, more than 80% of them regularly monitor the management of electricity, water and waste.

The work carried out alongside the entrepreneurs is monitored by Ambev's Board of Directors and Executive Board. Its management is based on our Global Responsible Sourcing Policy program, driven by goals and indicators

from within the broader context of ESG.

The incorporation of small and medium-sized entrepreneurs into our value chain takes place through regional events and fairs. More than 15 fairs were held in 2019, having been attended by around 700 entrepreneurs. The events positively impacted the reality of partners from all regions of Brazil.

VOA

GRI 102-12 | 103-2 | 103-3 | 413-1

VOA is the volunteer program through which our employees share management knowledge and tools with hundreds of non-governmental organizations focused on children and teenagers across the country, which ultimately share our dream of bringing people together for a better world.

Since the program began in 2017, 333 NGOs have been supported. Our leaders voluntarily pass on content and management tools and help with the implementation of projects. The representatives of the organizations learn about managing their budgets, setting goals, managing people and projects and career plans in the first year of the program.

In the second year, organizations are audited by our internal team with external validation by Instituto DOAR, which is a re-



VOA Day
at Pró-Saber SP –
Paraisópolis

known third sector player when it comes to accreditation and is also responsible for the Best NGOs in Brazil award.

NGOs wishing to participate in VOA can apply on the program's website www.ambev.com.br/voa. The selection is based on the generation of opportunities in education, employment and income, combined with criteria such as potential for social impact on new generations, future vision and commitment. The outcomes of the program are measured monthly in an evaluation of its content and mentors (NPS) taken by the organizations themselves, which serves as a basis for improving the program.

2019 was an important year in terms of strengthening for VOA and this materialized in different actions. One of them was the National Volunteer Day - celebrated on August 28th - when we closed our offices and took more than 3,000 employees, including our vice presidents, to 64 NGOs spread throughout Brazil. Throughout the day, management workshops, collection of books, food and toys, and small renovation and painting services were held at the institutions.

In November, the first Ambev VOA Volunteer Fair took place at the Bienal building in São Paulo. The event, which was open to the public, was part of Virada da Virada, held by two



"VOA is getting increasingly structured as a platform. We convey management techniques to NGOs, but we also learn a lot from them and evolve as people."

Ricardo Melo, VP of People

of the most relevant volunteer networks in Brazil, GRAAC and Turma do Bem. VOA's space received 80 NGOs selected by the program and focused on various causes, such as sports, culture and education. One of the goals of the fair is to stimulate the spirit of volunteering in Brazilians and to show that everyone can contribute to a better world.

This awakening that VOA sought to promote during the event has a lot to do with the Brazilian reality of little access to and interest in volunteering. In a survey commissioned by IBOPE, we found that 70% of Brazilians do not know NGOs in their city or neighborhood. On the other hand, 80% of respondents believe that these organizations need volunteers, which shows us how much room there is for growth in the coming years.

Among the NGOs selected to participate in VOA in 2019 are:

Teto: seeks to overcome the poor living conditions faced by millions of people who live in precarious communities by improving housing conditions and developing community-based infrastructure projects;

Associação Feminina de Estudos Sociais e Universitários (Afesu): offers free courses to over 650 underprivileged girls and women in the greater São Paulo;

Abraço Campeão: combines martial arts with alternative education to broaden the life prospects of young people living in the Complexo do Alemão, in Rio de Janeiro.

Projeto Saúde & Alegria: serves socially vulnerable people in Pará by promoting education, culture, income generation, basic sanitation and health, among others.

Aliança Bayeux Franco-Brasileira: rescues at-risk children and young people in the city of Bayeux, Paraíba, and promotes social, cultural and educational development driven by environmental awareness.

100+ ACCELERATOR

GRI 102-12

The 100+ Accelerator is a fundamental part of the 100+ Sustainability Platform, whose objective is to foster actions for a better world for the next 100 years and beyond. The Accelerator has been identifying promising ideas by startups to make the planet more sustainable since 2018. The selected companies attend classes at Conquer school and are mentored by specialists and directors from inside and outside Ambev.

The selection of prominent startups by the 100+ Accelerator is based on the UN 2030 Agenda for Sustainable Development and on Ambev's sustainability goals. After achieving great results in terms of adhesion in its first year, with applications from 650 companies from 20 countries of which 21 were selected, 2019 marked the implementation of the pilot projects and the expansion of these startups. In the Demo Day, the finalists presented their projects and the champion and the runner-up were chosen.



"The Accelerator has been a great success and companies from different countries have adhered to it"

Rodrigo Figueiredo, VP of Procurement and Sustainability

• **Maneje Bem:** the startup that won the first-place is a tool that offers technical assistance to family farmers to increase their productivity and ensure the quality of their crops. In order to help 200,000 farmers by 2030, the business proposes scheduling technical visits, setting up a chat line, employing farm journals, among other practices, bringing innovation and technology to the field.

• **Deink:** the runner-up develops solutions for removing paint from plastic packaging, enabling the transformation of this type of waste into quality and environmentally sustainable raw material, so that they can return to the production chain and be reused.

Although they were not awarded, other startups had the opportunity to establish business partnerships with Ambev.

• **Green Mining:** a project based on reverse logistics aimed at the professionalization of informal waste pickers. It helps in the collection of recycled material from bars, restaurants and residential condominiums. "It is very gratifying to see the social impact on the lives of waste pickers", stated Rodrigo Figueiredo, VP of Procurement and Sustainability.

• **Pequi Ambiental:** project aimed at generating power from the water used in beer production. At Industrial Effluent Treatment Stations (ETEIs), the water used in the production of beer often returns to the environment cleaner than when it entered the factory. When released by the ETEIs, the water that is discharged at a high flow rate is reused through a micro-hydroelectric plant built in Sete Lagoas (MG), which generates 7.2 kWh / month, and another one in Lages (SC), which generates 1.4 kWh / month. The energy supplies parts of the production process in the breweries themselves.

• **Ekonowater:** reservoir that captures and filters water from sinks and showers, reuses rainwater and eliminates the need to use drinking water for flushing.



In turn, the second edition of 100+ Accelerator selected 18 projects after receiving more than 700 entries, which showed it has been widely embraced by those who seek to innovate for a better world. Among the selected ones are the following startups:

- **Plataforma Verde:** software that integrates production and waste generation data to track packaging in the production chain;
- **Nanotech Brasil:** develops nanobubbles to treat water, sewage and industrial effluents without using chemical products;
- **Já Fui Mandioca!** technology for manufacturing biodegradable disposable cups and packaging.

Both these and the other 15 selected projects will compete for the highest award during the Demo Day, in the first half of 2020.

STARTUPS AND INNOVATION

GRI 102-16

Innovation is part of Ambev's DNA. In addition to the 100+ Accelerator, there are several initiatives with startups to bring great transformative ideas to life. Through fairs and campaigns carried out at universities, Ambev seeks to foster entrepreneurship aimed at guaranteeing increasingly sustainable processes.

A highly successful initiative was the 100+ Startup Academy, which offers training and workshops in different business

areas. It consists of a post-acceleration program that complements the 100+ Accelerator by boosting startups so that they can generate an even greater impact.

For the first phase of the 100+ Academy, 21 startups that participated in the 100+ Accelerator program were invited and were able to learn more about tax management, design thinking and legal notions. "We created an innovation exchange ecosystem. There is no hierarchy and this type of relationship is very healthy. Thus, everyone helps as they can and everyone wins: Ambev, startups and the planet", notes Rodrigo Figueiredo, VP of Procurement and Sustainability.

In 2019, the culture of innovation within Ambev was further consolidated. With the acquisition of startup HBSIS, from Blumenau (SC), the Company gained a technology branch with more than 700 developers focused on creating solutions that improve the company's processes, from systems for breweries to ones that serve points of sale and consumers.

Another example is the Brewery of the Future, which was built in a preexisting brewery. There, all the new technologies to build a brewery with modern systems and all the necessary infrastructure were tested. The Brewery of the Future was equipped with tools, monitoring systems, control rooms and in-depth, more efficient monitoring to prevent accidents. In addition, an algorithm that audits each stage of production predicts the final quality of the beer and adjusts variables to optimize environmental issues such as the emission of gases by the machines in real time. This is what data being used to increase ef-



"Distributing water for free at events has significantly reduced the number of visits to first-aid stations."

Ricardo Gonçalves Melo,
VP of Corporate Affairs & Compliance

efficiency and sustainability looks like. In 2019, we strengthened the Center for Beer Innovation and Technology Center (CIT), in Rio de Janeiro, as an environment of collaboration and technology to bring even more innovations to our consumers. It was there that launches like Skol GT and Skol Puro Malte became a reality. Furthermore, this year we invested R\$ 2.5 million in the installation of solar panels in the Center. They have the capacity to produce enough energy to supply 100% of the centers' activities during the period of the day when sunlight levels are at their highest. This initiative perfectly matches our Renewable Energy commitment.

SMART DRINKING

Smart drinking is one of the pillars of our work toward sustainability. The initiatives implemented are based on four major goals:

1. To reduce the inappropriate consumption of alcoholic beverages by at least 10% in six pilot cities by 2020 and implement the best practices around the world by the end of 2025. In Brazil, Brasília (DF) was chosen as the pilot city.

This goal was translated into the Brasília Vida Segura program, a public-private endeavor monitored by an independent committee of scientists and specialists, which is based on five pillars and seeks to implement and study the best interventions and recommendations in education, mobility, health and business. The idea is to assess a portfolio of sustainable public policies aimed at reducing the harmful consumption of alcohol on a population scale.

2. To influence social norms and individual behaviors, reducing the inappropriate consumption of alcoholic beverages by investing US\$ 1 billion in social marketing campaigns and corresponding programs in the markets where we operate by the end of 2025.

3. To ensure that non-alcoholic or low-alcohol products represent at least 20% of AB InBev's global beer volume by the end of 2025.

4. To have informative labels on all beers by the end of 2020 and increase health and alcohol education by the end of 2025.



Be(er) Responsible Day: Ambev employees go out and visit bars, restaurants, supermarkets to hand out informative materials on moderate alcohol consumption

FOCUS ON RESPONSIBILITY

GRI 102-12 | 103-1 | 103-2 | 103-3 | 416-1

Alcoholic beverages demand responsibility from everyone involved, and smart drinking is a fundamental pillar in our sustainability strategy. In this sense, we work on three major fronts: don't drink and drive; make moderate use of alcohol; and no underage drinking.

We understand our role in society and seek to establish a healthy and cooperative relationship with those who embrace our products. Like the other ecosystems in which Ambev is involved, smart drinking must be guided by joint and permanent action from all spheres of society. We want to strengthen the culture of moderation.

Some examples of actions taken in 2019 in this regard were the free distribution of mineral water at major events and a campaign that involved mixing up the letters on our labels and included five brands from our portfolio, having been shown on TV and on the internet.

