



Anheuser-Busch InBev
2017 Annual Report

Rising to every occasion



Night
out

Casual
drink

Hanging
out with
friends

Happy
hour

Barbecue

Holiday
time

Enjoying the
outdoors

Brunch

Relaxing
at home

Music
festival

Watching
sports

Dinner
party

Special
meal

Post-
workout

Eating
out

Casual
dining

**We are creating
more occasions to
bring people together**

We strive to understand consumers' preferences and create new occasions and experiences.

We unite nearly 200,000 exceptional people around our passion for brewing the highest-quality beer.

We believe in celebrating life. Through sports, music and culture and, more simply, friendships.

Our economic contribution helps build communities and improves livelihoods.

We see countless new friendships, connections and experiences built on a shared love of beer.

**As the leading
brewer, we take our
responsibility as a
steward of the industry
very seriously.**



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Anheuser-Busch InBev (Euronext: ABI; NYSE: BUD; MEXBOL: ABI; JSE: ANB) is the leading global brewer and one of the world's top 5 consumer products companies. We are geographically diversified, with a balanced exposure to developed and developing markets. We draw on the collective strength of nearly 200,000 colleagues in more than 50 countries worldwide.

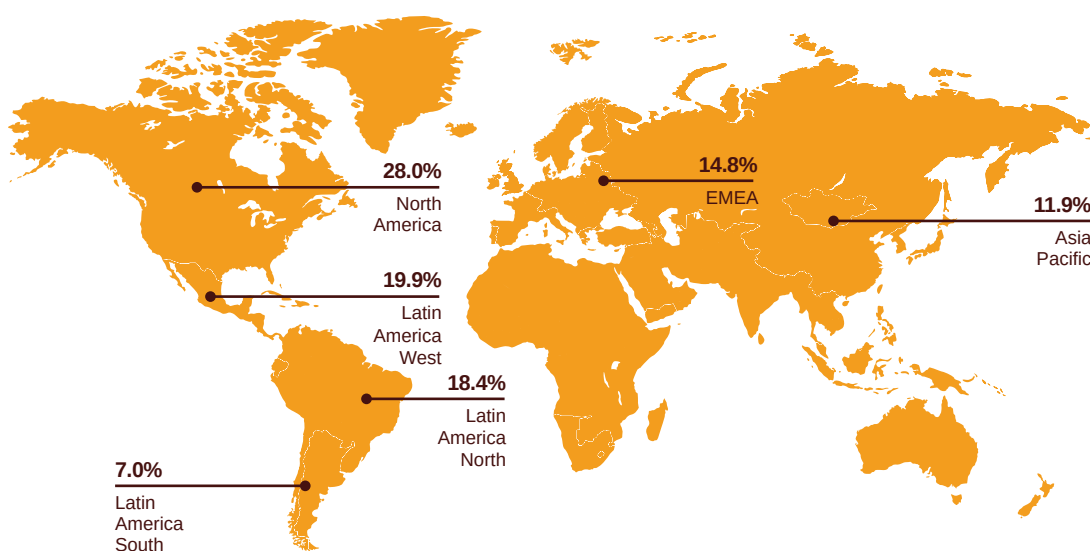
We are committed to building great brands that stand the test of time, and to brewing the best beers using the finest natural ingredients. Our brewing heritage dates back more than 600 years, spanning

continents and generations. From our European roots at the Den Hoorn brewery in Leuven, Belgium. To the pioneering spirit of the Anheuser & Co brewery in St. Louis, US. To the creation of the Castle Brewery in South Africa. To Bohemia, the first brewery in Brazil.

Our diverse portfolio of over 500 brands includes global brands Budweiser®, Corona® and Stella Artois®; multi-country brands Beck's®, Castle®, Castle Lite®, Hoegaarden® and Leffe®; and local champions such as Aguila®, Antarctica®, Bud Light®, Brahma®, Cass®, Chernigivske®, Cristal®, Harbin®, Jupiler®, Klinskoye®,

Michelob Ultra®, Modelo Especial®, Quilmes®, Victoria®, Victoria Bitter®, Sedrin, Sibirskaya Korona® and Skol®. We are building a company to last. Not just for a decade. But for the next 100+ years. We are committed to helping farmers, retailers, entrepreneurs and communities thrive. Through our brands—and our investment in communities—we will make our company an essential part of consumers' lives for generations to come and achieve our Dream of bringing people together for a better world.

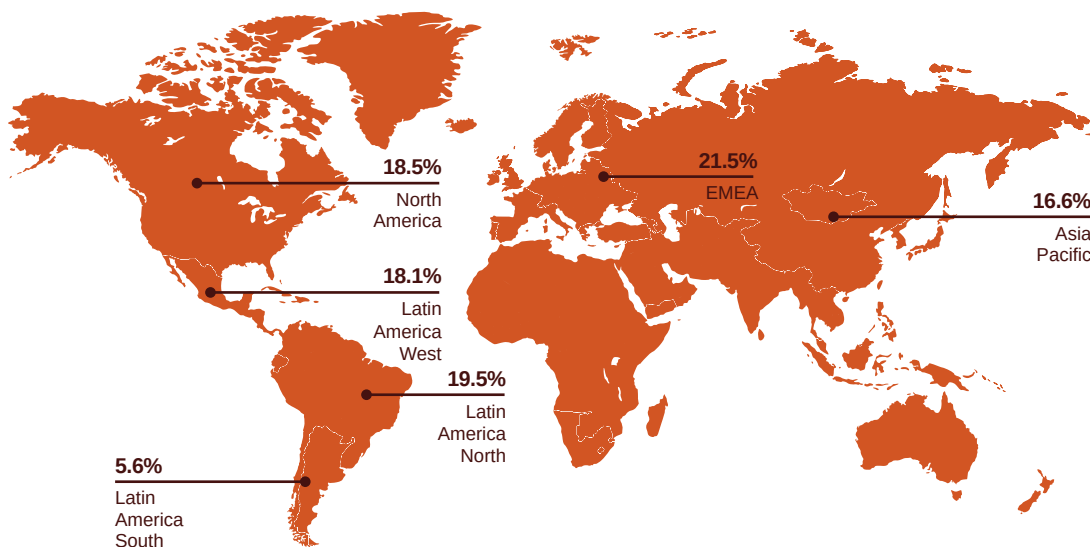
2017 normalized EBITDA contribution by region*



Normalized EBITDA (million USD)

2017	22 084
2016 reference base	19 633
2016 reported	16 753
2015 reference base	18 145
2015 reported	16 839
2014	18 542
2013 reference base	17 943
2013 reported	17 188

2017 volume contribution by region



Revenue (million USD)

2017	56 444
2016 reference base	53 942
2016 reported	45 517
2015 reference base	46 928
2015 reported	43 604
2014	47 063
2013 reference base	45 483
2013 reported	43 195

We have over
500
beer brands

2017 normalized EBITDA:
22 084 million

2017 beer volumes:
613 million hl

We sell
our beers in
more than
100
countries

We have
more than
600
years of brewing
heritage

Revenue of our 3 global brands
grew 9.8% in 2017

To facilitate the understanding of AB InBev's underlying performance, the analyses of growth, including all comments in the commercial part of this Annual Report, unless otherwise indicated, are based on organic growth and normalized numbers.

Million USD unless stated otherwise	2013 reported	2013 reference base ¹	2014 reported	2015 reported	2015 reference base ²	2016 reported	2016 reference base ³	2017 reported
Volumes (million hls)	425	446	459	457	502	500	616	613
Revenue	43 195	45 483	47 063	43 604	46 928	45 517	53 942	56 444
Normalized EBITDA	17 188	17 943	18 542	16 839	18 145	16 753	19 633	22 084
EBITDA	23 428	–	18 465	17 057	–	16 360	–	21 429
Normalized profit from operations	14 203	14 800	15 308	13 768	14 882	13 276	15 520	17 814
Normalized profit attributable to equity holders of Anheuser-Busch InBev	7 936	–	8 865	8 513	–	4 853	–	7 996
Profit attributable to equity holders of Anheuser-Busch InBev	14 394	–	9 216	8 273	–	1 241	–	7 996
Net financial debt	38 800	–	42 135	42 185	–	107 953	–	104 390
Cash flow from operating activities	13 864	–	14 144	14 121	–	10 110	–	15 430
Normalized earnings per share (USD)	4.91	–	5.43	5.20	–	2.83	–	4.04
Dividend per share (USD)	2.83	–	3.52	3.95	–	3.85	–	
Dividend per share (euro)	2.05	–	3.00	3.60	–	3.60	–	
Payout ratio %	57.60	–	64.80	76.0	–	136.0	–	
Weighted average number of ordinary and restricted shares (million shares)	1 617	–	1 634	1 638	–	1 717	–	1 971
Share price high (euro)	79.60	–	94.89	124.20	–	119.60	–	110.10
Share price low (euro)	63.44	–	69.14	87.73	–	92.13	–	92.88
Year-end share price (euro)	77.26	–	93.86	114.40	–	100.55	–	93.13
Market capitalization (million USD)	172 291	–	183 167	200 302	–	213 993	–	225 531
Market capitalization (million euro)	124 930	–	150 867	183 983	–	203 010	–	188 052

1. The 2013 Reference Base includes 12 months of Grupo Modelo operations to facilitate the understanding of AB InBev's underlying business. The 2013 reference base further reflects the combination of Western Europe and Central & Eastern Europe into a single Europe Zone, and a number of intra-Zone management reporting changes which took effect on 1 January 2014.

2. The 2015 Reference Base and 2016 segment reporting exclude the results of the SABMiller business sold since the combination was completed, including the joint venture stakes in MillerCoors and CR Snow, and the sale of the Peroni, Grolsch and Meantime brands and associated businesses in Italy, the Netherlands, the UK and internationally. The 2015 Reference Base and 2016 segment reporting also exclude the results of the CEE Business and the stake in Distell. The results of the CEE Business will be reported as "Results from discontinued operations" and the results of Distell will be reported as share of results of associates until the respective sales are completed.

3. The differences between the 2016 Reference base and the 2016 income statement as Reported represent the effect of the combination with SAB. The profit, cash flow and balance sheet are presented as Reported in 2016. The results of the CEE Business were reported as "Results from discontinued operations" until the completion of the disposal that took place on 31 March 2017. The results of Distell were reported as share of results of associates until the completion of the sale that occurred on 12 April 2017, and accordingly, are excluded from normalized EBIT and EBITDA. Furthermore, the company stopped consolidating CCBA in its consolidated financial statements as from the completion of the CCBA disposal on 4 October 2017.

To our
shareholders:

2017 was a transformative year for our company.

We are well on our way to achieving our most successful business integration ever and we delivered the best performance in three years. Our reshaped brand portfolio is rising to every occasion to capture future growth.

191
beer awards
won globally





Realizing the best of both worlds

The combination with SAB has exceeded our expectations. We have incorporated the best of both companies by bringing together world-class talent, integrating best practices and deepening our understanding of consumers and occasions across all markets.

Cost synergies are not only greater than originally expected, but they are also being delivered at a faster pace. Revenue synergies, although not externally quantified, are well underway through the successful launch of our global brands into new territories, among other activities.

We have also adopted a new way of looking at the beer category that recognizes different market maturities and the role of brand portfolios in driving category growth. As we look forward, we are excited about the growth opportunities in our expanded footprint for both developed and developing markets.

The combination has created something greater than the sum of its parts. This has only been possible through our Dream-People-Culture platform, which has driven us in the past and will continue to drive performance for the next 100+ years.

Achieving strong performance

For the five years ending 2017, our revenue CAGR of 4.6% exceeded that of all our global FMCG peers. The structural change in our global footprint resulting from the combination with SAB positions us towards higher growth markets, as evidenced by the accelerated momentum in 2017, with revenue growth of 5.1%.

