



ABInBev

Water Investment is beyond a good business practice

Andre Fourie, Global Director: Water Sustainability, July 2019

Water is our number one commodity in the business, and it is under increasing risk

Key components of a great beer

- **Water**
- Hops
- Yeast
- Starch source
- Labour
- Capital
- Energy
- Brand value



We have invested in a detailed understanding of markets and sites where we face water risk



Our 2025 water goal- 100% of communities in high risk areas have measurably improved water availability and quality



Water investments strengthen the business & enhance broader development impact

Water efficiency saves water & energy



... also reduce our operating cost

Watershed conservation improves quality (TNC)



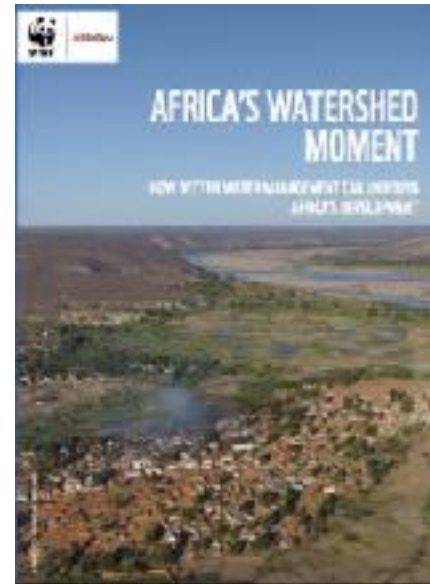
... & supports local farmers & supply chain

Water.org partnership builds brand



... and provide access to water to communities

WWF partnership enhance water security



... and enhance food security

Moving beyond risk- building a positive narrative of water across our value chain (1)

Within our operations



World class efficiency of water use inside our breweries- including best practice sharing of sites e.g. Guadalajara

ABInBev

Across the boundary fence



Making treated brewery effluent available to local farmers for irrigation of crops eg onions, flowers in Taquina, Bolivia

In local communities



Help provide access to clean water to people without access to drinking water: such as in Hyderabad, India

In high risk watersheds



Collaborate with others to improve water availability and quality eg Mexico City Water Fund

100+

A positive narrative of water across the AB InBev value chain (2)

With the local authorities



Helping local authorities to repair leaks or manage pressure in water system to reduce consumption, such as in Cape Town, South Africa

In our agricultural supply chain



Working with farmers to reduce water abstraction due to better irrigation techniques, such as partnerships with barley farmers in Mexico

Engaging other suppliers



Building watershed management into contractual and other relationships with suppliers such as packaging & fiber

Talking to our consumers



Partnerships with NGOs such as water.org to deliver clean drinking water to those who need it most in places such as Uganda

Partnering with The Nature Conservancy to accelerate Water Funds in priority water risk locations



San Salvador



Conservation natural areas to improve infiltration capacity. Ag water use

Zacatecas



Strategies for dealing with water deficit in the area and overdrawn Calera aquifer

Bucaramanga



Promote better mining & Payment For Ecosystems. Expand Mi Paramo program

Mendoza



Regain ecological functions in key recharge sites & support eroded areas

Partnering with WWF to implement and scale watershed solutions in priority water risk locations



Bolivia



Water Governance for conservation & sustainable resource use in Rio Grande & Taquiña Basins

Zambia



Ensuring the Kafue Flats provide robust ecosystem goods and services to the local population.

Mozambique



Shared risk and opportunity in water resources: Umbeluzi River Basin outside Maputo

We developed a bespoke ABI methodology for identifying water risk in the agriculture supply chain

Scope		Risk Measurement Criteria		
Country	Crops	Physical Water Risk	Volume (MTP)	Business Relevance ²
Argentina Bolivia Brazil Colombia Germany India Mexico Russia South Africa Tanzania Uganda United Kingdom United States Uruguay Zambia	Wheat Corn Rice Hops Sorghum Cassava	Evaluation of the physical water risk of the sourcing area based on the WRI Water Risk Filter	Evaluation of importance to ABI based on the annual volume sourced from the sourcing region	Evaluation of business impact on ABI based on: <u>Sourcing criteria:</u> - cost/quality impact to switch sourcing to a different region <u>Stakeholder criteria:</u> - importance to local community & govt + regulatory aspect
		Accounts for: - Country risk (security) - Quality risk (pollution)	+	+
				Total risk score



Systemic solutions include remote sensing of soil moisture & watershed projects, eco-system restoration to reduce long term water risk.

On farm responses include low-elevation sprinkler applications on pivot systems, drip irrigation & precision/variable rate systems

Water as key ingredient in building a company for the next 100+ years

Within our operations, we drive efficiency and responsible discharge

Beyond the brewery gate, we invest in shared watershed security

In local communities, we promote water access and disaster relief efforts

Across our value chain, we promote water security through key brewing materials and engaging major suppliers



A landscape photograph of a golden field at sunset. The sun is low on the horizon, creating a warm, golden glow and long shadows. The field is filled with tall grasses, and there are trees and hills in the background. The sky is a clear, deep blue.

Thank you