BE(ER) RESPONSIBLE

GRI 102-12

The Global Be(er) Responsible Day was created in September 2009 by Ambev to engage our team around the consumption of alcoholic beverages. In 2019, the initiative celebrated ten years and focused on moderate consumption.

• **30,000** employees involved in the Be(er) Responsible Day

• **1 million** bars, restaurants and supermarkets visited



The interactive panel is one of the initiatives that are part of the Be(er) Responsible Day



During the Be(er) Responsible Day, we halted all our operations to carry out internal and external awareness initiatives. We asked our employees to become bloggers for a day, posting creative messages warning the public about excessive consumption. They massively distributed the content on their social media and helped draw attention to the campaign. There were more than 7,000 mentions on the social media profiles of employees.

In addition, our influencer partners, such as Anitta and Wesley Safadão (46 million and 28 million Instagram followers, respectively), also made posts about it, something that was instrumental in spreading the message. Our in-house agency also helped a lot by producing posters with modern communication that was suited to younger audiences. Thousands of employees on our team visited bars, restaurants and supermarkets to make sure that Be(er) Responsible Day could reach as many people as possible. We also placed decals on the trucks that serve our operations containing smart drinking messages.

NATIONAL ROAD SAFETY MOVEMENT

GRI 102-12 | 103-2

Drinking and driving do not go together, so road safety is one of the priorities of our smart drinking platform. The concept is

based on the search for efficient solutions that reduce the risk of accidents. We established partnerships with public, private and civil society agents to promote data integration and management. In 2018, we established a partnership with the Ministry of Cities, through Denatran, Tellus Institute - a non-governmental organization - and Consultoria Falconi to diagnose the level of maturity of the states when it came to complying with the National Plan for the Reduction of Traffic Deaths and Injuries (Pnatrans). The National Road Safety Movement brought this program to life, featuring an in-depth analysis aimed at improving road safety management.

PAULISTA ROAD SAFETY MOVEMENT

GRI 102-12 | 103-2

The National Road Safety Movement is partly inspired by the Paulista Road Safety Movement, which was created in 2015. This project is the result of a network formed by public, private and civil society players to improve the management of traffic safety in the State of São Paulo.

The Paulista Road Safety Movement is carried out in partnership with the Government of the State of São Paulo and other public and private organizations.





UNITED FOR THE CONSUMER

Each Ambev employee works to strengthen our vision of sustainability. With this in mind, the Company values the diversity and the training of its team



250,000

resumes received in
Brazil every year



33%

women in leadership
positions in Brazil



31%

leadership positions in Brazil
occupied by black and
brown professionals





Ambev Brewery's
president and
vice-presidents

PEOPLE

GRI 102-7 | 102-8 | 102-10 | 102-16 | 103-2 | 404-3

The people who make up Ambev are its greatest asset. If the Company dreams big, ambitiously and boldly, it is because its employees embrace this mindset and work daily toward maintaining the quality of its processes and products and serve its customers and consumers, while working to build a better world.

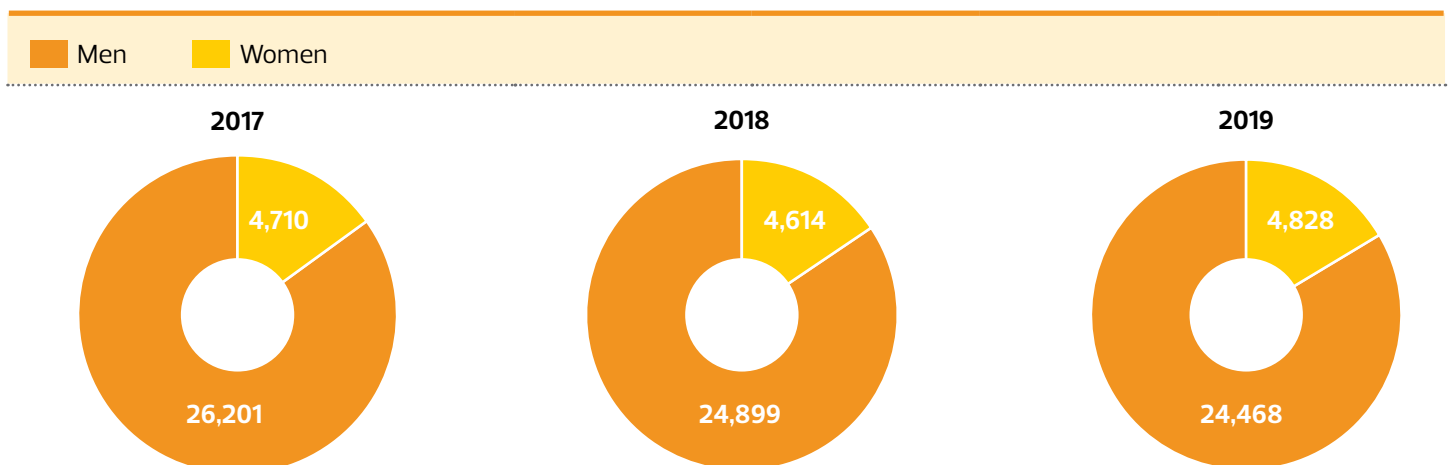
Ambev takes pride in having a team that is passionate about what it does and that focuses on always doing the best for the Company and the world. Its leaders nurture this spirit, with a strong work of developing people and valuing inclusion and diversity. It is part of Ambev's culture and policy to have the development and career assessment in two periods of the year. We have what we call the people cycle, when 100% of employees receive feedback. In 2019, three major fronts were defined so that there is an increasingly better work environment and increase employee satisfaction. They are as follows:

1. Innovation culture: innovation is part of Ambev's DNA, which is why the People and Management area understands that it must acknowledge the worth of digital transformation as a fundamental part of our daily lives. The idea is to make room for more modern structures, invest in technology and promote a culture based on agile management and innovation.

2. Recruiting and developing future talent: the search and development of diverse and creative talents is an ongoing exercise for the People and Management team. We map the profiles and skills to be developed within our team and, drawing from this assessment, we make targeted investments in the improvement of our teams and in the recruitment and inclusion of diverse people.

3. Optimizing our employees' experience: simplifying and reviewing processes helps to reduce bureaucracy and provides a lighter and more productive experience for employees. "We seek to give employees greater autonomy, with the help of technology," says Ricardo Melo, VP of People.

TOTAL NUMBER OF EMPLOYEES BY GENDER (BRAZIL) GRI 102-8



*Only apprentices and interns are temporary or part-time hires. All other employees are hired for an indefinite period and work full-time jobs. All metrics related to employees in this report refer to active employees.

- **+ 29,000** employees
(24,468 men and 4,828 women)
- **R\$ 684.9 million** paid in fixed wages in 2019
- **218** women employees benefited from maternity leave in 2019 (up **12%** since the previous year)

2019 was also a decisive year in terms of consolidating a winning strategy. Reviewing our hierarchic structure to provide greater autonomy to the directors of the business units in each of the countries in which we operate, integrating the sales and marketing department, as well as the entire local operation.

COMPENSATION AND BENEFITS

GRI 102-35 | 102-36 | 102-37 | 102-38 | 102-39 | 103-2 | 103-3 | 201-1 | 401-3

In 2019, maintaining equal pay for men and women was a priority issue for the Company.

The year also marked a series of redesign efforts in the compensation policy. Salaries and benefits follow the law and the applicable minimum, but they may be higher than these amounts. The compensation policy was adjusted in an effort by the People and Management area committee.

An example is a greater profit sharing by Ambev and larg-

er bonuses, which are standardized at the managerial level.

The dream of bringing people together for a better world can only be achieved if employees have permanent support and are reassured that they can dedicate themselves to their own families. In this sense, extended parental leave is essential. This policy allows the secondary caregiver, that is, the person who will be responsible for the child for less than 50% of their time, to be entitled to 20 days of leave.

The mother or primary caregiver is entitled to a 180-day leave. Parents who wish to enjoy the benefit must take the parental guidance course and officially state their interest. This parental leave policy, instituted in 2018, represents an important step for a more diverse and inclusive Company.

In 2019, 218 employees took maternity leave and all of them remained at Ambev after 12 months, which represents a 100% permanence rate. For the sake of comparison, in 2018, 195 women took maternity leave, of which 170 had remained in the company for 12 months after returning.

It is worth noting that Ambev's environment has been improved to receive the best employees who became mothers, with breastfeeding rooms and flexible functions and schedules. These measures contribute to the construction of an increasingly inclusive work environment.

COLLECTIVE AGREEMENT

GRI 102-41

The collective bargaining agreement covers all Ambev employees. The monitoring of the agreements is the responsibility of the People and Management team. In addition, the company's system includes features such as a collective agreement dashboard and goals to make all payments correctly. There are also specialists involved in this process who handle and define employee information together with the unions.

TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, GENDER AND REGION (BRAZIL) – GRI 102-8

Region	2017				2018				2019			
	Men		Women		Men		Women		Men		Women	
	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent
South	103	3,599	108	511	111	3,740	131	535	119	3,239	109	514
Southeast	427	14,457	414	2,468	490	13,059	456	2,308	568	13,549	467	2,544
Midwest	51	1,293	56	199	92	2,457	98	316	55	1,422	62	208
North	166	4,456	153	537	37	765	36	126	52	1,180	49	192
Northeast	58	1,591	55	209	176	3,972	157	451	172	4,112	178	505
Total per gender	26,201		4,710		24,899		4,614		24,468		4,828	
Total	30,911				29,513				29,296			

INTERNAL COMMUNICATION

GRI 103-2 | 102-16

Internal communication is based on a collaborative and transparent environment, in which all people are encouraged to express themselves so that we can extract value from this melting pot of new ideas. This is part of the inclusive culture that we developed a few years ago.

The communication work is carried out through different channels, to ensure that we reach all the Company's audiences. Getting our message across clearly is critical to efficient communication. A great example is the Workplace platform, a tool by Facebook. Through it, employees from all over Brazil can connect with each other in an agile fashion. Another relevant format is visual communication, which relies on the talent of our internal agency employees. There is also the essential participation of managers, who are largely responsible for disseminating the reports and letting everyone know what is happening at the Company.

Another relevant internal communication tool is TV Ambev, broadcast weekly in the sales units to show the teams what are the major challenges at hand, the launches and the

4,755 employees (1,497 women and 3,258 men) hired in 2019

Company's campaign highlights.

Technology has also helped us consolidate internal communication and access to information. The Business Shared Center (BSC), for example, gathers data relating to People and Management for the entire Company and employees are free to access it. The Engineering Center, in turn, gathers consolidated production and environmental results data.