In addition to the synergy capture from one of the largest business combinations in history, we rebounded in Brazil and continued to reshape the portfolio in the US in order to reach consumers in more occasions. We achieved 5.1% revenue growth, up from 2.4% in 2016, and 13.4% EBITDA growth, up from -0.1% in 2016.

Our 2017 financial performance was our best in the past three years:

- We grew top-line in many of our new and established markets. Gaining momentum throughout the year, we delivered particularly strong results in the fourth quarter. Our three global brands led the way, with 2017 revenue growing by a combined 9.8%. Budweiser grew its global revenue by 4.1% and remains the world's most valuable beer brand according to BrandZ™. According to Plato Logic in 2017, Budweiser extended its lead as the #1 beer brand in ex-domestic sales volumes. Stella Artois continued its long-term trajectory, with revenue up 12.8% driven by sales in North America, repatriation in Australia and its entry into South Africa and other new markets. Corona grew its revenue by 19.9% globally, led by Mexico, China, Australia and Argentina.
- We grew profitability in our two largest markets. In the US, EBITDA was up by 1.9% and Michelob Ultra remains the biggest share gainer in the country for the 11th straight quarter. We continue to develop our high end brands while working closely with our wholesaler partners to grow our total portfolio. We know we have work to do in the US to balance the share and profitability equation and we remain committed to improving our share performance. In Brazil, despite the challenging macroeconomic conditions, we outgrew the industry, with beer volumes up by 0.7%. Strong revenue per hl growth of 6.2% supported our top line and was enhanced by our premium portfolio, which grew volumes by double-digits. In 2H17, EBITDA grew by 20.4%, rebounding from a -19.7% decline in 1H17, finishing the year up 1.7%.
- Deleveraging to around 2x remains our commitment. We are tracking in line with our internal deleveraging targets,

Global organic revenue growth (5-YEAR CAGR FROM 2012-2017 FY)

ABInBev	4.6%
L'ORÉAL	4.4%
DANONE	3.9%
PEPSICO	3.8%
Nestlé	3.8%
Unilever	3.6%
Reckitt Benckiser	3.5%
Coca-Cola	3.3%
Heineken	3.1%
DIAGEO	2.4%
Mondelēz International	2.4%
Pernod Ricard	2.2%
P&G	2.0%
Carlsberg	1.6%

SOURCE: Compiled by Bain & Company, based on publicly available company reports and presentations.

NOTE: 5-year CAGR from 2012 to 2017 based on fiscal year ending December 31, except for Diageo, Pernod Ricard and Procter & Gamble, which are based on a fiscal year ending June 30.

and we will prioritize debt repayment in order to meet this objective. Our Net Debt to EBITDA ratio decreased from 5.5x on a reported basis in 2016 to 4.8x in 2017, or 4.7x when adjusted for the closing of pending disposals and the foreign exchange time mismatch between the balance sheet and P&L translation. We will continue to proactively manage our debt portfolio, of which 93% holds a fixed-interest rate, 42% is denominated in currencies other than USD, and maturities are well-distributed across the next several years. Our cash flow from operating activities increased by 52.6% from 10.1 billion USD in 2016 to 15.4 billion USD in 2017. In addition, we maintained over 20 billion USD in cash and revolving credit facility liquidity.

Delivering top-line growth

Delivering consistent, profitable top-line growth remains our number one priority. We are building a company to last, brewing beers that will continue to bring people together across generations and communities.

Our portfolio now offers more than 500 brands and seven of the top 10 most valuable beer brands worldwide, according to BrandZ™. Nineteen of our brands generate more than 1 billion USD in retail sales annually. We distribute our beers to more than 100 countries, offering consumers a choice for every occasion.

This scale, combined with the strength of our brands and the depth of our talent, allows us to use new disruptive technologies to listen to and reach consumers with multiple platforms. ZX Ventures, our global growth and innovation group, identifies exciting opportunities to pilot new products, channels, occasions and retail experiences to offer more choice to consumers, with the same great quality.

By combining a deep understanding of different market maturities with analysis of changing consumer habits and

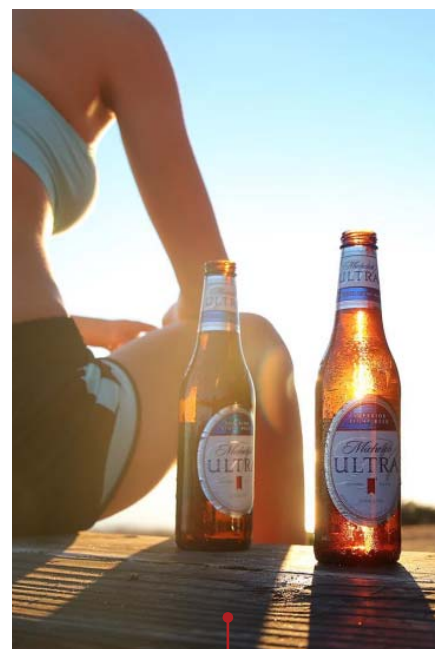
trends, we define the optimal portfolio for any market to drive long-term growth. Western Europe and Australia are good examples of how the optimal portfolio—whether as an industry leader or as a challenger—can become the source of consistent, profitable revenue growth, even in developed markets.

Driving long-term category health and growth

We are a truly global brewer, embedded in communities around the world. We take our responsibility for industry stewardship very seriously. We are brewers at heart—in 2017 our beers received 191 awards globally, more than any other brewer. The natural ingredients that go into beer, combined with the humble, but complex, craft of brewing, gives beer an advantage over other alcohol categories. Our passion for beer and brewing heritage, united with our global footprint and our talented colleagues, positions us well to drive category growth.

Our commercial priorities are as follows:

- *Expand global brands:* We continue to leverage the potential of our global brands by expanding into new markets such as South Africa, Colombia and Australia. These brands are also addressing consumer demand for premium and super premium choices. In 2017, we grew revenue of Budweiser, Stella Artois and Corona by 4.1%, 12.8% and 19.9%, respectively, for a combined total growth rate of 9.8%. Outside of their home markets, we grew our global brands by 16.8%.
- *Premiumize and invigorate beer:* We are bringing new vigor and energy to consumers' experience with beer and expanded options. Our High End Company, a business unit made up of our global, specialty and craft brands, is now established in 22 markets that account for approximately 70% of the High End opportunity worldwide. Our



With just 95 calories, typically less than a glass of wine, people can enjoy the refreshing taste of Michelob Ultra without compromising their active lifestyles.

Consumers are pursuing more balanced lifestyles, and both men and women want more choices.

16.8%
growth of global brands' revenue outside of their home markets



specialized teams are dedicated to accelerating our growth rate versus historical performance with revenue of 4.6 billion USD in 2017 and 25.8% growth versus 2016. We are also gaining share in virtually all relevant beer types and we introduced new variants of our core brands to increase consumers' beer choices.

- *Elevate core lager:* We employ a number of strategies to reinforce the quality heritage of core lager, including leveraging social media, sponsoring events, using differentiated messaging and developing unique packaging. Our goal is always to convey the unique character and quality of our brands and connect with beer drinkers.
- *Create new consumer experiences and occasions:* To further develop the beer category, we have broadened our approach beyond near beer products. We continue to respond to consumers' desire for more balanced lifestyles by increasing our selection of no- and low-alcohol beer products (NABLAB) and near beer options that go well with a variety of experiences and occasions. Several of these brands also support our Global Smart Drinking Goals to have NABLAB represent 20% of our global beer volumes by 2025. In addition, we are creating new experiences and occasions that bring people together and make beer more relevant.

Contributing to a better world

For centuries, the experience of sharing a beer has brought people and cultures together. Even in our hyper-connected, always-on world, this simple act is as powerful today as it was generations ago.

To brew the highest-quality beers, we need a sustainable environment and thriving communities. Sustainability is not just related to our business, it is our business. Consumers increasingly

demand a commitment to sustainability from the brands they purchase.

In 2018, we will announce a set of ambitious Sustainability Goals which will include: clean energy, smart agriculture, water conservation, recyclable packaging as well as safer workplaces and communities. We are investing in these goals globally and locally. Already in 2017, we committed to sourcing 100% of our purchased electricity from renewable energy sources by 2025.

Smart drinking and road safety are equally critical to our future. As part of our commitment to make every experience with beer positive and empower consumers to make smart choices, we are expanding our portfolio of no- and low-alcohol beer products. To promote road safety and reduce the harmful use of alcohol, we are continuing our focus on city pilots around the world, in partnership with local governments, multilateral organizations, NGOs and other companies. We are also expanding programs such as the Budweiser and Lyft ride share collaboration.

As a company of owners, we keep an entrepreneurial mindset and take performance personally. We not only seek out opportunity in our own business, but also support growth among our partners and communities for the long term. Knowing that brewing has sustained livelihoods and driven economic growth for centuries, we have developed programs to support the economies of our communities, including our SmartBarley program that helps local farmers increase crop quality and yields.

It is our Dream to Bring People Together for a Better World. As a category leader, it is our responsibility to set the standard. Even as we celebrate our progress, we are never completely satisfied with our results. For instance, we are committed to creating a more diverse workforce to benefit from a broader range of perspectives. We are also committed

to growing our business the right way. Integrity and ethics are embedded in our company culture, and it is our expectation that all our nearly 200,000 colleagues act with the highest ethical standards.

Continuing our journey

As the world's leading brewer, we take responsibility for the health and growth of the global beer category. We are using our industry-leading analytics, insights and brands to understand and address the evolving needs of consumers around the world.

Our geographic diversity limits our dependence and exposure to any one region, and our global footprint positions us for sustainable long-term growth. Furthermore, our robust portfolio of award-winning local, regional and global brands, combined with continuous innovation, allows us to expand our offerings to consumers across a broad range of occasions.

In the past year, as our integration with SAB has successfully progressed, our colleagues have amazed us by humbly adopting and embracing what we like to call the "best of both" in everything we do across our company. We have always been a company of owners, and we take results personally as we constantly drive toward a better future. While we delivered solid results in 2017, this is only the beginning of our combined company's journey for the next 100 years and beyond.

Carlos Brito
Chief Executive
Officer

Olivier Goudet
Chairman
of the Board

Delivering more of what consumers thirst for across the globe

We are a truly global brewer, positioned to serve the evolving needs of consumers worldwide. Our portfolio of more than 500 brands means we have beers for every type of occasion and our iconic brands bring people together across generations and communities.

We expect to generate significant growth opportunities by building on the strengths of our combination with SAB. We are focused on enhancing our portfolio and expanding the beer category while continually diversifying and innovating our products to offer more choice with the same quality.

We have operations in virtually every major beer market and our brands are sold in more than 100 countries. We are brewers at heart and are proud of our 600 years of brewing heritage. Our beers have received 191 awards including 59 gold medals from major beer competitions over the last year alone.

Operations in
virtually every
major beer market,
and brands sold
in more than
100 countries



North America

United States and Canada

Expanded our gross margins every year since 2009, with 2017 delivering the best gross margin in the past nine years. Revenue declined by 1.8% due to industry softness in the US and Canada.

Latin America West

Middle Americas — Mexico, El Salvador and Honduras
COPEC — Colombia, Peru and Ecuador

Revenue grew 7.5% with strong top-line growth accelerated by the success of our core plus and premium brands as well as the scale-up of our global brands in our new markets.

Latin America North

Brazil, the Dominican Republic, Guatemala, Panama, St. Vincent, Cuba, Puerto Rico, Barbados, Dominica and the Caribbean

Revenue was up by 6.1%. Brazil is leading the way in elevating the beer category with the packaging revamp of the Brahma brand family and double-digit growth of our premium brand portfolio.

Latin America South

Argentina, Uruguay, Chile, Paraguay and Bolivia

Revenue grew by 26.1% driven by premiumization as well as revenue management initiatives and an enhanced consumer strategy. Argentina was the main engine of growth, with beer volumes up by double digits and achieving success across the portfolio.

EMEA

Europe — UK, Ireland, France, Italy, Spain, Germany, Belgium, Luxembourg, the Netherlands, Switzerland, Austria, Ukraine, Russia and Export Europe and Middle East (EEME)

Africa — South Africa, Botswana, Swaziland, Mozambique, Malawi, Namibia, Zambia, Lesotho, Uganda, Ethiopia, African Islands, Tanzania, South Sudan, Kenya, Nigeria and Ghana

Revenue grew by 6.3%. Drivers included growth of premium and global brands in Western Europe, which enabled us to gain market share in a majority of countries, as well as beer volume growth in Africa, and our global brands are now in South Africa.

Asia Pacific

Asia Pacific North — China, South Korea and Japan
Asia Pacific South — Australia, New Zealand, India, Vietnam and other South and Southeast Asian countries

Revenue grew by 7.5% driven primarily by brand mix, led by the strength of core plus, premium and super premium brands in China, as well as several strong brand performances in Australia, which continues to fuel growth by addressing shifting consumer preferences.



Expanding our global brands to drive growth

Our global brands — Budweiser, Stella Artois and Corona — are growing revenue at 9.8%. Outside of their respective home markets, they grew revenue by 16.8%. We continue to unlock growth by applying learnings and our brand building experience to new markets. This approach has made our brands among the most preferred brands around the world, including seven of the top 10 most valuable beer brands worldwide.*

Fast-growing brands

Michelob Ultra: Has had the largest share gain for the past 11 quarters in the US, making it the country's fastest-growing beer brand. Sales of the brand more than doubled in Mexico in 2017. We also launched Michelob Ultra in Shanghai and Honduras.

Brahma: The Brahma brand in Brazil saw accelerated performance as a result of our intense focus on quality, ingredients, packaging upgrades and line extensions. Brahma Extra, our core plus variant, grew volumes by high double digits in 2017, while Brahma 0.0 offers consumers a no-alcohol choice.

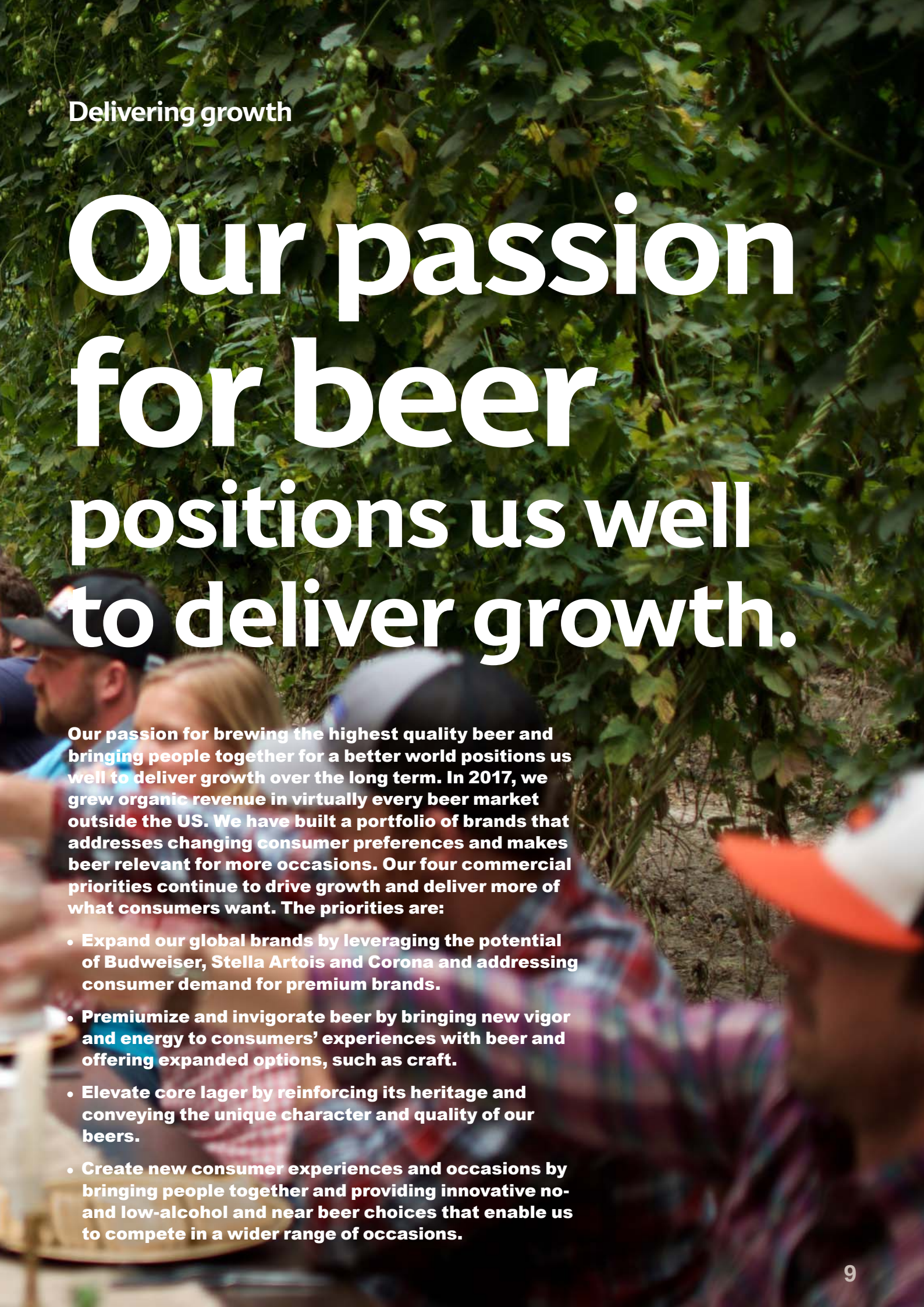
Hoegaarden: Following a brand refresh in 2016, Hoegaarden's new packaging began rolling out worldwide in 2017, building on positive momentum in international markets. In Asia, Hoegaarden is growing in high double digits, while in South Korea the brand climbed from #4 to become the #1 premium brand.

Harbin: In China, our new Harbin wheat beer, Harbin Baiji, continues to outperform in mixed-gender and food occasions. In addition, Harbin Ice continues to grow volumes and has reached historically high levels of "Top 1 Favorite Brand."

Great Northern: Continues to be one of the fastest-growing brands in Australia engaging consumers through aspirational communications of escapism and relaxation. Our national rollout and content partnerships have propelled the brand to high double-digit growth.

*SOURCE: 2017 BrandZ™
Top Most Valuable Brands





Delivering growth

Our passion for beer positions us well to deliver growth.

Our passion for brewing the highest quality beer and bringing people together for a better world positions us well to deliver growth over the long term. In 2017, we grew organic revenue in virtually every beer market outside the US. We have built a portfolio of brands that addresses changing consumer preferences and makes beer relevant for more occasions. Our four commercial priorities continue to drive growth and deliver more of what consumers want. The priorities are:

- **Expand our global brands by leveraging the potential of Budweiser, Stella Artois and Corona and addressing consumer demand for premium brands.**
- **Premiumize and invigorate beer by bringing new vigor and energy to consumers' experiences with beer and offering expanded options, such as craft.**
- **Elevate core lager by reinforcing its heritage and conveying the unique character and quality of our beers.**
- **Create new consumer experiences and occasions by bringing people together and providing innovative no- and low-alcohol and near beer choices that enable us to compete in a wider range of occasions.**

Expanding our
global brands

Budweiser: the king of beers

Adolphus Busch introduced Budweiser in 1876, and it is still brewed with the same high standards today. This refreshing lager is a natural choice for enjoying good times with friends—and at events such as Tomorrowland and the 2018 FIFA World Cup™ Russia. Budweiser is a bold symbol of freedom and ambition, an energizing and optimistic brand that thrives in the world's great cities.

Most valuable
beer brand in
the world*

*SOURCE: 2017 BrandZ™
100 Most Valuable Brands

#1

Budweiser remains the world's most valuable beer brand and is enjoyed in 73 countries. In 2017, two out of every three Budweiser beers were consumed outside the US. Budweiser grew revenue by 10.8% outside the US, led by China, Brazil, the UK and South Korea.

Expanding into new markets

Wherever it is sold, Budweiser stays at the leading edge by understanding local market dynamics and creating relevant, unique and memorable experiences that bring people together. In 2017, we introduced Budweiser to five new countries: Colombia, Peru, Ecuador, South Africa and Australia. We also launched the brand in South Africa with our #TheKingsHere campaign across 250 select points of sale in urban centers, culminating in a Bud Hotel experience in Johannesburg and a Boiler Room music event in Cape Town. The addition of



Budweiser local brewing rounded out our global brand portfolio in South Africa.

Drawing in consumers with packaging and product innovation

In 2017, we expanded our aluminum Budweiser bottle designs and introduced a proprietary Budweiser bottle. Following launches in some new Budweiser markets, the bottle will be rolled out to key markets in 2018. To celebrate the repeal of Prohibition in the US, we also released a limited edition 1933 Repeal Reserve Amber Lager with a heritage recipe and packaging that highlighted the brand's quality credentials.

Celebrating holidays old and new

We have developed more occasions for enjoying beer, including our Halloween campaigns in India, China and the UK. We made the holiday more of an occasion by creating unique experiential



10.8%

growth outside the US
was led by China, Brazil,
the UK and South Korea



promotional events in these markets. Meanwhile, our powerful gratitude-based Budweiser Chinese New Year campaign boosted the region's annual revenue and resulted in an all-time high in brand health.

Supporting smart drinking and renewable energy

Budweiser explored new ways of promoting road safety through a partnership with Lyft in the US. Following a successful 2016 pilot program in six states, we expanded the 2017 campaign to offer up to 150,000 round-trip rides in nine states plus Washington, D.C. — all to help people get safely to and from their nights out every weekend. In early 2018, we also introduced a renewable electricity symbol to celebrate our commitment to brew Budweiser with 100% renewable electricity. The symbol will first appear on the label of every Budweiser brewed

in the US beginning in spring 2018 and roll out to additional international markets by 2025.



Budweiser, with its "Give a Damn. Don't Drive Drunk" campaign, teamed up with Lyft for the second year in a row to reduce drunk driving and celebrate those late-night heroes who give—and take—responsible rides home.

150,000
round-trip rides
were provided by the
Budweiser-Lyft
partnership in
the US

Expanding our
global brands

Stella Artois: the world's #1 Belgian beer

Stella Artois is part of a rich Belgian brewing heritage dating back to 1366. The beer is still brewed using the finest natural ingredients in the tradition of hand-crafted luxury. Stella Artois is the ideal choice for curated meal occasions, where its taste elevates the food and dining experience.



Stella Artois is the #1 Belgian beer in the world and the fourth most valuable beer brand. Served in 90 countries, the lager's revenue grew 12.8% in 2017, led by performance in the US, Argentina and Brazil. During the year, we regained our ownership and distribution of Stella Artois in Australia and accelerated growth in new markets, including Colombia and South Africa.