PEOPLE 360

GRI 103-1 | 403-6

Our company not only listens to its employees, but also gives them all the support they need. The Employee Support Program, created in 2018, makes this evident. In 2019, the initiative was consolidated and spread throughout Brazil to ensure the satisfaction of all employees.

The Employee Support Program provides psychological, legal, financial and social assistance to promote the mental health and well-being of employees. This type of issue must be taken

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND BY GENDER (BRAZIL) - GRI 102-8

Contract type	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Permanent	25,396	3,924	23,993	3,736	23,502	3,963
Temporary	805	786	906	878	966	865
Total	26,201	4,710	24,899	4,614	24,468	4,828

RATES OF RETURN TO WORK AND RETENTION AFTER MATERNITY/PATERNITY LEAVE - GRI 401-3

		2017	2018	2019
Total number of employees who were entitled to take maternity/paternity leaves	Men	26,201	26,003	25,868
	Women	4,710	4,507	5,278
Total number of employee who took maternity/paternity leaves	Men	0	489	784
	Women	193	195	218
Total number of employees who returned to work after the end of their maternity/paternity leaves	Men	0	489	784
	Women	193	195	218
Total number of employees who returned to work after taking maternity/paternity leaves and remained in the company for at least 12 months after returning	Men	0	413	784
	Women	142	170	
Return-to-work rates of employees who took maternity/paternity leaves	Men	0	0	100%
	Women	70%	87%	



seriously, and is essential to seek help at an early stage.

We have a team of specialists who provide telephone service from Monday to Friday. Among the topics discussed in the conversations are: civil, criminal, tax and social security legal guidance (except in labor matters); financial consultancy, assistance with planning, actions, estimates and deadlines; and social service assistance, with family guidance and support in critical situations (if necessary, assistance can be provided in person).

RECRUITMENT

GRI 103-1 | 103-2 | 401-1

Our recruitment processes are very well organized and, above all, they acknowledge the worth of the people who participate in each one of them. The selection is made with the important support of technology, without which it would not be possible to manage the 250,000 annual resumes received in Brazil alone. We carry out a pre-assessment of each candidate through a questionnaire that helps us move forward with the selection process.

Recruitment seeks to provide candidates with a complete experience. The processes are an opportunity for them to develop and also for them to get to know the Company up close. There are also specific programs for young talents. Among them are the trainee, internship and the Global MBA, which focus on people who are in MBA programs at universities abroad.



Martín Ticinese (President of the Rio de la Plata BU) and, to his right, Patricia Capel (President of the Andina BU)



INTERNSHIP PROGRAM

GRI 103-1 | 103-2 | 103-3 | 401-1

The Ambev Internship Program is our gateway to young people. We offer them a complete training that combines theoretical and practical knowledge and encourages the learning and growth of those who are in the beginning of their professional journeys.

The recruitment of talents is done through the Next and League of Interns programs, which are based on junior companies to give young people autonomy and real experience in the day-to-day of a business. Next offers unique opportunities for the intern, such as chatting with the president and the board, as well as the chance to run a project.

The League of Interns is managed by the students themselves and its finishing line is the development of projects that can impact the reality of Ambev. “The League of Interns agenda was spectacular. In the beer challenge, each group created their own beer and one of the teams brought up the idea of a beer containing guaraná”, says Ricardo Melo, VP of People and Management.

In 2019, Bock, one of the work groups focused on diversity within the Company, developed the Representa program. Its objective is to provide internship opportunities to black people. Ethnic and racial diversity is a topic of extreme relevance and will be further embraced by us over the next few years. Especially in leadership positions, we notice this gap, the number of opportunities for black people is smaller and

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES BY JOB TYPE AND GENDER (BRAZIL) - GRI 405-1

	2017					2018					2019				
	Total	Men	%	Women	%	Total	Men	%	Women	%	Total	Men	%	Women	%
Board of directors	291	250	0.81%	41	0.13%	291	245	0.83%	46	0.16%	310	256	0.87%	54	0.18%
Management	3,145	2,155	6.97%	990	3.20%	3,322	2,252	7.63%	1,070	3.63%	3,885	2,625	8.96%	1,260	4.30%
Leadership	4,636	3,326	10.76%	1,310	4.24%	4,441	3,162	10.71%	1,279	4.33%	4,318	3,027	10.33%	1,291	4.41%
Operations	21,248	19,665	63.62%	1,583	5.12%	19,675	18,334	62.12%	1,341	4.54%	18,952	17,594	60.06%	1,358	4.64%
Apprentices and interns	1,591	805	2.60%	786	2.54%	1,784	906	3.07%	878	2.97%	1,831	966	3.30%	865	2.95%
Total	30,911	26,201	84.76%	4,710	15.24%	29,513	24,899	84.37%	4,614	15.63%	29,296	24,468	83.52%	4,828	16.48%

NUMBER AND RATES OF NEW HIRES, BY REGION, AGE GROUP AND GENDER (BRAZIL) - GRI 401-1

Region	Age group	2017				2018				2019			
		Total number of new hires		New hire rates		Total number of new hires		New hire rates		Total number of new hires		New hire rates	
		Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
North	Below 30	65	158	0.21%	0.51%	53	143	0.18%	0.48%	64	109	0.22%	0.37%
	From 30 to 50	5	44	0.02%	0.14%	2	33	0.01%	0.11%	5	44	0.02%	0.15%
	Above 50	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%
North-east	Below 30	209	418	0.68%	1.35%	177	402	0.60%	1.36%	227	399	0.77%	1.36%
	From 30 to 50	14	108	0.05%	0.35%	10	157	0.03%	0.53%	9	120	0.03%	0.41%
	Above 50	0	2	0.00%	0.01%	0	2	0.00%	0.01%	0	0	0.00%	0.00%
Midwest	Below 30	79	148	0.26%	0.48%	125	263	0.42%	0.89%	79	136	0.27%	0.46%
	From 30 to 50	4	56	0.01%	0.18%	11	114	0.04%	0.39%	5	50	0.02%	0.17%
	Above 50	0	4	0.00%	0.01%	0	1	0.00%	0.00%	0	0	0.00%	0.00%
South-east	Below 30	794	1,489	2.57%	4.82%	744	1,377	2.52%	4.67%	801	1,390	2.73%	4.74%
	From 30 to 50	87	418	0.28%	1.35%	88	480	0.30%	1.63%	123	529	0.42%	1.81%
	Above 50	0	12	0.00%	0.04%	0	11	0.00%	0.04%	1	12	0.00%	0.04%
South	Below 30	165	308	0.53%	1.00%	178	287	0.60%	0.97%	163	309	0.56%	1.05%
	From 30 to 50	21	110	0.07%	0.36%	21	110	0.07%	0.37%	20	158	0.07%	0.54%
	Above 50	0	4	0.00%	0.01%	1	2	0.00%	0.01%	0	2	0.00%	0.01%

this can only change with targeted initiatives.

The lack of opportunities faced by these young people throughout their lives compromises their professional development and, consequently, prevents them from competing for internship spots on equal terms. For this reason, the Representa program is designed exclusively for black people and offers free English courses and other skills for students in their final year of college, in addition to mentoring, so that they can enter and qualify for the trainee program.

TRAINEES

GRI 103-1 | 103-2 | 103-3 | 401-1

The Industrial and Business Trainee Program (Global Management Trainee - GMT) is one of the main paths for young people to develop within Ambev. The selected candidates are directly guided by executives and participate in exercises that expand their professional and personal knowledge. Trainees are introduced to the processes of the manufacturing units and the operation of commercial areas and participate in courses in the strategic areas of Ambev,

which ensures a true immersion in the Company's culture.

One of the greatest assets of the Trainee Program is the holistic training model adopted. The idea is to provide young people with a view of the business as a whole, not just of the area in which he or she intends to act or of the specific function that they will perform. We want young people to be involved in the business and have a broad understanding of it, from the front

line to the corporate departments.

This whole process of involving young people in the company's day-to-day work serves as preparation for choosing the area in which they will continue. At the end of this stage, the selected trainees are allocated to projects in Brazil or sent abroad to complete their training. In 2019, 54 candidates were admitted to the Ambev Trainee Program.

TOTAL NUMBER OF EMPLOYEE TERMINATIONS AND TURNOVER RATE BY REGION, AGE GROUP AND GENDER (BRAZIL) - GRI 401-1

Region	Age group	2017				2018				2019			
		Total number of terminations		Turnover rate		Total number of terminations		Turnover rate		Total number of terminations		Turnover rate	
		Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
North	Below 30	57	193	0.18%	0.62%	29	72	0.23%	0.19%	12	44	0.08%	0.11%
	From 30 to 50	18	174	0.06%	0.56%	18	131	0.14%	0.34%	15	84	0.18%	0.11%
	Above 50	1	17	0.00%	0.05%		3	0.00%	0.01%		7	0.00%	0.09%
North-east	Below 30	210	554	0.68%	1.79%	74	219	0.59%	0.57%	44	167	0.09%	0.14%
	From 30 to 50	55	518	0.18%	1.68%	40	398	0.32%	1.04%	27	333	0.13%	0.12%
	Above 50	1	36	0.00%	0.12%	2	33	0.02%	0.09%	1	45	0.14%	0.16%
Midwest	Below 30	42	141	0.14%	0.46%	32	130	0.25%	0.34%	32	75	0.16%	0.17%
	From 30 to 50	16	126	0.05%	0.41%	26	210	0.21%	0.55%	13	153	0.19%	0.16%
	Above 50		5	0.00%	0.02%		17	0.00%	0.04%		22	0.00%	0.24%
South-east	Below 30	636	1,453	2.06%	4.70%	363	875	2.88%	2.28%	185	562	0.10%	0.13%
	From 30 to 50	176	1,028	0.57%	3.33%	288	1,383	2.29%	3.61%	163	1,022	0.14%	0.12%
	Above 50	8	106	0.03%	0.34%	7	166	0.06%	0.43%	6	162	0.17%	0.17%
South	Below 30	127	426	0.41%	1.38%	58	276	0.46%	0.72%	43	145	0.12%	0.14%
	From 30 to 50	37	267	0.12%	0.86%	56	363	0.44%	0.95%	35	226	0.14%	0.11%
	Above 50	3	25	0.01%	0.08%		45	0.00%	0.12%	1	38	0.17%	0.14%

DIVERSITY AND INCLUSION

GRI 103-1 | 103-2 | 103-3 | 405-1 | 406-1

At Ambev, diversity and inclusion are essential principles which guide our work and recruitment dynamics. Since 2016, we have been signatories to the United Nations Principles for the Empowerment of Women and LGBT Commitment and the Businesses and LGBT Rights Forum, which reinforce our commitment and open a window for exchanging experiences with other companies.