Addressing the global water crisis

Water is a fundamental human need, yet 663 million people live without access to safe water. Water is also a key ingredient in Stella Artois and has helped the brand build its 600-year brewing legacy. In 2017, Stella Artois reaffirmed its commitment to ending the global water crisis at the World Economic Forum with a multi-year extension of its partnership with Water.org and the "Buy A Lady A Drink" campaign to help provide clean water for people in



We helped
1 million
people in the
developing world
get access to
clean water

To support our water commitment, Stella Artois released a new set of Limited-Edition Chalicees designed by three influential artists from Cambodia, Brazil and Uganda. These artists created chalicees that interpret the water crises in their countries and places where Water.org provides support.



the developing world. The brand will help provide 3.5 million people with sustainable access to clean water by 2020.

Offering new ways to experience Stella Artois

Stella Artois is about savoring life in many ways.

- We introduced *Le Village de Stella Artois* through immersive European markets and café experiences in Argentina, South Korea, Canada, the US, Mexico, COPEC and Australia, offering people a chance to enjoy a freshly poured Stella Artois with some delicious bites, the way we do where we come from.
- Stella Artois was originally brewed as a holiday gift for the people of Leuven and it has been enjoyed around the world ever since. The holiday season continues to be the biggest selling period of Stella Artois across all major markets, and this year it included our first global promo mechanic, selling over 1 million chalicees.
- *Stella Sensorium*, an ultra-premium dining experience personalized for consumers and media personalities, engaged top chefs from around the country and temporarily relocated them to five major Australian cities to showcase Stella Artois inspired menus.
- In 2017, we launched our *Host One To Remember* campaign in North America to create unforgettable gatherings supported by activations in the trade, experiential events and a partnership with the *New York Times*. By combining the brand's Belgian heritage alongside cultural tastemakers, we tapped into food and wine festivals and Fashion Week events usually associated with wine and spirits.

- Our *Spiritual Homes* promotion in South Africa, South Korea, Australia and Argentina created special spaces to fully experience Stella Artois at its best, where the brand brings its heritage, identity and meaning to the physical realm.

90
countries, including new
markets such as Colombia
and South Africa

4th
most valuable beer
brand in the world

Expanding our
global brands

Corona: this is living

Born outside in the sun, with the beach as its homeland, every Corona is an invitation to come outside and unwind. Brewed 100% in Mexico, Corona is the most popular Mexican beer worldwide. It has been complementing life's simple moments since 1925, and is now enjoyed in over 120 countries around the world.



Corona's steady growth in the premium category reflects its branded association with the beach, outdoor culture and popular music. Its taste profile appeals to a co-ed market. The brand is also aligned with preserving the environmental health of the world's beaches.

Corona experienced 19.9% revenue growth in 2017 and 39.9% growth outside of Mexico. It had excellent performance in Mexico, China, Australia and Argentina. In 2017, Corona was the world's sixth most valuable beer brand.

Helping address ocean plastic pollution

The beach is the heart of Corona. That is why we partnered with Parley for the Oceans to address marine plastic pollution. Together, we have committed to protect 100 islands by 2020 in six key regions affected by plastic, and to educate consumers. In addition, Corona

is reducing plastic use across all events, including Corona SunSets, the worldwide series of music festivals that reaches more than 350,000 people each year. In 2018, we plan to launch Clean Waves sunglasses, a new fashion brand made from upcycled ocean plastic.

Connecting with the world's surfers

The 2017 Corona Open in South Africa was our first-ever title sponsorship of the World Surf League (WSL) tour. Our digital campaign supporting the event reached some 2 million people. In addition, leveraging our Better World platform, we created the WSL's first plastic-free event.

Celebrating sunsets and music

Each year, Corona sponsors a global music festival platform celebrating the transformational power of sunset at the world's most iconic beaches,



An estimated 8 million metric tons of plastic waste enter the oceans each year. On May 17, 2017, Corona partnered with Parley for the Oceans with the commitment to protect 100 islands from marine plastic pollution by 2020.



mountains and city centers. In 2017, Corona SunSets live streamed performances from artists Bruno Martini, Vintage Culture, Bakermat and Duke Dumont from the festival in San Pancho, Mexico to 17 million viewers around the world.

Creating a virtual getaway

To inspire people to spend time outside and live more moments that matter, we created a secret paradise in the heart of Mexico City. Stripping away the surrounding concrete jungle, 'Paraíso Secreto' combined theatrics, VR technology and interactive set design to immerse visitors into a natural mirage—taking them away from the stresses of urban reality to experience nature.

Adding more options to enjoy Corona

Many consumers are seeking more balanced lifestyles. And one of our goals is to have no- and low-alcohol beer products represent 20% of our global beer volumes by 2025. We have launched no-alcohol varieties of several brands, including Corona Cero in Mexico. It joins Corona Light, our lower alcohol version of Corona. In 2017, we also launched a new Coronita campaign in Chile. These 210 ml bottles of Corona are designed to capture weekday occasions for the brand.

#1

most popular Mexican beer brand worldwide

19.9%

revenue growth with excellent performance in Mexico, China, Australia and Argentina

Premiumizing & invigorating beer

Premium means creating excitement around beer—especially among young consumers of legal drinking age—by bringing new vigor and energy to experiences beyond beer. Our premiumization approach includes innovation, customization, exclusivity and unique brand experiences.

Responding to
consumer desire
for choices

Consumers are developing more sophisticated palates and demanding more choices in everything from packaging to experiences. We have a broad portfolio of more than 500 brands worldwide that addresses nearly all beer styles from lagers to IPAs to stout, with a wide range of price points.

Bringing premium to more markets around the world

To advance our premiumization strategy, we developed our High End Company, a business unit made up of our global, specialty and craft brands across 22 countries.

In Asia, for example, we are applying our understanding of premiumization by building the super-premium segment in China. Currently, super premium accounts for less than 1% of the beer market, giving us the opportunity to talk

about beer styles ahead of competitors. This led us to offer five styles of super-premium beer to the Asian markets: super-premium lager, white segment (wheat), dark, craft and IPA. We also introduced new variations of our core brands.

Growing our craft portfolio

Craft beer is a lever to elevate the category by bringing beer into new territories and occasions. Craft beer also provides an opportunity to increase consumer

knowledge of beer and reinforce innovation and quality.

We partner with craft brewers and brands who share our passion to help shape the beer category and find creative ways to meet changing consumer needs. We exchange ideas, share best practices and develop new styles with our craft brewers. In 2017, we added four craft breweries to our portfolio: Boxing Cat in China, Wicked Weed in the US and 4 Pines and Pirate Life in Australia. Pirate Life was recently voted Australia's best craft brewery.





Elevating core lager

With centuries of brewing history, we have seen countless new friendships, connections and experiences built on a shared love of beer, such as our clean, crisp lagers. We have a long, proud heritage of brewing lagers, which remain consumer favorites and account for most of our brands and beer volumes. We are excited to share the rich traditions of core lager with new generations of consumers.

Making core lager more relevant

We are using a number of strategies to elevate lager, and make our brands more relevant in consumers' lives, including:

- Engaging consumers and educating them about our brands through key occasions and moments.
- Unique packaging that conveys quality.
- Appealing to young adults of legal drinking age through music, sports and food.
- Connecting with beer drinkers online, through events and invitations to our breweries to "talk beer."

Differentiating lager by standing for diversity

In Brazil, our Skol lager brand is standing up for diversity and inclusion. Skol became the first beer brand to support the LGBT Pride Parade with the film "Respect Is On." Continuing its campaign for respect, for International Women's Day 2017, Skol released the "Reposter" video in which six female illustrators recreate past ads with more inclusive messaging.

Supporting local communities in Uganda

In 2002, our colleagues in Uganda launched a sorghum-based Eagle Lager in a pioneering move to brew beer from what had been a subsistence crop. This

generated critically needed farm jobs and provided Ugandans an affordable alternative to unhealthy informal or illicit alcohol. The program also supports women's economic empowerment as more than half of the farmer associations that supply sorghum to us are led by women. In recognition of its contribution to agricultural communities, our team secured a 30% excise rate for Eagle Lager, half the amount levied on beer brewed from imported ingredients. This enables Eagle to be sold at a lower price. Today, Eagle accounts for 62% of our total sales, and we are applying the learnings from Uganda to other markets around the world.

Becoming a part of popular culture

Dilly Dilly is a cheer that became a cultural phenomenon in the US as part of our Bud Light campaign ahead of the *Game of Thrones* series premiere. Consumers now use the Dilly Dilly catchphrase when toasting during a variety of occasions.

Dilly Dilly

Another spot released during the 2017 Super Bowl, "Born the Hard Way," told the story of our founder Adolphus Busch and his unrelenting pursuit of the American dream. He makes the difficult journey from Germany to St. Louis while

facing immigrant discrimination.

The story conveys our heritage and the uncompromising commitment that goes into brewing our beer.

Tapping into the energy of London's vibrant nightlife

Camden is one of the trendiest areas of London in terms of music, culture and nightlife. Now, Camden Hells has become one of the fastest-growing beers in our European craft portfolio — and an integral part of London's night scene. The Raise Hell Camden portfolio is also available in Paris and Stockholm, where it is gaining momentum in new urban centers.



Creating new consumer experiences and occasions

Our Dream is bringing people together for a better world. Our portfolio includes a range of no- and low-alcohol beer as well as near beer options to offer consumers more choice for a variety of occasions. Through sports, music, culture and, more simply, friendships—beer is part of life's great moments. We continue to brew beer and build brands for new occasions and experiences that will bring people together for the next 100+ years.

Innovating the no- and low-alcohol category

In response to consumer demand for more balanced lifestyle choices, we have developed an expanded selection of no- and low-alcohol products. These products—which include non-alcohol beers that can be enjoyed after sports and beers for people who want to drink less alcohol—are also helping us to achieve our Global Smart Drinking Goals (see p. 36). They include:

- Mexico—Corona Cero, Lower-ABV Corona brand variants and Michelob Ultra.
- UK—Bud Prohibition, an alcohol-free beer that tastes like Budweiser.
- Belgium—Jupiler 0.0—Leads the category in Belgium and won Gold at the 2017 World Beer Awards.
- Australia—Great Northern Super Crisp is one of Australia's fastest-growing beer brands.
- Canada—Bud Light Radler, a mix of grapefruit juice and beer.



Expanding no- and low-alcohol beer products and near beer options



Expanding the category with near beer

By introducing new alternatives to wine and hard liquor, we are expanding the category to give consumers more options and to drive growth. For example:

Flying Fish Chill: This apple-flavored malt beverage is South Africa's largest growth contributor.

Cola & Pola: A low-alcohol (2%) beer in Colombia, Cola & Pola has created a visibility plan in restaurants to continue building the meal occasion with a beer and cola cocktail, resulting in double-digit growth.

Hiball (an organic energy drink made with caffeine, guarana and ginseng) and **Alta Palla** (a brand of organic sparkling juices and sparkling waters): The latest additions to an expanding portfolio of no-alcohol beverages, which is targeted to consumers interested in a healthy and active lifestyle.

Kombrewcha: This refreshing, delicious, low-alcohol beverage (3.2% ABV) is gluten-free, organic and low in sugar.





Innovating with ZX Ventures and GITeC

GITeC created technology that enables us to repurpose millions of tons of formerly spent grain from our brewing process that we now call "saved grains." Together with ZX Ventures, we utilized this technology to create the first sustainable, plant-based beverage, an innovative fiber + protein shake called Canvas. It provides a rich and convenient source of dietary fiber, complete plant protein, essential fats and a blend of delicious ingredients.



Tapping into life's moments and creating new experiences

Cheering with the world's sports fans

For centuries, people have come together through sports. Today, we continue to bring sports fans together by partnering globally with FIFA, the World Surf League and Wimbledon, to name a few. Budweiser is an official sponsor of the 2018 FIFA World Cup™ Russia, and nearly 100 countries are activating Budweiser and our core brands locally to bring fans together for the world's most viewed sporting event.

Bringing people together through music

People love to hear live music. That is why our brands support both well-known musical events and bespoke music venues. Tomorrowland, the largest global electronic dance music festival in the world, is sponsored by Budweiser. Corona SunSets is a worldwide series of music festivals reaching more than 350 000 people each year, and Budweiser STORM Music Festivals have expanded from Mainland China to Taipei.

Creating new spaces to gather with friends

With ZX Ventures, our global growth and innovation group (see more on page 20), our brands are creating inspiring venues where consumers can come together. We have opened more than 300 unique spaces in 12 countries, including Goose Island, Bogota Beer Company and Patagonia brew pubs and brew houses.

Developing new occasions to enjoy beer

We are developing more opportunities to bring people together through occasions such as food pairings, weekday sports watching and socializing with friends after exercise. Introducing beer to these new occasions is expanding consumption of our light and premium beers in a number of countries.

Delivering beer to consumers' front doors

We have established an e-commerce business with ZX Ventures that enables consumers to take advantage of one-hour delivery of cold beer, making it more convenient to enjoy our beers at home.

Culture, events, innovation

Innovating to stay ahead of consumer needs

We have two key innovation hubs to develop new products and businesses that address emerging consumer needs:

- Our global growth and innovation group, ZX Ventures, develops new products and businesses that address emerging consumer needs relating to international craft and specialties beer, e-commerce, homebrewing, brand experience (including retail stores) and exploration.
- Our Global Innovation and Technology Center, GITeC, works with our packaging, product and process development teams to develop new products and technologies.





A large group of diverse young adults, mostly in their 20s and 30s, are gathered outdoors on a grassy area. They are all smiling and giving thumbs up, creating a positive and energetic atmosphere. In the background, there are large, colorful, abstract structures in shades of blue, purple, and green, suggesting a festival or a modern architectural setting. The overall tone is bright and optimistic.

Uniting through our passion

One team with one Dream.

Our people have amazed us. Following our combination with SAB, we have truly brought the best of both together to create one team with one Dream. We learned from one another and grew into a better, stronger company. We are now a global brewer, embedded in communities around the world as a family of local companies. Our world-class talent is focused on combining analytical insights with solid execution, and passionate about our Dream of bringing people together for a better world.

Sharing our passion for beer

Everything we do starts with our passion for brewing high-quality beer. We protect the heritage and the integrity of our brands. We depend on clean water, high-quality barley and other crops to brew our beers, and believe in brewing beer that is fresh, minimally processed and free of preservatives. We source ingredients carefully and provide transparency about our brewing practices. As always, we are mindful to conserve natural resources in brewing and listen to our stakeholders for advice.

Delivering a brewery fresh experience

To give consumers the opportunity to try brewery fresh beer, we offered our Tank Beer program to 191 retail locations around the world. This program delivers unpasteurized beer direct from the brewery to the pub. It is the ultimate experience of draught beer at its finest and freshest. We plan to add 114 retail locations in 2018.

Drawing on intellectual synergies to enhance our craft

We enhance our craft by sharing our knowledge throughout our global company. This creates powerful intellectual synergies, such as combining SAB's packaging expertise with our extensive knowledge of brewing methods. We have also adopted a new way of looking at the beer category that recognizes different market maturities and the role of brand portfolios in driving category growth.

Sharing our beer expertise with customers

We are piloting a digital learning platform across our top markets to cascade

relevant content that educates and trains our colleagues about beer, our brands and programs. This app is part of our commitment to provide a best-in-class service level to customers, memorable experiences to consumers and an extraordinary execution of our brands in the trade.

Passion, expertise, quality

Measuring quality

Grupo Modelo, our team in Mexico, has always had a strong commitment to quality and brewing tradition that is evident in the day-to-day routine and focus of our colleagues. As our VPO management system has matured, we learned we could obtain specific and measurable quality improvements by focusing on 11 key areas including

beer taste, safety, service levels and packaging efficiency. We are now leveraging these key performance indicators (KPIs) to measure and improve quality across our global organization.

Brewing quality beer in Brazil

Quality is front and center in Brazil. To reinforce our connection to the land, we gathered more than 350 farmers in Passo Fundo in southern Brazil to celebrate a barley harvest and discuss the best breeding practices for barley. We also opened the doors to our brewery in Jaguariúna, São Paulo, and invited consumers to learn about beer production. In 2017, Brazil was proud to win 27 medals in the World Beer Awards.



Quilmes Clásica's new taste is 100 years old

We love brewing the highest-quality beers using the finest natural ingredients. In Argentina, we developed a formula for Quilmes Clásica, which is 100% natural and free of additives. We unearthed the beer's traditional recipe, and Quilmes Clásica is now brewed with raw materials extracted from the Argentine countryside. We introduced this innovation with a new visual identity for the brand in 2017.



Living the Dream

Integrity and ethics are part of our core values

Our Dream-People-Culture platform is the foundation of our success and what drives our performance. It inspires our nearly 200,000 colleagues in more than 50 countries to brew beers and build a company to last. A company that will continue to bring people together across generations and communities for the next 100+ years.

At the heart of our dynamic global growth is a simple belief that nothing should come between incredibly talented people and an accelerated career. That is why we dream big. Why we look to the future, not the past. Why we value talent over title. And why we hire people who can be better than ourselves.

Recruiting world-class talent

Our people are our biggest competitive advantage. These are not token words. We are passionate about this, and our leaders play an instrumental role in recruitment to identify and nurture the best talent we can find. People with strong leadership potential and a disruptive outlook.

That was especially true following our combination with SAB. Our CEO and company leaders traveled around to the world to meet with our new colleagues in Town Hall meetings and one-on-ones. They interviewed 350 people to ensure we learned from one another and combined the best of both companies.

Supporting a company of owners

In addition to being a company of passionate brewers, we are a company of owners. Our owner mentality means we are accountable for our actions and make decisions in the long-term best interests of our business. We execute with focus, excellence and integrity. Our meritocratic approach encourages our people to take ownership, accelerates

leaders and challenges everyone to perform at their best.

Embracing diversity in all its forms

We strive for a community where everyone is included and respected, bringing people together for a better world. A diverse and inclusive workforce enables us to better understand and serve consumers. We have approximately 100 nationalities represented across our company, with almost 30 different nationalities on our senior leadership team alone. Diverse perspectives lead to innovation and growth, so we continue to recruit and promote people with different ideas, experiences, backgrounds and nationalities to join our culture of meritocracy.

Growing our business the right way

Integrity and ethics are part of our core values, embodied in our company culture. As the world's leading brewer, it is our expectation that all our nearly 200,000 colleagues act with the highest ethical standards. When we combined two multinational companies into one, we faced a challenging task of integrating



both companies' compliance systems. By developing a data aggregation and analytics program called BrewRIGHT (BRIGHT) to manage vast quantities of data from the two companies, our Legal and Compliance team could use algorithms to spot risky transactions more quickly and cost-effectively, thus reducing investigation and compliance costs. BRIGHT was recognized by the *Financial Times* as the most innovative use of data for a legal project in Europe. The *Financial Times* also recognized our Compliance Channel App as a best practice.

Training the leaders of tomorrow

We look for leaders who can help us as we innovate and build a company to last for the next 100 years and beyond. We provide intensive training programs for top university and MBA students that expose them to senior leaders and different areas of our business. In 2017, we had 217 graduates join our Global Management Trainee (GMT) program and 37 joined our Global MBA (GMBA) program.

Generating employment across our value chain

Every year, our value chain generates jobs and wages directly through brewing, distributing and selling our beers, as well as indirectly through buying from suppliers and induced through employee personal spending. In 2017, we completed a project¹ that estimated the magnitude of our economic contribution across nine of our countries,² using 2014 data. The study estimates that our total contribution in those nine countries represents 1.6 million jobs: directly employing more than 120,000 people, supporting (directly, indirectly and induced) roughly 500,000 further jobs via our suppliers, and another 1 million jobs via distribution and sale channels.

1 Study performed by EY's QUEST practice applying country-specific IMPLAN Input-Output Economic Models to the company's 2014 data for nine countries, to estimate indirect and induced effects. IMPLAN, developed at the University of Minnesota, is used by more than 500 universities and government agencies for estimation purposes.

2 The nine countries were part of AB InBev in 2014, are located in different geographical Zones, and contributed 48% of our volumes in 2017.

10 guiding principles

Dream

1

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

People

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.

Culture

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. Owners take results personally.

7

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

8

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

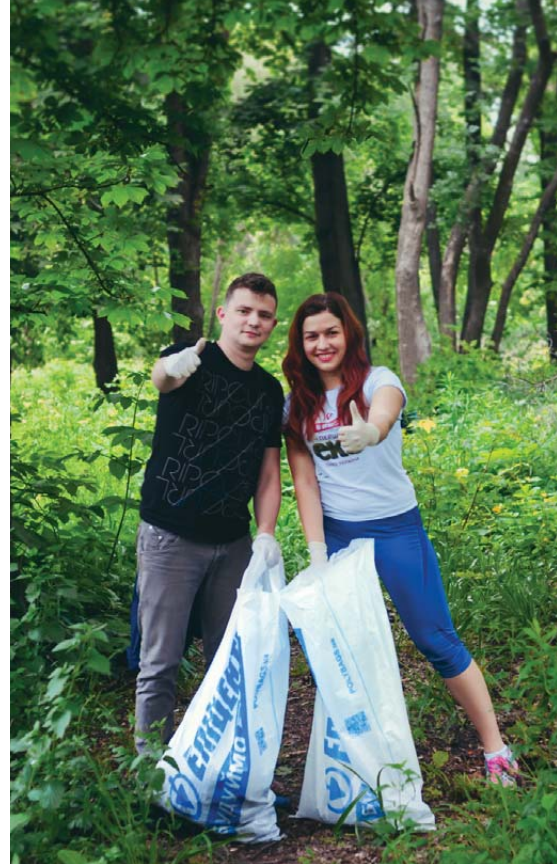
We never take shortcuts. Integrity, hard work, quality, and responsibility are key to building our company.



Our *Voluntarios Modelo* program won a UN Global Compact Award

Volunteering & disaster response

For us, contributing to our communities includes volunteering for relevant causes and supporting disaster response.



Acting in our communities

Volunteering is one of the best ways to bring people together for a better world. In communities around the world — both large and small — our people are passionate about helping communities to grow and prosper. We encourage these efforts through regional and global volunteering initiatives that are often also open to our families, friends, partners and consumers.

One key global program is Global Be(er) Responsible Day, which in 2017 engaged more than 60,000 colleagues worldwide to promote awareness about smart drinking. Together, we spread smart drinking messages to 461,000 consumers on one day through direct interactions. We reached more than 300 million people through traditional and social media activity, and we engaged with over 1 million of our points of consumption, retailers

and wholesalers throughout the month of September.

Our local teams also organized their own volunteering efforts. In 2017, two countries leveraged digital technology to enhance their approach to volunteering. In Mexico, 184,015 volunteers took part in our *Voluntarios Modelo* program, which won a UN Global Compact Award; and in Colombia, Peru and Ecuador, 18,632 citizens and colleagues volunteered through the #MeUno platform.

Supporting disaster response

In 2017, hurricanes, floods, earthquakes, wildfires and other natural disasters struck with great force and frequency in many countries. We supported disaster relief and recovery efforts, including through water donations, funds for reconstruction, equipment, fuel and other assets, and volunteering. In Mexico, we

provided more than 400 company trucks to transport donated food and supplies after September's magnitude 7.1 earthquake. We also donated the proceeds from the sale of 3 million limited-edition Corona cans. In the US, we halted the production of beer to produce and donate more than 2.9 million cans of water to affected areas through our partnership with the American Red Cross.