In 2019, we launched the diversity and inclusion ambassadors. They are people from our team recruited to spread awareness of those topics to all corners of Brazil. We know that our country is very large and this poses a very relevant challenge to talking about diversity and cascade the initiatives in a homogeneous way in all of our regions. This is why ambassadors have the mission to lead and act actively in matters of D&I of the Brewery. This group has various responsibilities: to train, develop, promote lectures, answer questions, in short, everything related to diversity and inclusion. There are more than 30 ambassadors throughout Brazil.

Within Ambev, we have the following discussion groups to address diversity:

Lager (Lesbian and Gay and Everyone Respected): awareness-raising actions regarding respect for gays, lesbians, bisexuals, transsexuals and other audiences, as well as their rights.

Weiss (Women Empowered Interested in Successful Synergies): women's empowerment and search for solutions that promote gender equality.

Bock (Building Opportunities for Colleagues of all Kinds): search for solutions that promote equal opportunities for all ethnicities.

IPA (Improve People Accessibility): representativeness and inclusion of people with disabilities within the Company.

The global context of female empowerment highlighted the achievements of the Weiss group, which put into debate the



"We partnered with the Zumbi dos Palmares Foundation and with universities to provide equal opportunities within from Ambev. Within two years, we wish to have consistent results."

Ricardo Melo, VP of People and Management

greater participation of women. "We need to improve the inclusion of women in some areas, especially in higher positions. Our number one objective is to have more representation in this aspect", states Ricardo Melo, VP of People and Management.

The Bock group drew attention for its Representa project, an internship program we exclusively targeted at black people, aiming to promote ethnic and racial diversity in corporate areas. Its goal is to increase the equality of opportunities for interns within the Company.

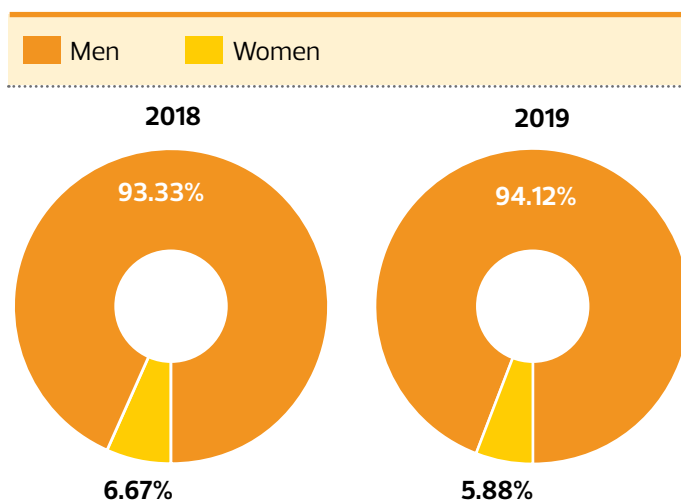
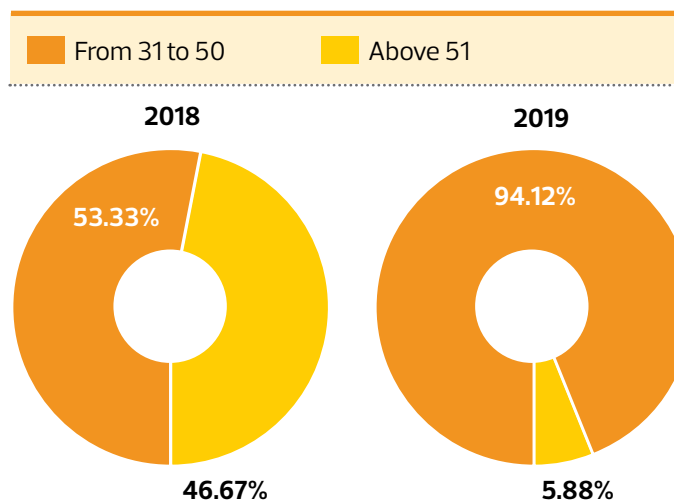
All of our work toward diversity is also guided by the seriousness with which we deal with issues related to harassment and discrimination. Each employee is responsible for promoting a culture of inclusion and safety. The Respect Policy was created in 2016 to protect employees and encourage them to report instances of harassment or discrimination through the Ombudsman Channel. We have also developed a course on Unconscious Bias for all leadership, which aims to demonstrate to employees how we have certain rooted behaviors and we must reflect in order to be more inclusive. We also have mentoring programs aimed exclusively at women and black people to help in their develop-

TOTAL NUMBER OF EMPLOYEES AND PERCENTAGE OF PEOPLE WITH DISABILITIES BY JOB TYPE (BRAZIL) · GRI 405-1

Job type	2017			2018			2019		
	Total	Pessoas com deficiência		Total	Pessoas com deficiência		Total	Pessoas com deficiência	
	Ambev	Total	%	Ambev	Total	%	Ambev	Total	%
Board of directors	290	0	0.00%	291	1	0.34%	310	2	0.65%
Management	3,145	28	0.90%	3,322	53	1.60%	3,885	60	1.54%
Leadership	4,636	62	1.36%	4,441	99	2.23%	4,318	107	2.48%
Operations	21,249	765	3.73%	19,675	1,228	6.24%	18,952	1,299	6.85%
Apprentices and interns	1,591	140	9.65%	1,784	39	2.19%	1,831	20	1.09%

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES BY JOB TYPE AND AGE (BRAZIL) - GRI 405-1

Job type	Age group	2017		2018		2019	
		Total	%	Total	%	Total	%
Board of directors	Below 30	10	0.03%	23	0.08%	15	0.05%
	Management	250	0.81%	245	0.83%	269	0.92%
	Leadership	31	0.10%	23	0.08%	26	0.09%
Operations	Below 30	957	3.10%	1,299	4.40%	1,323	4.52%
	Apprentices and interns	2,028	6.56%	1,853	6.28%	2,386	8.14%
	Above 51	160	0.52%	170	0.58%	176	0.60%
Leadership	Below 30	2,154	6.97%	2,250	7.62%	1,955	6.67%
	From 31 to 50	2,285	7.39%	1,973	6.69%	2,134	7.28%
	Above 51	197	0.64%	218	0.74%	229	0.78%
Operations	Below 30	7,039	22.77%	6,807	23.06%	5,470	18.67%
	From 31 to 50	12,898	41.73%	11,533	39.08%	12,158	41.50%
	Above 51	1,311	4.24%	1,335	4.52%	1,324	4.52%
Apprentices and interns	Below 30	1,554	5.03%	1,769	5.99%	1,807	6.17%
	From 31 to 50	35	0.11%	15	0.05%	24	0.08%
	Above 51	2	0.01%	0	0.00%	0	0.00%
Total		30,911	100.00%	29,513	100.00%	29,296	100.00%

INDIVIDUALS WHO ARE PART OF GOVERNANCE BODIES BY GENDER - GRI 405-1**PEOPLE WHO ARE PART OF GOVERNANCE BODIES BY AGE GROUP - GRI 405-1**

- **31.7%** leadership professionals self-identify as brown or black
- **2.7%** of employees self-identify as homosexual



ment. The number of discrimination cases is confidential, but our compliance team follows this up through a committee that handles all complaints and enforces corrective measures.

We develop training, conversations and lectures for men and women about the importance of greater equal representation in leadership positions. In 2019, women made further progress in this regard, with female representation in directorship positions hitting 20%.

In 2019, we conducted a census on diversity, inclusion and respect, with the aim of better understanding employees and providing them with a healthy and inclusive work environment. The survey shows that the Company is interested in learning more about the employee, without any prejudice or resistance.

The census covered topics such as ethnicity, sexual orientation, gender, religion and physical fitness to map any gaps within the Company.

Based on the lessons learned through the census, affinity groups established action plans aimed at reducing the detected gaps. At Weiss, for example, the main point of attention was the low number of women who are partners at the

Company. This was also the issue to be faced by the Bock group, since only 12% of our partners identified themselves as black. The index is low if we consider that 56% of Ambev's population self-identifies as black. For Weiss and Bock, the main initiative consists in focusing on recruitment programs aimed at correcting the observed gaps, as well as on a more inclusive environment, on the identification of unconscious biases that may be leading to this pattern and on the development of these people.

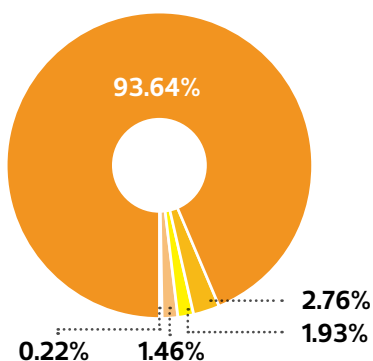
The Lager group's main discovery was the low representation of employees who do not identify as heterosexual (6%) and the presence of dozens of employees who identified themselves. Three proposed initiatives were the partnership with external consultants focused on LGBTI+, the promotion of an internal environment that is more inclusive and open to sexual and gender diversity and the support for correcting records and updating the name of trans people.

Finally, IPA is a new group that has already promoted actions aimed at people with disabilities, mainly promoting awareness of the topic within the Company.

PROFILE OF AMBEV EMPLOYEES

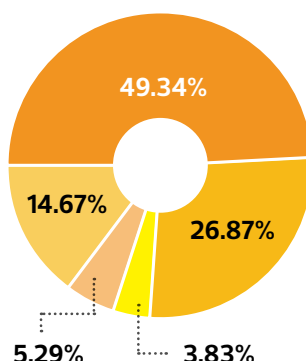
Sexual orientation of employees

heterosexual homosexual
other bisexual asexual



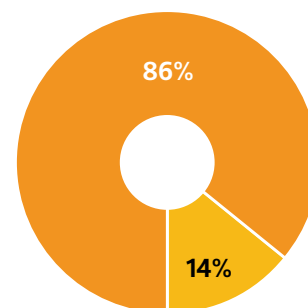
Belief or religion of employees

Catholic Evangelical / Protestant
Spiritist Other religions
No religion



Employee motivation to work at Ambev

very engaged little engaged



HEALTH AND SAFETY MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-9

Worker's health and safety are vital issues within Ambev. In 2019, the rate of work-related injuries at Ambev dropped significantly from 2.5% to 1.6% when compared to 2018. In relation to the total number of days lost due to accidents among employees, the total for 2019 was 6,467. This number was distributed across regions as follows: South (475), Southeast (3,818), Midwest (1,330), North (21) and Northeast (734). The injury rate among outsourced workers was 1.82 in 2019, a reduction from 1.96 in the previous year. The injury rate among outsourced workers per region was as follows: South (2.52), Southeast (4.13), Midwest (1.11), North (3.22) and Northeast (1.45).

The injury rate, days lost and fatal injuries indicators are monitored monthly through reports of occupational health and safety (OHS) indicators, made available to the units' safety technicians. In addition, there is a system for preventing accidents at work that follows the NBR 14.280 Standard, in accordance with Ambev's corporate policy. The main goal in this field is to reduce accident injuries to zero.