Cans or bottles of drinking water donated



2 963 520
in 2017

2 175 600
in 2016

60,000

colleagues worldwide engaged to promote awareness about smart drinking in 2017





Creating a better world

As owners, we take results personally.

Brewing our beers requires a healthy natural environment and thriving communities. We are committed to improving lives in the communities we are part of and playing a positive role within them. Sustainability is not just related to our business, it *is* our business. We want to create a better world through what we do and how we do it every day.

In this section, we report on our 2017 performance against our environmental commitments and progress toward our social commitments. We focus on conserving natural resources, supporting communities, promoting smart drinking and road safety, and maintaining safe workplaces. All of this is supported by doing business with integrity. Our information responds to performance indicators for the Directive 2014/95/EU for non-financial reporting, selected indicators from the GRI Standards and relevant UN Sustainable Development Goals.

Improving environmental & community sustainability

We depend on natural resources to brew our beers and strive to use resources responsibly and preserve them for the future. That is why we factor sustainability into how we do business, including how we source energy and raw materials. We develop innovative programs across our supply chain to improve our sustainability performance with our business partners. To improve lives in the communities we are part of, we also support the farmers and small retailers in our value chain to help them be more productive. To facilitate progress, we combined our sustainability and procurement activities under a single function led by a member of our Executive Board of Management (EBM).

In 2017, we achieved the last of our eight environmental goals we set for ourselves in 2012, but our work is ongoing.* We will announce a new set of goals in 2018, focusing on broader sustainability issues that are most critical to our business and to the communities where we live and work.

Setting goals for every step of the value chain



Agriculture



Water



Energy



Packaging & waste



Retailer development



Accelerating agricultural development

We rely on agricultural crops to brew our popular brands, and believe we can help create a step-change in sustainable agricultural production. We source a

significant portion of our malt barley and other raw materials through our own local sourcing programs across 15 countries that reach around 50,000 farmers, including both commercial-scale and smallholder farmers.

We engage directly with farmers in our supply chain to help them to improve productivity while conserving natural resources. We employ a team of more than 150 researchers and agronomists globally who develop new crop varieties suited to local conditions, and work with farmers to improve their agricultural practices and operations. We also partner with more than 30 organizations, including leading universities, research centers, agribusiness companies, NGOs and technology firms.

We believe technology has enormous potential to positively transform the future of farming. For this reason, we created SmartBarley: an innovative digital platform that leverages data, technology and insights to help growers improve productivity and environmental performance. In 2017, over 5,000 farmers across 12 countries participated in our SmartBarley platform. In addition, we

announced a global partnership with leading agro-tech firm Agrible that will enable us to help farmers around the world access better data and predictive insights on crop management and climate effects.

We also set up local projects to help farmers in our supply chain tackle larger-scale challenges, such as water stress. In 2017, we collaborated with university partners to test and scale LESA (low elevation spray application) irrigation technology with farmers in Idaho and Montana to improve water efficiency and reduce disease pressure.

In Uganda, we are piloting a partnership with TechnoServe to provide agronomic



Our previous eight sustainability goals achieved

- ✓ Reduce water risks and improve water management in 100% of our key barley-growing regions, in partnership with local stakeholders
- ✓ Engage in watershed protection measures at 100% of our facilities located in key areas in Argentina, Bolivia, Brazil, China, Mexico, Peru and the United States, in partnership with local stakeholders
- ✓ Reduce global water usage to a leading-edge 3.2 hectoliters of water per hectoliter of production
- ✓ Reduce global greenhouse gas emissions per hectoliter of production by 10%, including a 15% reduction per hectoliter in China
- ✓ Reduce global energy usage per hectoliter of production by 10%
- ✓ Reduce packaging materials by 100,000 tons
- ✓ Reach a 70% global average of eco-friendly cooler purchases annually
- ✓ Reduce greenhouse gas emissions in logistics operations by 15% per hectoliter sold from our 2013 baseline

For the second year in a row, CDP* named us to its A List for water stewardship.

*CDP is a non-profit organization that runs the global disclosure system for managing environmental impacts.

Providing Clean Water through “Water Health Centers”

In many communities around the world, villagers must walk miles each day just to secure clean drinking water for their families. In some developing countries, clean water will become an increasingly scarce resource. We are piloting a program in India that delivers clean water through Water Health Centers. These centers oversee the attachment of air-filtration systems to local water sources and dispense large bottles of clean water through vending machines. In the first few months of operation, over 100,000 people received water access.

and business skills training to 2,000 sorghum and barley farmers, over half of whom are women and youth, to help improve their yields and incomes. This program is also helping farmers form savings groups and link to formal financial institutions.

Increasing water efficiency and availability

Water quality and availability are critical to brewing. Without water, there is no beer. We must also be responsible stewards of water supplies for the communities where we operate. We listen carefully to major water conservation organizations, and combine their knowledge with our scale and expertise to help ensure a reliable, clean supply of water, not only for ourselves but also for local communities and watersheds.

To guide our water conservation efforts, we actively engage with international experts on watersheds, water systems and sustainable agriculture. These experts help us develop and implement strategies and measures the economic, environmental and social impacts of our efforts.

Total water use (in billion hl) ^(A)

2017 AB InBev (combined)	1.775
2017 AB InBev (pre-combination)	1.419
2016 AB InBev (pre-combination)	1.466

Water use by hectoliter of production (in hl) ^(A)

2017 AB InBev (combined)	3.09
2017 AB InBev (pre-combination)	3.06
2016 AB InBev (pre-combination)	3.14

^(A) Assured Metric: Our goals on water pertain to our beverage facilities only and do not encompass our vertical operations such as malt plants and packaging facilities.

In 2017, we made measurable progress in reducing the amount of water we use to brew beer.

We achieved this year-over-year reduction by creating efficiencies in on-site water use. We have also focused on managing our water-related risks, protecting local watersheds, investing in community water-access programs and engaging our colleagues in our efforts. We invested in technologies that enable

us to return water to the local watershed from which it was withdrawn, such as through irrigation for agriculture or by recharging an aquifer.

Beyond our plants, we are working across markets and ecosystems to improve water access and security by restoring watersheds and introducing sustainable irrigation and other water-conservation programs in high-water-stress areas across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the US and Zambia. We are currently exploring the use of innovative financing and technology to help make these programs viable for our suppliers.

We also partner with local authorities, other water users and NGOs, such as the World Wide Fund for Nature (WWF) and The Nature Conservancy (TNC). Together, we invested in financial and technical resources in projects that build green infrastructure, conserve and restore forests, restore natural habitats, and conserve soil in key markets such as Brazil, South Africa and Zambia. In 2017, we partnered with TNC to begin a watershed-protection program that will finance important conservation and

restoration efforts in the water basin that supports Mexico City, a city facing substantial water stress. For information on our partnership with Water.org and the Stella Artois “Buy A Lady A Drink” campaign, see page 12.

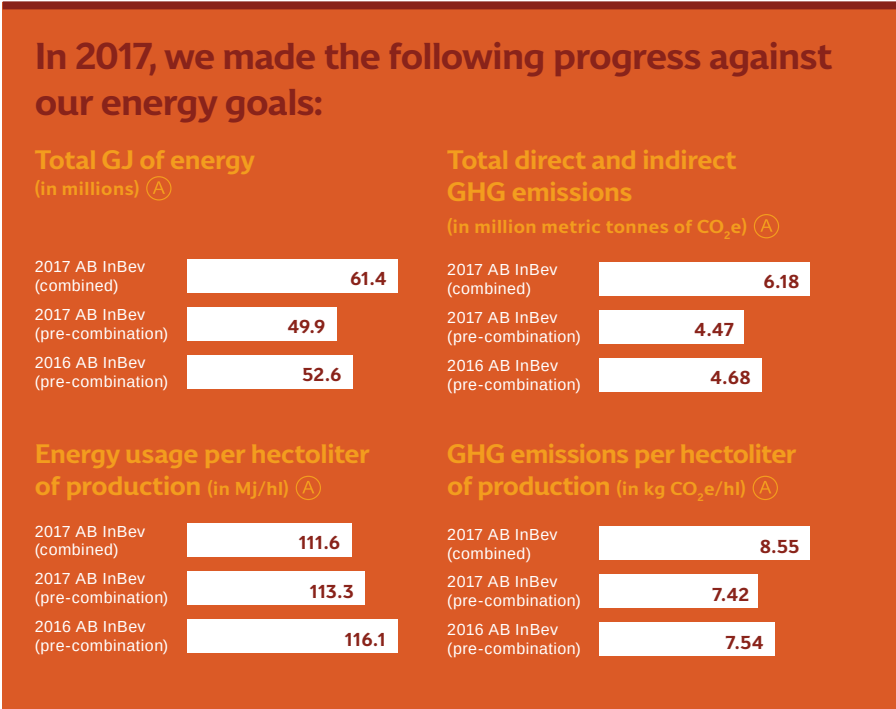


Conserving energy and lowering our carbon footprint

Climate change has far-reaching consequences for our business and for the communities where we live and work. Believing we can make a difference through our global reach and scale, we have committed to securing 100% of our purchased electricity from renewable sources by 2025. This commitment, which will reduce our operational carbon footprint by 30%, enabled us to join RE100, a collaborative global initiative uniting more than 100 influential businesses committed to using 100% renewable electricity.

To achieve this goal, we are engaging in power purchase agreements that will support investments in renewable energy infrastructure. Specifically, in 2017 our US team signed a power purchase agreement with Enel Green Power for energy produced by a portion of the Thunder Ranch wind farm. The renewable energy produced by Thunder Ranch under the agreement is expected to amount to approximately 630 GWh of renewable energy each year, enough to brew more than 20 billion 12-ounce (355 cc) servings of beer annually. In another energy deal, we contracted to buy energy from a new wind farm in Mexico that will meet all our local power purchase needs in that market, including for our largest brewery in Zacatecas. The purchase agreement will also expand local wind generation by as much as 4.7%.

Beyond our own operations, our Responsible Sourcing Policy requires all business partners to observe applicable laws and regulations concerning the environment. We also require suppliers



^(A) Assured Metric

Energy & GHG emissions:

- Our goals on GHG emissions per hectoliter of production and energy pertain to our beverage facilities only and do not encompass our vertical operations such as malt plants and packaging facilities.
- Total direct and indirect GHG emissions data encompass beverage facilities and most vertical operations, including malt plants and packaging facilities.
- Scope 1 accounts for 60% of our emissions and includes CO₂ equivalent (CO₂e) from fuel used in our manufacturing processes and in cogeneration plants that generate on-site electricity. Scope 2 accounts for about 40% and represents emissions from purchased electricity.

to measure and commit to reducing their energy use in manufacturing and transportation.

In 2017, we accelerated our global green logistics program. We installed GPS devices across our transportation fleet to track fuel and route efficiencies and monitor patterns that have an impact on driver safety. In addition, we reserved 40 of Tesla’s Semi trailers for shipments to distributors from our breweries. In addition, in China we increased our volume delivered by liquified natural gas-powered vehicles by 50%. Overall, we have reduced our logistics emissions by 16.4% since 2013, exceeding our target of 15%.

We also track our total energy use (absolute reduction), fuels mix by percentage, and conversion of coal-powered plants to natural gas or steam. Although our energy usage per hectoliter of production went down for the combined 2017 data, the GHG emissions per hectoliter went up. This is due to a shift in the energy mix in our operations (pre-combination versus the combined company). Finally, although important to global climate change mitigation efforts, given the nature of our operations air pollution has not been identified as a material issue to our business and stakeholders. As a result, we do not specifically track key performance indicators on air pollution.