In 2019, there were no work-related deaths among employees, as in the previous year. Among outsourced workers, there were also no deaths, an evolution compared to 2018, when there were two deaths. Ambev's absenteeism rate (absence of employees due to missing work or tardiness) in operations in the five regions of Brazil stood at 2%, a slight growth compared to the 1.6% rate recorded in 2018.

Accidents are recorded and monitored by means of a com-



"We made our algorithm available to the market, precisely because it deals with lives. We leave it open and available to anyone who wants use or adapt it."

Eduardo Horai, VP of Technology

puterized system called Credit 360, which guarantees the standardization of the items referring to the occurrences, and whose use is mandatory to work safety professionals in each business unit. Credit 360 allows the recording and description of detailed accident management. "We have algorithms that evaluate different variables. Employee safety always comes first," says Eduardo Horai, VP of Technology.

The technology was made open source, which means any company or individual can access and improve the model. This was done to share knowledge and contribute to a greater cause. It is not a competitive advantage to have a safer brewery; it is something that Ambev seeks for the ecosystem as a whole. The Company does not want anyone to have accidents at their brewery; it wants to help as many companies and people as possible.

When an occurrence is registered on Credit 360, a "security alert" is sent to professionals who are members of the Specialized Service in Safety Engineering and Occupational Medicine (SESMT). The goal is to enable the analysis of occurrences to foster learning and preventive measures or corrective actions in similar situations.

INJURY RATE OF EMPLOYEES BY REGION (BRAZIL) - GRI 403-9 - GRI 403-2*

	2017	2018	2019
South	4,5	3,13	3,09
Southeast	2,5	2,57	1,76
Midwest	2,4	1,64	2,02
North	2,2	4,16	1,52
Northeast	1,4	2,62	2,13
Overall	2,5	2,45	1,63

WORK-RELATED DEATHS AMONG THE COMPANY'S EMPLOYEES

2017	4
2018	0
2019	0

*We do not have information on the injury rate of employees by gender

EMPLOYEE ABSENTEEISM RATE BY REGION (BRAZIL) - GRI 403-2*

	2017	2018	2019
South	1,4	1,6	2,0
Southeast	1,2	1,7	2,1
Midwest	1,4	1,9	2,0
North	1,1	1,5	1,5
Northeast	1,1	1,8	1,9
Overall	1,2	1,6	2,0

WORK-RELATED DEATHS AMONG OUTSOURCED WORKERS (EXCLUDING EMPLOYEES)

2017	3
2018	2
2019	0

AVERAGE HOURS OF TRAINING BY JOB TYPE AND GENDER (BRAZIL) - GRI 404-1

	2017			2018			2019		
	Participants	Hours	Hours per employee	Participants	Hours	Hours per employee	Participants	Hours	Hours per employee
Legal ops	2,070	2,834	1.37	2,173	3,174.08	1.46	1,176	1,176	1.00
Men	1,469	2,021	1.38	1,542	2,263.52	1.47	825	825	1.00
Women	601	813	1.35	631	910.56	1.44	351	351	1.00
Financial ops	285	1649	5.79	40	640	16.00	116	14,112	121.66
Men	143	889	6.22	23	368	16.00	65	7320	112.62
Women	142	760	5.35	17	272	16.00	51	6792	133.18
People and management ops	11,873	16,021.9	1.35	12,371	18,585.404	1.50	288	4,244	14.74
Men	8,387	11,458	1.37	8,739	13,291.28	1.52	59	714	12.10
Women	3,486	4,564	1.31	3,632	5,294.24	1.46	229	3,530	15.41
Factories ops	8,019	2,92309.5	36.45	8,468	342,002,115	40.39	21,233	82,541	3.89
Men	6,579	2,67018.5	40.59	6,947	312,411,645	44.97	18,533	60,140	3.25
Women	1,440	2,5291	17.56	1,521	29,590.47	19.47	2,700	22,401	8.30
Leadership	6,557	113,667	17.34	6,639	117,077.01	17.63	1,958	38,176	19.50
Men	5,437	75,661	13.92	5,505	77,930.83	14.16	1,367	26,982	19.74
Women	1,120	38,006	33.93	1,134	39,146.18	34.52	591	11,194	18.94
Logistics ops	449	2,922.35	6.51	468	325,257,555	6.95	121	7,200	59.50
Men	370	2,389.4	6.46	386	26,594,022	6.91	84	5,374	63.98
Women	79	532.95	6.75	82	59,317,335	7.23	37	1,826	49.35
Marketing ops	357	3,296	9.23	370	3,698,112	9.99	123	5,904	48.00
Men	237	2,116	8.93	246	2,374,152	9.65	58	2,784	48.00
Women	120	1180	9.83	124	1,323.96	10.68	65	3,120	48.00
Method	1,306	18,178	13.92	1,349	19359.57	14.35	920	1,840	2.00
Men	780	11,758	15.07	806	12,522.27	15.54	625	1,250	2.00
Women	526	6,420	12.21	543	6,837.3	12.59	295	590	2.00
Supplies ops	1,236	4,226	3.42	1,272	5,197.98	4.09	0	0	0.00
Men	828	2,393	2.89	852	2,943.39	3.45	0	0	0.00
Women	408	1,833	4.49	420	2,254.59	5.37	0	0	0.00
IT ops	54	1,256	0	0	0	0.00	253	5,060	20.00
Men	36	824	0	0	0	0.00	202	4,040	20.00
Women	18	432	0	0	0	0.00	51	1,020	20.00
Sales ops	10,131	169,631,662	16.74	10,698	1,950,764,113	18.23	18,603	115,127	6.19
Men	8,861	147,398.98	16.63	9,357	169,508,827	18.12	15,988	104,243	6.52
Women	1,270	22,232.26	17.51	1,341	25,567,099	19.07	2,615	10,884	4.16
Total	42,337	625,991,412	14.79	43,848	70,806,325,785	16.15	44,791	275,380	6.15
Men	33,127	523,926.88	15.82	34,402	5,962,733,162	17.33	37,806	213,672	5.65
Women	9,210	102,064.11	11.08	9,444	11,178,957,235	11.84	6,985	61,708	8.83



Beer Academy participants (pictured above) and products tasted during training: 11,000 employees trained since 2017

Each occupational accident is classified by severity level, according to Ambev's corporate guidelines. The company abides by the legal premises for adopting the SESMT and the generally accepted practices in the elaboration of its Environmental Risk Prevention Programs, described in the corporate guidelines of each area involved. It also uses a smartphone application to record exposure to risks and the occurrence of accidents, which is available to any employee in the business units. Thus, this data can be quickly collected and employed in effective work safety actions.

BEER ACADEMY

GRI 103-1 | 103-2

The Beer Academy exists to bring beer knowledge to all Ambev employees. The rich history of its brands and the entire process of brewing beer are covered in-depth in the training sessions held at the Beer Academy, which has trained more than 11,000 employees since 2017.

TRAINING

GRI 103-1 | 103-2 | 103-3 | 404-1 | 410-1

The digital transformation has also had a positive impact on training within Ambev. In 2019, there was the consolidation of new technologies such as virtual classrooms that allowed for the live broadcast of content to bring knowledge to more employees.

"The transformation of the business is a very strong topic within Ambev and training helps a lot. We surveyed this issue with the leadership at the corporate level, and we conveyed it to each employee", says Ricardo Melo, VP of People and Management.

The total number of participants in training sessions was

44,791, which represents a 2% increase in comparison to the number registered in 2018. Partners such as resellers and employees of our suppliers also participate in these activities. In total, we offered 275,380 hours of training in 2019.

One hundred percent of the security personnel who work at the Company receive training on all conduct/ ethics and human rights standards, just as all Ambev employees, and are informed about the channels for complaints and reports. The training also extends to outsourced workers. These professionals are trained on Ambev's security and human rights policy. From 2020, this control will become even stricter.

AMBEV UNIVERSITY

GRI 103-1 | 103-2 | 103-3

The qualification of employees is a priority for the Company. The Ambev University, which will have existed for 25 years in 2020, includes all hierarchical levels of the organization and combines knowledge, engagement and team spirit.

For over more than two decades, the Ambev University has received continuous investments in order to promote knowledge among employees from different areas and hierarchical levels. The company is close to the mark of 20,000 employees trained and certified by this institution.

Teaching at Ambev University is divided into three thematic pillars: Leadership and Culture; Functional; and Method. The objective is to promote learning on several areas so that employees have the opportunity to grow within the positions they already occupy and also to soar higher. In addition to the Ambev University internal programs, undergraduate and graduate scholarships are offered to employees. The Ambev University team pursues goals related to training develop-



ment and the Units team has goals related to adherence and approval levels, as well as goals for the development of local training initiatives.

Ambev University also has an Intense Learning platform, which ensures students have access to a continuous and barrier-free learning process.

SENAI

GRI 103-1 | 103-2

Ambev is among the main partners of the National Service for Industrial Training (Senai) in Brazil. Since 2013, almost 5,000 employees have participated in technical courses with the most diverse approaches - all supported by an educational institution that constitutes a national benchmark.

ZERRENNER FOUNDATION

GRI 103-1 | 103-2 | 102-12 | 403-6

The Antonio e Helena Zerrenner Foundation (FAHZ) was created in 1936 to provide services in the area of education and health for employees of the company and of the Foundation itself, as well as their families and the communities in which the Company is present.

FAHZ is one of the controlling shareholders of Ambev Brewery, with 10.2% of its share capital. In Brazil, the institution provides undergraduate, graduate and professional training scholarships, as well as school supplies aid to employees and their

dependants. In the area of health, the Zerrenner Foundation provides medical, hospital and dental assistance to employees of breweries and distribution centers located in the country and their dependents.

FAHZ also maintains two educational institutions that serve young people from the communities where the children of Ambev employees are inserted. The first is the Dr. Walter Belian College, in São Paulo (SP), which serves 1,600 elementary, high school and technical students free of charge (developed in partnership with Senai). Approximately 88% of vacancies are destined for the community and 12% for the children of our employees.

The Prof. Roberto Herbster Gusmão School, in Sete Lagoas (MG), serves around 1,900 students with Elementary, Middle-School and Vocational Education (also in partnership with Senai). FAHZ was a pioneer in industrial technical education in Brazil, which, to this day, is developed through its two educational institutions.

In the two schools, the Khan Academy platform is used, in partnership with the Lemann Foundation, which uses video classes and integrates Mathematics and Informatics, which contributes to cementing the acquired knowledge.

High school seniors have access to a pre-university entrance exam to increase their chances of entering the best colleges in the country.

The reporting process

In 2019, our materiality matrix was reviewed in partnership with a third-party academic representative that specializes in sustainability



THE REPORTING PROCESS

GRI 102-46

This 2019 Ambev Brewery (Ambev S.A.) Report covers the Company's guidelines and protocols in Brazil, Central America and the Caribbean, Latin America South and Canada. With regard to operations, however, the information reported refers mainly to Brazil.

GENERAL INFORMATION

GRI 102-47 | 102-50 | 102-51 | 102-52 | 103-1 | 102-54

This report is prepared and disclosed annually and covers the period from January 1 to December 31, 2019. Before the issuance of this report, the most recent report issued by the Company was the 2018 report, released in the first half of 2019.

This document comprises financial and non-financial information on our economic and socio-environmental performance. We have prepared this report in accordance with the Core option of the GRI Standards.

The main purpose of this report is to present, in an organized and integrated manner, Ambev's guidelines, strategies, mode of operation and operations, with an emphasis on:

- Our practices and initiatives aimed at the fulfillment of our dream to build a better world,
- Our profile and corporate performance
- Our strategies
- Our businesses, products and services
- Our results
- Our governance and management
- Market scenario
- Our People
- Accounting for the development, the impacts and the results deriving from our business and our initiatives before the market and society in general.

MATERIALITY AND ENGAGEMENT PROCESS

GRI 102-40 | 102-42 | 102-43 | 102-44 | 102-48 | 102-49

In 2019, our materiality matrix was reviewed in partnership with a third-party academic representative that specializes in sustainability. In the review process, we assessed the material aspects of previous years and complemented the items based on academic work and executive reports on the positive and negative impacts of the beer industry and its value chain.

In addition, we conducted seven in-depth interviews with stakeholders to include other relevant aspects. At the end of this step, we created a list of 38 items that were used to develop the questionnaire for the research.

In the online survey, which took place between 11/23/2019 and 1/25/2020, we consulted groups made up of relevant stake-



holders (both internal and external), based on AccountAbility's AA1000SES standard and on the GRI Guide. Among the groups of internal stakeholders, we consult employees from all areas and hierarchical levels, as well as investors. Among the groups of external stakeholders, we consulted a diverse group of suppliers, customers, government representatives, third sector representatives, consumers who drink beer and consumers who do not, academics and experts in sustainability. In all, we received 304 total responses, 229 of which are valid (complete). Of the total valid responses, 70% represent the interests of external stakeholders and 30% of internal ones. The distribution of topics into groups of stakeholders could not be reported by the Company within this time frame. The reporting period did not change significantly, apart from the review of materiality and reported indicators.

Therefore, the involvement of stakeholders in the preparation of the report and in the evolution of the Company plays out in several ways, such as annual satisfaction surveys with suppliers and monthly NPS surveys with customer bases. Our procurement team works to understand supplier gaps and develops an annual action plan. The improvements aimed at customers are designed in meetings of our board.

We disclose results to investors on quarterly report calls and have meetings with the government through our government relations team. Communication with the academy takes place through an external semiannual sustainability committee. The relations with these groups are dealt with in an internal sustainability committee, with the presence of at least two vice-presidents of the Company

(corporate relations and procurement & sustainability).

Internally, we carry out one-off surveys throughout the year and also an annual engagement and climate survey. We have engagement committees in each board, in addition to the people and management area, to address this issue throughout the year.

At the end of this process, priority issues for sustainability management and reporting were identified. In the environmental dimension, groups related to five major themes were identified. The first refers to Inputs (Use of chemicals, Use of land, Use of energy, Packaging, Water resources). The second concerns Emissions (Atmospheric Emissions; Waste and Effluents). The third refers to sustainable agriculture. The fourth to Climate Change and, finally, the fifth to Conservation and regeneration of biodiversity.

In the socioeconomic dimension, regarding management and the supply chain, four groups of relevant topics emerged: a) Working conditions (Human capital development, Equal treatment for people of different ethnicities, Equal treatment for men and women, Equal treatment for people different sexual orientations, Prevention of discrimination and harassment); b) Responsibility in the supply chain (Development in the retail chain); c) Focus on the customer (Customer satisfaction,

Safety and product quality, Innovation); d) Governance and transparency (information privacy, ethics and economic and financial performance).

In the general socioeconomic development sphere, four relevant themes emerged: Generation of jobs and income, Human Rights in general, Respect for the surrounding communities, Sustainable and responsible consumption.

The result of this materiality review process, with prioritized items, can be seen below in the figure that shows the materiality matrix.

In addition to material items, these stakeholders pointed out opportunities for improvement, especially in Ambev's communication and marketing practices in relation to its sustainability practices and investments. Other opportunities relate to relationships and communication with suppliers.

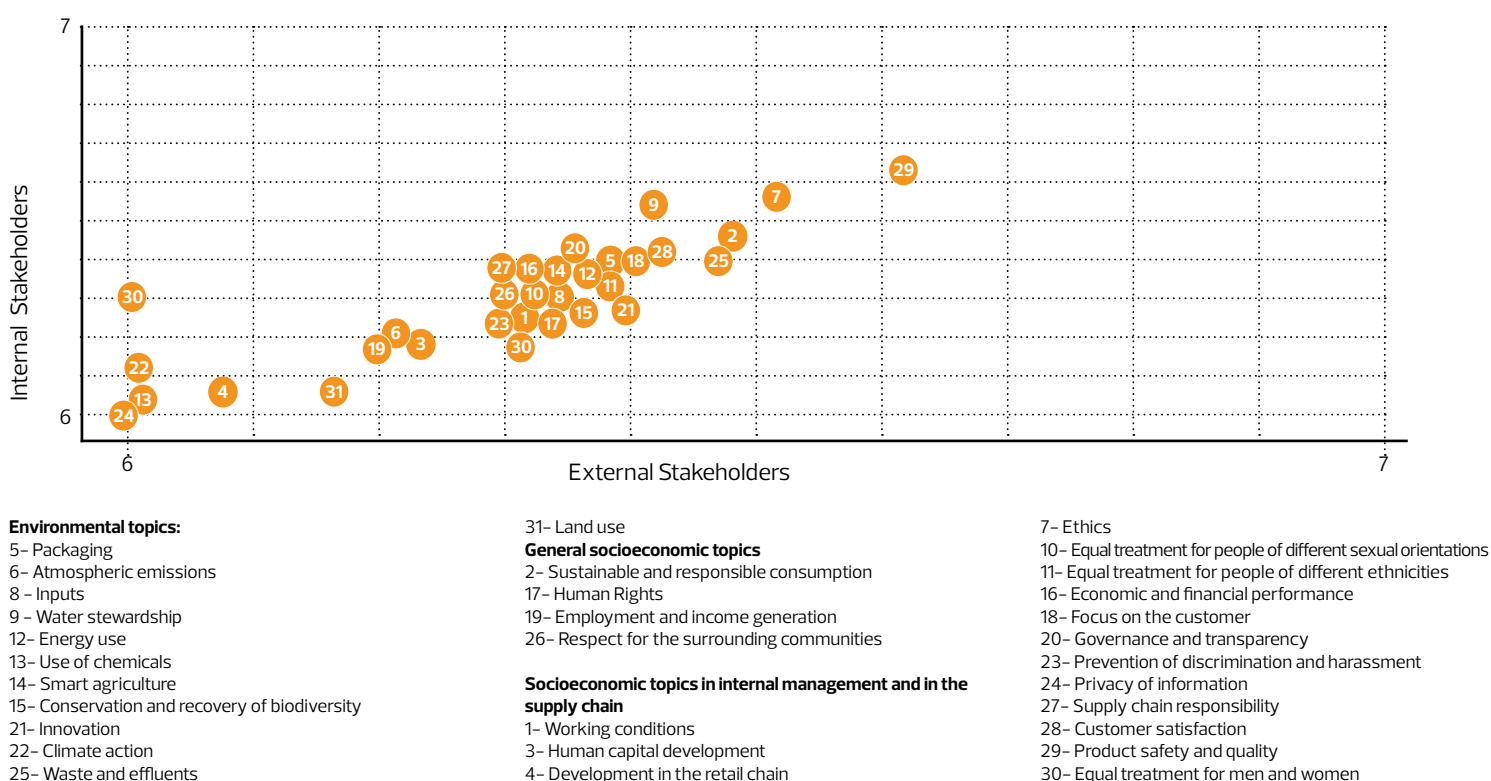
ELABORATION AND DISSEMINATION OF THE REPORT

GRI 102-46 | 102-56

The report was prepared and consolidated considering items such as balance, clarity and comprehensiveness, including the results achieved. The content of the publication was developed based on

MATERIALITY MATRIX

These were the 31 topics that scored higher than 6 on average between internal and external stakeholders (on a scale of 1 to 7):



interviews with the main executives of the Company, in addition to institutional materials, news about the Ambev Brewery, as well as documents and complementary data found in our areas. References to GRI items are indicated in certain sections text, graphs and the GRI Indicator Table.

For the assessment of this report, we rely on audit and assurance activities carried out by KPMG.

This document is published in Portuguese, both in printed and PDF versions and in English, solely in PDF format. The PDF version is available on the Company's website at: www.ambev.com.br/sustentabilidade.

The printed version is being distributed to representatives of some publics with whom we have a relationship, such as investors, economic/market analysts, representatives of government agencies, social and class entities, regulatory bodies, the press, among others.

PERIOD REPORTING PROPOSAL

GRI 102-44 | 102-49

Ambev Brewery revised its materiality matrix in a three-month process, between November 2019 and January 2020. The result of the new materiality ratio raised to 28 the number of topics that the Company recognizes as relevant to its operations and practices report.

Upon recognizing the importance of new themes such as biodiversity, local communities, human rights and other aspects of sustainability, the Company is preparing to report, from this edition on, indicators related to the new incorporated themes.

The selection and definition of limits of the aspects and indicators raised by the areas were made by the Corporate Affairs area, with external assistance from the Standard Nucleus, which identified the mandatory inclusion of general information and specific topics in view of the new list of material topics, covering as widely as possible, the principles for defining the quality of the report, such as balance, clarity, reliability and completeness, as of this edition.

After a process of conciliation between the material themes and the GRI Standards, the suggestion of the list of mandatory and optional indicators was validated by the internal coordination of the rapporteur, responsible for conducting the process and for collecting and systematizing the information with the various areas of the Company.

In the reporting process, however, not all pre-selected indicators were compiled in time for this issue, including the following:

- 201-4 Financial assistance received from the government
- 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

205-1 Total number and percentage of operations assessed for risks related to corruption and significant risks identified

302-5 Reductions in energy requirements for products and services

303-5 Water consumption

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

304-2 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

308-1 New suppliers that were screened using environmental criteria

405-2 Ratio of basic salary and remuneration of women to men

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

408-1 Operations and suppliers at significant risk for incidents of child labor

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

(407-1, 408-1 and 409-1): topics related especially to suppliers

411-1 Incidents of violations involving rights of indigenous peoples

412-1 Operations that have been subject to human rights reviews or impact assessments

412-3 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

414-2 Negative social impacts in the supply chain and actions taken

Ambev Brewery is committed to reporting on those indicators for which it was not possible to obtain the necessary information in a timely manner in the next period, in addition to declarations of the existence of policies consistent with respect for the GRI reporting principles and the indicators mentioned.