Rethinking packaging and reducing waste

Part of our commitment to the environment is reducing waste. We are one of the world's largest buyers of glass and aluminum and we have a responsibility to promote circular packaging methods of these materials. We have begun by promoting and protecting returnable packaging, increasing the amount of recycled content in our packaging, generating less waste and recovering post-consumer waste, light-weighting our packaging, educating consumers, and partnering with others. We are starting to uncover best practices in many areas, but acknowledge that there is much more to learn.

Through light-weighting initiatives, we removed 126,800 tonnes of material from our packaging in 2016 versus a 2012 baseline, achieving our 2017 target one year early. In 2017, we removed an additional 15,140 tonnes, bringing our total reduction since 2012 to 141,976 tonnes.*

We also seek to minimize the amount of waste we send to landfill from our breweries through recycling initiatives, including using waste as fuel in our operations. In 2017, we decreased the amount of waste sent to landfill by 43% compared to 2016, and decreased our total waste by 0.9% over the same period. In 2017, we recycled 99.4% of brewery waste, compared with 99.2% in 2016.*

Reducing post-consumer packaging waste is an industry-wide challenge. In a number of our markets, we have partnered with local stakeholders to develop recovery and recycling solutions. For example, in Zambia, through our *Manja Pamodzi* (Hands Together) program with the Lusaka City Council, we have piloted support for small-scale waste collectors to gather cartons and plastic bottles. In 2017, in addition to Corona's partnership with Parley for the Oceans (see story page 14), we launched

two new partnerships to collect post-consumer packaging waste in Mexico and the Dominican Republic. As we continue to learn from these collaborations, we will continue to identify opportunities to partner with NGOs and local communities in additional markets.



Empowering entrepreneurial small businesses to grow and thrive

As part of our commitment to help communities thrive, we have a responsibility to help the small businesses in our supply chain. From the suppliers that help power our production to the retailers that connect with our consumers every day, small businesses play a vital role as an engine of economic growth and employment. They are critical to the success of our business operations. We value our relationships with our small business partners and recognize the challenges many face in sustaining and growing their operations, such as limited business skills and the need for affordable financial services and infrastructure. As their business partner, we believe we can help them address these barriers to unlock their entrepreneurial potential and enable us to grow together.

In 2017, we evolved our small retailer development program to holistically focus on business skills, financial inclusion and infrastructure development. Aligned to this, we launched the *Creciendo por un Sueño* "Growing for a Dream" program to empower 80,000 women-run small retailers in Colombia, Peru and Ecuador with access to business skills training and affordable financial services to help improve their livelihoods and business operations. We also tested small retailer development programs in Mexico and Africa regions, with a plan to continue in 2018.

Creating 10,000 jobs in South Africa

In 2017, South African Breweries (SAB) launched an entrepreneurship program with an ambitious goal to create 10,000 jobs over five years. Working in partnership with NGOs, government and the private sector, the program supports entrepreneurs to develop and grow their business, and offers opportunities for them to become part of SAB's supply chain. The initiative aims to contribute to South Africa's national agenda of growing the economy through jobs and offer tailored support for youth and women.

Supporting communities around the world

At a local level, we also work to drive positive impact in our communities through local foundations, such as the Bavaria Foundation, Anheuser Busch Foundation, and Grupo Modelo Foundation.

Bavaria Foundation: This foundation was created to support populations involved in the brand's value chain and all communities in Colombia. Highlights in 2017 included the "Growing for a Dream" program that empowered women retailers with training and favorable financial rates, and support for victims of the Colombian conflict through "peace stores" and strengthening local agribusiness.

Anheuser Busch Foundation: This foundation is focused on improving the lives of individuals in the US, predominantly through grants to organizations that support college education, economic impact, responsible drinking and disaster relief. A 1 million USD grant was given to the American Red Cross Annual Disaster Giving Program to support relief efforts.

Grupo Modelo Foundation: This foundation provided support in Mexico through earthquake response and volunteering (see stories page 29). It also worked with the National Commission for Addictions to reduce car accidents in Zacatecas by 39% over 2016, and planted 120,000 trees during World Environment Day.

* These figures are AB InBev pre-combination only.

Promoting smart drinking

Part of our dream for a better world is aspiring to make every experience with beer a positive one. Through our Global Smart Drinking Goals, launched in 2015, we aim to reduce the harmful use of alcohol and foster a culture of smart drinking and road safety globally.

We are aligned with the World Health Organization's global target of a 10% or greater reduction in the harmful use of alcohol by 2025, as well as with this area of focus within the UN Sustainable Development Goals.

Targeting smart drinking efforts through our City Pilots

We are attempting to reduce harmful drinking through our City Pilots program in six cities. These were chosen based on a combination of factors, including where we have a strong presence, evidence suggests the need is most acute, there is political will to implement the necessary programs, and there are local organizations with relevant technical expertise. To help measure progress and report on our impact, in 2016 we began independent baseline studies for these cities, measuring current alcohol use and attitudes toward drinking. We are combining research with public-private partnerships to help find, test and measure effective interventions. If successful, we will introduce these methodologies in more markets.

In 2017, we made progress in our pilots using innovative initiatives to reduce harmful alcohol consumption. For example, in Zacatecas, Mexico, we implemented a mystery shopper program to prevent underage consumption. In Brasilia, Brazil, we used screening and brief interventions to prevent hospitalizations. In Columbus,



US, Anheuser-Busch and Lyft introduced a safe rides and law enforcement program that encouraged residents to plan ahead for safe transportation, offering round trip rides as part of the "Be A Designated Rider" campaign. In Jiangshan, China, we implemented a screening and brief intervention program via vans in public spaces and a program to increase alcohol health literacy.

Beyond City Pilots, in 2017 we launched targeted intervention programs in three additional cities. In El Alto, Bolivia, our efforts focused on reducing binge drinking and public disorder resulting from harmful alcohol use. In Bogota, Colombia, our interventions addressed underage

drinking and violence, and in Gurugram, India, our work focused on road safety.

Influencing social norms and marketing responsibly

We use our global marketing capabilities to influence social norms and individual behaviors around smart drinking. In 2016, we invested approximately 64 million USD in social norms programs, social marketing and related initiatives; we will report our 2017 investments on our website later this year. In 2017, we developed an internal tool to track our progress against these investments, as well as a toolkit with evidence-based approaches for developing social norms programs and social marketing campaigns.



We also updated our Responsible Marketing and Communications Code to continue marketing our beers in a responsible way by not appealing to underage consumers, by not depicting irresponsible alcohol consumption, and by putting safeguards in place on our digital platforms. The updated Code includes an internal review and approval process to ensure compliance.

Offering more no- and low-alcohol options

Reducing the alcohol content in beverages has been advocated by researchers as one of the viable mechanisms of reducing harmful alcohol use. In 2017, we continued to expand our portfolio of no- and low-alcohol beer products (read more about the portfolio on page 18). As of January 2017, no- and low-alcohol beer made up approximately 6.7% of our beer portfolio by volume. These beers provide alternatives to consumers who want light, refreshing beers that are in line with a balanced lifestyle.

Pursuing solutions through the AB InBev Foundation

To further advance our Global Smart Drinking Goals, we established the AB InBev Foundation in 2017. The Foundation focuses on four areas: supporting transparent and verifiable monitoring and evaluation of our Global Smart Drinking Goals; supporting implementation of our City Pilots program with science-based interventions and technical advice; promoting the education of health care professionals; and advancing alcohol health literacy as one way to reduce harmful alcohol consumption.

The Foundation partners with leading academic and research institutions and receives guidance from a Technical Advisory Group with global expertise. The Foundation has contracted with HBSA, a supporting organization of

the Pacific Institute for Research and Evaluation, to measure and evaluate performance on our City Pilots goal. The Foundation is also working with researchers in public health at the Tufts University School of Medicine to look at the effect guidance labels placed on packaging may have on alcohol health literacy and reducing harmful drinking behaviors.

In 2017, the Foundation engaged with the National Academy of Medicine's Public-Private Partnership Forum on Global Health and Safety to identify ways to further reduce harmful alcohol use through multi-sector partnerships.

13%

**fewer road fatalities in
62 cities in Brazil**

Investing in road safety

Around the world, we invest in innovative programs to improve road safety and reduce injuries and fatalities from traffic accidents. This work is aligned with UN Sustainable Development Goals 3 (Good Health and Well-Being), 11 (Sustainable Cities and Communities), and 17 (Partnerships for the Goals). In 2017, we expanded our Budweiser "Give A Damn" program in partnership with Lyft, distributing more than 85,000 safe rides across nine US states and Washington, D.C., in just over three months. In the state of São Paulo in Brazil, we continued to work with government and local partners to implement a road safety intervention program in 62 cities. From 2015 to 2017, road fatalities were reduced by 13% in those 62 cities, representing 496 lives saved.

In 2017, we earned recognition for our smart drinking and road safety efforts. Specifically, AB InBev China was named The Most Outstanding Enterprise of China in Social Responsibility, during the 2017 XinHua.com CSR Award Ceremony, for its campaign promoting positive behavior and advocating against drunk driving.

Safe roads are also a high priority for governments and advocacy groups, and we are strengthening the impact of our efforts through partnerships. These include our leadership in Together for Safer Roads (TSR), a private-sector coalition focused on safer companies and fleets, addressing local road safety challenges, data collection and management, and advocacy and thought leadership. Through TSR, we created the first Road Safety Global Entrepreneurship Program to connect our coalition members with the best new approaches for reducing traffic crashes and fatalities. In addition, in Shanghai we identified crash hot spots and implemented improvement plans to reduce crashes. In Brazil, TSR has been an advisor to the State of São Paulo's *Movimento Paulista de Segurança no Trânsito* (MPST), which aims to halve the number of fatalities in São Paulo state traffic by 2020.

Within our operations, we have made significant investments in our fleet technology and driver training to improve road safety performance, which in turn improves community safety. We installed telematics (GPS tracking) systems in trucks, cars and motorcycles to monitor vehicles, driver safety, speed and driving patterns. Our 2017 World safety Day focused on road and driving safety to further demonstrate our commitment.

Increasing workplace safety

We are committed to doing everything possible to create a safe work environment. We encourage employees and contractors to follow safe practices and make healthy choices in our workplaces and local communities.

Our safety programs are vital to our operations—and essential to our people and communities. In 2017, we focused on implementing these programs in our new Africa, APAC South, and COPEC Zones, and capturing best practices. These Zones are fully integrated in our management systems for supply and logistic operations. We also continued to implement behavioral safety programs for senior management teams, local brewery and logistics management staff, and frontline operators.

In 2017, we continued to improve our safety performance, but know we can do better. A number of our recorded injuries resulted from driving accidents and assaults in dangerous locations. In addition to the fleet improvements described on page 37, we gave our people guidance on how to avoid violent situations that put them at risk. However, unfortunately we know that injuries and fatalities also occur in parts of the distribution chain that we do not fully control. Twelve fatal accidents involving trucks are not included in these data, because these transports are fully managed by the contracted transport company.

The increase in Lost Time Injuries & Fatalities in 2017 AB InBev (combined) against 2016 AB InBev (pre-combination) is due to the inclusion of Africa, COPEC and APAC South. The implementation of the VPO and DPO Safety pillars in the

new zones has already resulted in a significant decrease in number of accidents. The further roll out of the full VPO and DPO management systems, investments in improving the safety

conditions in the facilities, the roll out of our behavioral safety programs and the challenging safety targets that have been allocated to the main stakeholders will drive further improvement.