WE WANT YOUR OPINION!

GRI 102-53

Throughout our history, we have been constantly striving to improve our reporting process. We understand that, by reporting on our activities and initiatives, we are not only providing accountability to the market and society, but also disseminating beliefs in sustainable development and sharing good practices.

This is why your opinion is so important to us. Please send your feedback, comments, questions or requests for additional information on this report to our Investor Relations department:

AMBEV 2019 MATERIAL TOPICS X GRI STANDARDS

Relationships between socioeco- nomic issues in management and in the supply chain	GRI Standards reported over the 2019 period	Main audiences impacted and suggested audiences	Material aspect inside / outside the organization
Working conditions			
	204-1 401-1 401-3 403-1 403-2		
Human capital development	403-3 403-4 403-5 403-6 403-7 403-8 403-9 404-1 404-3 405-1 405-2 406-1 407-1 410-1 412-1	Managers and other employees	Within operations
Equal treatment of people of different ethnicities	405-1 405-2 406-1 407-1 410-1 411-1 412-1 419-1	Managers and other em- ployees	Within operations
Equal treatment between men and women	201-1 404-1 405-1 405-2 406-1 407-1 410-1 412-1 419-1	Managers and other em- ployees	Within operations
Equal treatment for people of different sexual orientations	405-1 406-1 407-1 410-1 412-1 419-1	Managers and other em- ployees	Within operations
Prevention of discrimination and harassment	405-1 405-2 406-1 407-1 408-1 409-1 410-1 411-1 412-1 419-1	Managers and other employees	Within operations
Responsible sourcing			
Development in the retail chain	204-1 308-1 408-1 409-1 411-1 412-1 413-1 414-2	Suppliers	Within and outside operations
Focus on the consumer			
Customer satisfaction	416-1 416-2 418-1 419-1	Executives, managers and customers	Within and outside operations
Product safety and quality	416-1 416-2 417-1 417-2 417-3	Executives, managers and customers	Within and outside operations
Innovation	301-3 302-4 302-5 418-1	Managers, other employees, customers and society	Within and outside operations
Governance and transparency			
Information Privacy	418-1 419-1 201-4 204-1 205-1 205-2 205-3 206-1 301-3 304-2 307-1 308-1	Suppliers and customers	Within and outside operations
Ethics	405-1 408-1 409-1 410-1 411-1 412-1 413-1 414-2 415-1 416-1 416-2 417-1 417-2 417-3 419-1	Executives, managers, other employees, customers and society	Within and outside operations
Economic and financial performance	201-1 307-1 419-1	Executives, managers, employees and society	Within and outside operations
General Socioeconomic Topics			
Job and income generation	201-1 204-1 401-1 408-1 409-1	Employees and society	Within operations

AMBEV 2019 MATERIAL TOPICS X GRI STANDARDS

Relationships between socioeco- nomic issues in management and in the supply chain	GRI Standards reported over the 2019 period	Main audiences impacted and suggested audiences	Material aspect inside / outside the organization
Human Rights in general	307-1 308-1 405-1 405-2 406-1		
	407-1 408-1 409-1 410-1 411-1 412-1	Employees	Within operations
	412-3 414-2 415-1 416-1 416-2 418-1	and society	
	419-1		
Respect for surrounding communities	202-1 204-1 304-2 307-1 308-1	Employees	Within and outside operations
	408-1 409-1 410-1 411-1 412-1 412-3	and society	
	413-1 414-2 419-1		
Sustainable and responsible consump- tion	204-1 206-1 302-4 302-5 303-5	Employees, customers and society	Within and outside operations
	308-1 408-1 409-1 411-1 412-1 414-2		
	419-1		
Environmental Issues			
Inputs			
Use of chemicals	301-1 301-3 304-2 308-1 411-1 413-1	Employees, customers and society	Within and outside operations
	414-2 416-1 416-2		
Land use	304-2 308-1 411-1 413-1 414-2	Society	Within and outside operations
Energy use	302-1 302-3 302-4 302-5 304-2	Employees	Within and outside operations
	305-2 308-1 413-1 414-2	and society	
Packaging	301-1 301-3 304-2 307-1 308-1 414-2	Employees	Within and outside operations
	416-1 416-2	and society	
Water resources	303-1 303-2 303-3 303-4 303-5	Employees	Within and outside operations
	304-2 307-1 308-1 411-1 413-1 414-2	and society	
Emissions			
Atmospheric emissions	201-2 301-3 302-4 302-5 304-2	Employees and society	Within and outside operations
	305-1 305-2 305-4 305-5 307-1		
	308-1 413-1 414-2		
Waste and Effluents	303-4 304-2 307-1 308-1 411-1 413-1	Employees	Within and outside operations
	414-2	and society	
Sustainable Agriculture	201-2 302-4 302-5 304-2 307-1	Employees, suppliers and society	Outside operations
	308-1 408-1 409-1 411-1 412-1 413-1		
	414-2		
Climate changes	201-2 302-4 302-5 304-2 305-1	Employees and society	Within and outside operations
	305-2 305-4 305-5 307-1 308-1		
	411-1 414-2		
Biodiversity conservation and recovery	201-2 303-4 304-1 304-2 307-1	Employees	Outside operations
	308-1 411-1 413-1 414-2	and society	

GRI Standard	Item	Page	Omission	SDG
GRI 101: Foundation 2016				
General disclosures				
	Organizational profile			
	102-1 Name of the organization	14		-
	102-2 Activities, brands, products, and services	14, 16, 19		-
	102-3 Location of headquarters	14		-
	102-4 Location of operations	14		-
	102-5 Ownership and legal form	17		-
	102-6 Markets served	14		12
	102-7 Scale of the organization	14, 24, 54		9
	102-8 Information on employees and other workers	54, 55, 56		8
	102-9 Supply chain	14, 33, 34, 42		9 - 12
	102-10 Significant changes to the organization and its supply chain	33, 55		9
	102-11 Precautionary Principle or approach	20, 35, 37		8 - 11 - 16
	102-12 External initiatives	24, 32, 37, 38, 44, 46, 48, 49, 50, 67		17
GRI 102: General disclosures 2016	102-13 Membership of associations	21		17
	Strategy			
	102-14 Statement from senior decision-maker	8		17
	Ethics and integrity			
	102-16 Values, principles, standards, and norms of behavior	19, 21, 42, 47, 54, 56		12
	102-17 Mechanisms for advice and concerns about ethics	19		17
	Governance			
	102-18 Governance structure	17		9
	102-22 Composition of the highest governance body and its committees	17		9
	102-23 Chair of the highest governance body	6		9
	102-24 Nominating and selecting the highest governance body	17		9
	102-25 Conflicts of interest	17, 19		9 - 16
	102-29 Identifying and managing economic, environmental, and social impacts	20		9 - 16
GRI 102: General disclosures 2016	102-35 Remuneration policies	17, 32, 55		5 - 8 - 16
	102-36 Process for determining remuneration	55		5 - 8 - 16
	102-37 Stakeholders' involvement in remuneration	55		8 - 17
	102-38 Annual total compensation ratio	55		8
	102-39 Percentage increase in annual total compensation ratio	55		8
	Stakeholder engagement	69		
	102-40 List of stakeholder groups	55		17
	102-41 Collective bargaining agreements	69		8

GRI Standard	Item	Page	Omission	SDG
GRI 102: General disclosures 2016	102-42 Identifying and selecting stakeholders	69		8 – 17
	102-43 Approach to stakeholder engagement	69		17
	102-44 Key topics and concerns raised	69, 71		12 – 17
Reporting practices				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	24		9
	102-46 Defining report content and topic Boundaries	69, 70		12
	102-47 List of material topics	69		12
	102-48 Restatements of information	69		9 – 12
	102-49 Changes in reporting	69, 71		12
	102-50 Reporting period	69		12
	102-51 Date of most recent report	69		12
	102-52 Reporting cycle	69		12
	102-53 Contact point for questions regarding the report	71		12 – 17
	102-54 Claims of reporting in accordance with the GRI Standards	69		17
	102-55 GRI content index	74		17
	102-56 External assurance	70		12
GRI Standards 200 series – Economic topics				
Economic performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	20, 24, 25, 26, 27, 28, 29, 55		
	103-2 The management approach and its components	24, 25, 26, 27, 28, 29, 55		
	103-3 Evaluation of the management approach	24, 25, 26, 27, 28, 29, 55		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	24, 25, 26, 27, 28, 29, 55	Item v. Information unavailable. As a new reporting requirement has been added, there was not enough time in the reporting process to present it in its entirety.	8
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	20		8 – 13
Procurement practice				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	20		
	103-2 The management approach and its components	20		
	103-3 Evaluation of the management approach	20		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	20		
Anti-corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19, 42		
	103-2 The management approach and its components	19, 42		
	103-3 Evaluation of the management approach	19, 42		16 – 8

GRI Standard	Item	Page	Omission	SDG
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	19, 42		
Anti-competitive behavior				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19		
	103-2 The management approach and its components	19		
	103-3 Evaluation of the management approach	19		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	19		
GRI Standards 300 series – Environmental topics				
Materials				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	20, 41		
	103-2 The management approach and its components	20, 41		
	103-3 Evaluation of the management approach	20, 41		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	20, 41, 43		9 – 11 – 12
	301-3 Reclaimed products and their packaging materials	20, 41		9 – 11 – 12 – 13 – 14 – 15 – 17
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39		
	103-2 The management approach and its components	39		
	103-3 Evaluation of the management approach	39		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	39, 40	Items c, d, e, f and g Information unavailable. There was no time in the reporting process to present the information according to the GRI standard.	7 – 11 – 12
	302-3 Energy intensity	39		7 – 9 – 12
	302-4 Reduction of energy consumption	39		7 – 9
Water				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35		
	103-2 The management approach and its components	35, 37, 38		
	103-3 Evaluation of the management approach	35		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	35, 37, 38		3 – 6 – 9 – 11 – 12 – 14 – 17
	Disclosure 303-2 Management of water discharge related impacts	35		3 – 6 – 11 – 12 – 14 – 17
	Disclosure 303-3 Water withdrawal	35		6 – 9 – 11 – 12
	Disclosure 303-4 Water discharge	35		3 – 6 – 9 – 11 – 12 14