	2017 AB InBev (combined)	2017 AB InBev (pre-combination)	2016 AB InBev (pre-combination)
Lost Time Injuries (LTIs)			
Supply Employees (Own)	233 (A)	60 (A)	96 (A)
Second Tier/Sales Employees	360 (A)	209 (A)	302 (A)
Contractors (All)	890	74	122
Total Recordable Injuries (TRIs)*			
Supply Employees (Own)	*	269 (A)	378 (A)
Second Tier/Sales Employees	*	811	1,293
Fatalities**			
Supply Employees (Own)	0 (A)	0 (A)	1 (A) ***
Second Tier/Sales Employees (Own)	4 (A)	3 (A)	7 (A) ***
Contractors (All)	6 (A)	2 (A)	4 (A) ***

Key

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

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

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

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

Commuting Fatality
An incident that occurs while coming to work or going home resulting in a fatality to our employee(s).

Community Fatalities
Fatalities that occur to people outside of our operation in the course of doing business.

Ⓐ Assured Metric

* TRI data encompass AB InBev pre-combination plants (six-zones). Due to the focus on more severe accidents during 2017 TRIs from former SAB plants will not be reported. Internal controls regarding the reporting of TRIs were not yet sufficiently implemented during 2017, resulting in lower data quality and robustness. TRIs for the combined company will be reported in 2018.

** Fatalities data do not include commuting and community related fatalities as per AB InBev's reporting definitions. The table also does not include road fatalities of contractors which are fully managed by the contracted firm/company.

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

In 2017, we received
a **Best Compliance
Practice (Compliance
Champions) award**
from **CEMEFI**
(Mexican Center
for Philanthropy).

Business Ethics

Our leaders set the tone for our company. We expect our colleagues to deliver results and to inspire each other through our passion for brewing and a sense of ownership. Most importantly, we never take shortcuts. Integrity, hard work, quality and responsibility are essential to our growth.

Preventing corruption and bribery

Our anti-corruption compliance program is managed by a global team that oversees policy implementation, investigations, operational dashboards, and organizational change across all Zones. We have invested in data analytics systems to provide signposts as to operational and compliance-related risk in every market where we operate. (More details can be found on page 26, Growing Our Business the Right Way.)

Our compliance officers are available around the clock to advise our people on specific issues. Colleagues can ask questions or raise concerns in person, via a mobile app or website, or anonymously through a global compliance hotline. In 2017, 100% of our colleagues had access to the whistle-blowing hotline, and every country where we had a physical presence had a toll-free version.

We update our Audit Committee on our compliance initiatives and train colleagues on our Global Code of Business Conduct, and in 2017, nearly 100% of employees at a manager level or above were trained on our Global Anti-Corruption Policy. The Policy defines our colleagues' responsibilities and expected behavior, and strictly prohibits our colleagues from offering or giving anything of value to someone with the aim of obtaining or retaining business or influencing decision-making in connection with our commercial activities.

Supporting human rights

We believe in treating people with respect and dignity and providing safe working conditions. We embrace internationally recognized human rights frameworks, including the International Bill of Human Rights, the International Convention on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, as well as the International Labour Organisation's Declaration on the Fundamental Principles and Rights at Work.

We have been a signatory to the United Nations Global Compact since 2005. Our Global Human Rights Policy is approved by our Global Audit Committee, and its implementation is overseen by our Global Compliance Committee. Legal and Compliance lead day-to-day human rights management, with support from our Procurement and People teams.

During 2017, we conducted a risk-based global analysis leading to more than 20 separate legal assessments. Then Zones developed remediation plans to address any identified gaps. Our Global and Zone Compliance Committees oversee these risk-based reviews, assessing standards enforcement and adherence to our Global Human Rights Policy.

Our commitment to upholding human rights extends to our supply chain. We require our suppliers to commit to our Global Responsible Sourcing Policy

through our contracting process. During 2017, we established a supplier pre-qualification process that assesses suppliers' performance against this policy and triggers third-party audits if a supplier is identified as high risk. To support this process, we developed tools leveraging data from the International Trade Union Confederation's Global Rights Index, the Trafficking of Persons Index, UNICEF and other sources. Based on these audits, we provide suppliers with a corrective action plan that we monitor over time.

Finally, we worked with the World Wide Fund for Nature to map the social and environmental risks to our key crops, providing greater visibility on the types of human rights issues that may exist. In 2018, we will continue to engage our supply chain to better understand these issues and identify steps to address them.



Report scope

The Better World section of the 2017 Annual Report provides information on the status of our Better World goals and, together with content on our corporate website, presents Anheuser-Busch InBev's annual update on key performance data and information for calendar year 2017. This section and the People Dream Culture description on page 27 have been established in accordance with the law of 3 September 2017 implementing Directive 2014/95/EU of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups. Together, they form the non-financial statement required under such law.

The Better World section is organized into four subject areas: Sustainability, Smart Drinking and Road Safety, Workplace Safety, and Business Ethics. Additional information on volunteering and disaster response can be found on page 29. This section is intended to provide meaningful updates to stakeholders around the world, including investors, employees, governments, NGOs, and customers and consumers in the countries where we operate in connection with our Better World initiatives. It includes information on environmental matters, social and employee-related matters, human rights and anti-corruption and bribery matters.

AB InBev prepared this Better World reporting (this section and the website) using the Global Reporting Initiative's (GRI) Standards as a guide. To help determine the content for our reporting, we conducted a materiality assessment that helped identify the issues most important to our stakeholders and our company. A more detailed look at our materiality process, including the resulting [Boundary Analysis Table](#), and a [GRI Index](#) for this year's report, can be found at <http://www.ab-inbev.com/better-world/reporting.html>

Our Better World agenda aligns with several of the UN Sustainable Development Goals (SDGs) established by the United Nations in 2015. Throughout our operations and supply chain, we are aligning our Better World activities with the SDGs that address areas

considered most material to our business and critical to our stakeholders. We are specifically focused on areas and SDGs for which our scale and partnerships can drive meaningful positive change.

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

The company has established a Data Management Plan to ensure accurate and consistent reporting of smart drinking, environmental and safety goal performance data, as well as key performance indicators. In the Assurance Report of the Independent Auditor (on pages 41–42) and in key locations throughout the report (A), we have noted which environmental and social metrics have been externally assured by KPMG. For information included in our consolidated financial statements, AB InBev's statutory auditor is Deloitte.

Environmental data from newly acquired beverage operations are excluded from the running reporting cycle. These facilities will be included in future reporting, which typically takes six months to a year after acquisition. Safety data is immediately tracked and incorporated into global data for all sites and operations unless indicated otherwise in the text or footnotes. Pre-combination data only cover sites for which AB InBev has full management control since 01 Jan 2016. For all environmental and safety data, when a plant is divested or closed, it will be removed from scope, but prior year reported values will not be adjusted.

Global goal performance for water, energy use and greenhouse gas emissions, presented in this section, encompasses AB InBev's company-wide wholly-owned operations unless otherwise noted. Energy usage per hectoliter of production excludes the energy exported to third parties and certain large projects constructions. The excluded energy use does not reflect the amount of energy used in our beer brewing processes. For comparison purposes following the combination with

SAB, selected data represent 2016 AB InBev pre-combination, 2017 AB InBev pre-combination and 2017 AB InBev combined with SAB, as noted. Prior to the combination, the data definitions AB InBev and SAB used for water usage, total energy usage and greenhouse gas emissions were different. As a result, reporting on combined AB InBev and SAB data for these indicators would have been an inaccurate data representation. For 2017 reporting of this data, all SAB sites aligned to AB InBev pre-combination definitions to enable combined data reporting.

In the scope of our reported Better World goals only beverage operations are included. Our per-hectoliter goals on GHG emissions, energy and water pertain to our beverage facilities only and do not encompass our vertical operations such as malt plants and packaging facilities. However, our vertical operations are also measured using our Voyager Plant Optimization (VPO) global management system and reported annually to the [Carbon Disclosure Project \(CDP\)](#). Specific data tables contain additional footnotes about environmental performance data.

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

Assurance Report of the Independent Auditor

To the readers of the Anheuser-Busch InBev 2017 Annual Report:

Our conclusion

We have reviewed the following information in the Anheuser-Busch InBev 2017 Annual Report (hereafter 'The Selected Information') of Anheuser-Busch InBev SA/NV (hereafter 'AB InBev') based in Leuven, Belgium:

- Water Use by Hectoliter of Production and Total Water Use (page 33)
- Total GJ of Energy and Energy Usage per Hectoliter of Production (page 34)
- Total Direct and Indirect GHG Emissions and GHG Emissions per Hectoliter of Production (page 34)
- Lost Time Injuries (LTI) — Supply Employees (own), Second Tier and Sales Employees (page 38)
- Total Recordable Injuries (TRI) — Supply Employees (own) (page 38)
- Fatalities (page 38)

The information reviewed as part of our assurance engagement has been indicated throughout the Annual Report with the symbol (A). A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed, nothing has come to our attention that causes us to believe that The Selected Information is not prepared, in all material respects, in accordance with the applied reporting criteria as disclosed in the section 'Report Scope' on page 40 in the Annual Report.

Basis for our conclusion

We have performed our review on The Selected Information in accordance with Dutch law, including Dutch Standard 3000A: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", which is aligned with the International Standard on Assurance Engagements (ISAE) 3000:

"Assurance Engagements other than Audits or Reviews of Historical Financial Information".

This review engagement is aimed at obtaining a limited level of assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of The Selected Information' of our report.

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

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

Scope of the group review

AB InBev is the parent company of a group of entities. The Selected Information incorporates the consolidated information of this group of entities to the extent as specified in the Better World Chapter of the Annual Report.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated information. Furthermore, our selection of sites considered relevant reporting risks and geographical spread.

By performing our procedures at site level, together with additional procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's reported information to

provide a conclusion about The Selected Information.

Responsibilities of the Executive Board of Management for The Selected Information

The Executive Board of Management of AB InBev is responsible for the preparation of The Selected Information in accordance with the applied reporting criteria as described in the section 'Report Scope' on page 40 in the Annual Report, including the identification of stakeholders and the definition of material matters. The choices made by the Executive Board of Management of AB InBev regarding the scope of the information in the Annual Report and the reporting policy are summarized in the section 'Report Scope' on page 40 in the Annual Report.

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

Our responsibilities for the review of The Selected Information

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

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

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the decisions of users taken on the basis of The Selected Information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere voorschriften kwaliteitssystemen' (Regulations on quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Our review engagement included, among others, the following procedures:

- Identifying areas of The Selected Information where material misstatements, whether due to fraud or error, are likely to arise, designing and performing assurance procedures responsive to those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Developing an understanding of internal control relevant to the assurance engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of the reporting criteria used and their consistent application, including the reasonableness of estimates



made by management and related disclosures to The Selected Information;

- Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on The Selected Information and consolidating the data in the 2017 Annual Report;
- Visits to seven production sites in Colombia, Ghana, Belgium, China, Mexico and the United States of America (two sites) aimed at, on a local level, validating source data and evaluating the design and implementation of internal control and validation procedures;

- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of The Selected Information;
- An analytical review of data and trends.

Amsterdam, 1 March 2018

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

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



Our Manifesto

We are a company of owners.
We believe that you get out
what you put in.

We strive to be the best.
Pursuing our Dream,
Committed to improving lives for
more people in more communities.

For centuries, we've been bringing
people together,
Through sports, through music
and through culture.
Creating moments both everyday
and extraordinary.
Seizing every occasion to serve
up more of what people thirst for.

For this reason, we pour ourselves
into our work.
From farm to brewery to market,
Taking pride and ownership in
every step.

Crafting great beer from the best
natural ingredients.
Paving the road for a better tomorrow
that we're proud to be a part of.
And celebrating the great times
that bring us together.

**We are Anheuser-Busch InBev
Bringing people together for a
better world.**

AB-InBev.com

AnnualReport.AB-InBev.com