GRI Standard	Item	Page	Omission	SDG
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40, 42		
	103-2 The management approach and its components	40, 42		
	103-3 Evaluation of the management approach	40, 42		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40, 42	Items b, c,e and f Information unavailable. There was no time in the reporting process to present the information according to the GRI standard.	3 – 7 – 9 – 11 – 12 – 13 – 15 – 16
	305-2 Energy indirect (Scope 2) GHG emissions	40, 42	Items b, c,e and f Information unavailable. There was no time in the reporting process to present the information according to the GRI standard.	3 – 7 – 9 – 11 – 12 – 13 – 15 – 16
	305-4 GHG emissions intensity	40, 42		3 – 7 – 9 – 11 – 12 – 13 – 15 – 16
	305-5 Reduction of GHG emissions	40, 42		3 – 7 – 9 – 11 – 12 – 13 – 15 – 16
Environmental compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19		
	103-2 The management approach and its components	19		
	103-3 Evaluation of the management approach	19		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	19		2 – 3 – 11 – 12 – 16
GRI Standards 400 series – Social topics				
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	57, 58, 59		
	103-2 The management approach and its components	57, 58, 59		
	103-3 Evaluation of the management approach	56, 57, 58, 59, 60		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	57, 58, 59, 60		8
	401-3 Parental leave	55, 56		3 – 8
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64		
	103-2 The management approach and its components	64		
	103-3 Evaluation of the management approach	64		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	64		3 – 8
	403-2 Hazard identification, risk assessment, and incident investigation	64		3 – 8
	403-3 Occupational health services	64		3 – 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	64		3 – 8
	403-6 Promotion of worker health	64		3 – 8

GRI Standard	Item	Page	Omission	SDG
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56, 64, 66		3 – 8
	403-9 Work-related injuries	64		3 – 8
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54, 66		
	103-2 The management approach and its components	65, 66		
	103-3 Evaluation of the management approach	65, 66		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	65, 66		8 – 12
	404-3 Percentage of employees receiving regular performance and career development reviews, by gender and employment type	54		8
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	61		
	103-2 The management approach and its components	57, 61, 62		
	103-3 Evaluation of the management approach	57, 61, 62		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	57, 61, 62		5
Non-discrimination				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	61		
	103-2 The management approach and its components	61		
	103-3 Evaluation of the management approach	61		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	61	Items a and b Confidentiality Aspect is managed by the Compliance team, there is a committee that confidentially handles all complaints of discrimination and decides on corrective measures.	8
Security Practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	66		
	103-2 The management approach and its components	66		
	103-3 Evaluation of the management approach	66		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	66		8
Local Communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	42, 44		9 – 16

GRI Standard	Item	Page	Omission	SDG
Public Policy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19		
	103-2 The management approach and its components	19		
	103-3 Evaluation of the management approach	19		
GRI 415: Public Policy 2016	415-1 Political contributions	19		16
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21, 48		
	103-2 The management approach and its components	21, 48		
	103-3 Evaluation of the management approach	21, 48		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	21, 48		12
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	21		12
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21		
	103-2 The management approach and its components	21		
	103-3 Evaluation of the management approach	21		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	21		12
	417-2 Incidents of non-compliance concerning product and service information and labeling	21		12 – 16
	417-3 Incidents of non-compliance concerning marketing communications	21		12 – 16
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21, 23		
	103-2 The management approach and its components	21, 23		
	103-3 Evaluation of the management approach	21, 23		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	21, 23		12 – 16
Socioeconomic Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19		
	103-2 The management approach and its components	19		
	103-3 Evaluation of the management approach	19		
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	19		12 – 16

There's never been such an opportunity to put our purpose of bringing people together for a better world into practice as in the beginning of 2020, amid an uncertain and insecure scenario. The COVID-19 pandemic imposed an unprecedented challenge on the world, and each party sought to do its part to face it. And, at Ambev, it couldn't be different.

We are aware of our responsibility and we helped in every way within our reach, so that people could, as soon as possible, leave isolation behind and get together once again to toast and celebrate life. Our actions were not only designed to handle the financial impact of the crisis, as we saw that the Company needed to be part of a more comprehensive solution.

Empathy, solidarity and creativity have taken over the hearts and minds of our people. We challenged ourselves and deployed strategies that were implemented in record time, with initiatives that had a positive impact on health and on the economy.

In this mission, each employee did their part. There were daily meetings in which the governing body spoke with the teams to make decisions quickly and assertively. Our effort has resulted in initiatives that have benefited millions of people.

One of the actions that made us very proud was the expansion, in São Paulo, of a treatment center for COVID-19 with 100 beds, attached to Hospital M'Boi Mirim, in partnership with Gerda, Hospital Israelita Albert Einstein, Brasil ao Cubo and the São Paulo City Hall. The first 40 beds were delivered within 20 days, a record time. The beds will remain as a legacy for the city hall, to be used by the Unified Health System (SUS).

Ambev manufactured and donated 3 million face shields, which provide full face coverage, using PET, the same material used in soft drink packaging. This amount is enough to meet the needs of every health professional in the country.

In the pandemic, hand sanitizer has become one of our greatest allies and has therefore become scarce. In just nine days, we transformed the alcohol in our breweries into bottled hand sanitizer. The result of this great operation was the donation of 1 million 237 ml bottles of hand sanitizer. All states in Brazil received shipments of the product. Similar actions were taken in the other countries where our group operates.

In the midst of the crisis, we also helped by donating water gallons to needy communities where resources were scarce. In Morro do Alemão alone, in Rio de Janeiro, 180,000 liters were delivered. In addition to 213,000 bottles of water in Chile, Paraguay and Bolivia.

Also noteworthy was the "Support a Restaurant" initiative, promoted under the Stella Artois brand, in partnership with ChefsClub, Stone and Nestlé. Those who joined the cause bought a voucher to use in small restaurants, until the end of this year, paying only half price - the other half was paid by Ambev

and its partners. The initiative was replicated in Argentina and other countries. Furthermore, to keep delivering our products, we adapted and expanded the e-commerce channels (Empório da Cerveja, Sempre em Casa and Zé Delivery).

All of this changed the way we work, but we faced the challenge. If the landscape shifts, we adapt through innovation, resilience and hard work.

Since the beginning of this crisis, we have been concerned with the health and physical and mental well-being of our employees. We are committed to securing 100% of jobs and wages, there will be no reductions on account of COVID-19 for three months.

We reduced working hours for employees working from home office, shortening the workday to a 10 am-4 pm schedule, including a 1h30 meal period. Also, those who have elderly people and people from high risk groups at home were allowed to make their schedules even more flexible. During this period, we advised everyone to maintain a healthy routine, with videoclasses on yoga, meditation, gymnastics and entertainment tips.

For those who continued to work in our manufacturing operations, product replacement and logistics to guarantee the supply, we provided masks and hand sanitizer, in addition to strengthening collective hygiene and social distance measures, and work-from-home to people in high risk groups. Salespeople stopped visiting points of sale and acted remotely.

We emphasize that we relied on the advice of our occupational physician and of one of the most respected infectologists in Brazil for all initiatives taken. They monitored the measures in remote meetings with the Ambev team to assess their evolution and effectiveness.

All this effort and unity around such a serious cause reinforced the mission of Ambev and all of those who make up the Company of building a better world. It is with great pride that we can state that our Company has mobilized itself and continues to do so at all levels in the fight against COVID-19.

Carla Smith de Vasconcellos Crippa
VP Corporate Affairs at AmbevBrewery – Brazil





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Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Other Stakeholders of **Ambev S.A.**
São Paulo - SP

Introduction

We have been engaged by Ambev S.A. (Ambev or "Company") to apply limited assurance procedures on the sustainability information disclosed in Ambev Brewery's 2019 Annual Sustainability Report, elated to the year ended on December 31st, 2019.

Responsibilities of Ambev's Management

The management of Ambev is responsible for preparing and adequately presenting the information in the Ambev Brewery's 2019 Annual Sustainability Report in accordance with the *Guidelines for Sustainability Reports of the Global Reporting Initiative - GRI* and with the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Ambev Brewery's 2019 Annual Sustainability Report, based on the limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012 approved by the Federal Accounting Council and prepared in accordance with NBC TO 3000 (Assurance Engagements Excluding Audits and Reviews), issued by the Brazilian Federal Accounting Council - CFC, which is the equivalent to international standard ISAE 3000 issued by the International Federation of Accountants applicable to Non-Financial Historical Information.

These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted to provide limited assurance that the information in the Ambev Brewery's 2018 Annual Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly in questions and interviews with the management of Ambev and other professionals of the Company involved in the preparation of the information disclosed in Ambev Brewery's 2018 Annual Sustainability Report, and

applying analytical procedures to obtain evidence that allows us to make a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges of issues which lead them to believe that the information disclosed in the Ambev Brewery's 2018 Annual Sustainability Report, taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in Ambev Brewery's 2018 Annual Sustainability Report, other engagement circumstances and considerations regarding areas and procedures associated with the material sustainability information disclosed and also where material misstatement could exist. The procedures consisted of:

- (a) planning: consideration of the material aspects of Ambev's activities, relevance of the information disclosed, amount of quantitative and qualitative information and operational systems and internal controls that served as a basis for preparation of the information in the Ambev Brewery's 2018 Annual Sustainability Report. This analysis allowed indicators to be monitored closely;
- (b) understanding and analysis of disclosed information regarding the management of material aspects
- (c) analysis of processes for the preparation of the Ambev Brewery's 2018 Annual Sustainability Report as well as its structure and content, based on the Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI Standards);
- (d) assessment of non-financial indicators sampled:
 - understanding of the calculation method and procedures used for the compilation of indicators based on interviews with the managers responsible for elaborating the information;
 - application of analytical procedures on quantitative information and inquiries about qualitative information and its correlation with indicators disclosed in Ambev Brewery's 2019 Annual Sustainability Report
 - analysis of evidence that supports the information disclosed;
 - visits to Ambev's offices and branches for the implementation of such procedures, as well as of items (b) and (c);
- (e) assessment of the legitimacy of justifications for the omissions of performance indicators associated with aspects and topics identified as material to the Company's materiality analysis;
- (f) cross-checking of financial indicators and financial statements and/or accounting records



We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations The procedures applied in a limited assurance engagement are substantially less extensive than those applied in a reasonable assurance engagement. Therefore, we cannot ensure we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Ambev Brewery's 2018 Annual Sustainability Report

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subject to individual presumptions and judgments. Additionally, we did not examine data regarding prior periods to assess the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion Based on the procedures carried out, described in this report, we have not identified any relevant information that leads us to believe that the information contained in Ambev Brewery's 2018 Annual Sustainability Report is not fairly stated in all material respects in accordance with the *Global Reporting Initiative Sustainability Reporting Guidelines (GRI-Standards)* and with the records and files that served as the basis for their preparation.

São Paulo, April 24, 2019

KPMG Financial Risk & Actuarial Services Ltda.

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