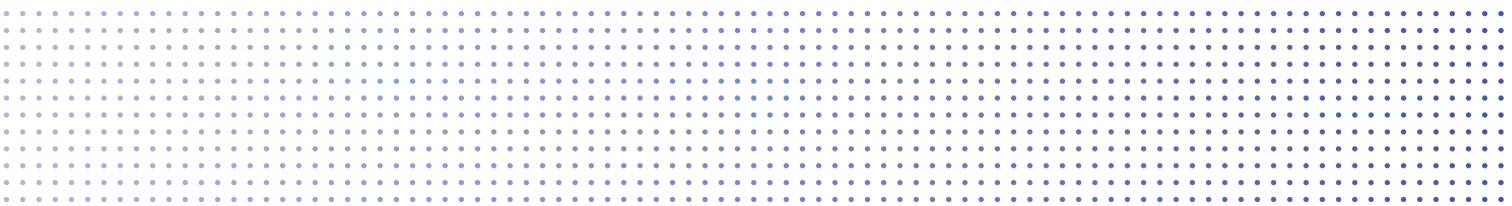


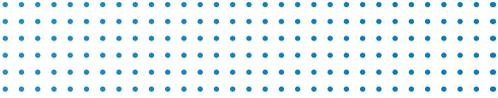


ambev

2016 SUSTAINABILITY REPORT

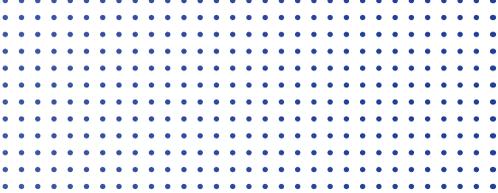


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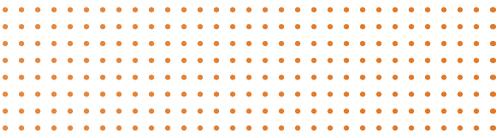


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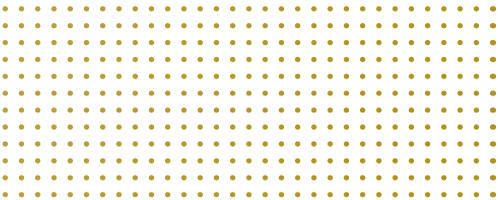


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MESSAGE FROM THE BOARD OF DIRECTORS

G4-1 e G4-2



Victorio Carlos de Marchi,
Co-chairman of the Board
of Directors

During 2016, the company operated in South America, Canada, as well as Central America and the Caribbean, being the leading brewery in Latin America.

Ambev's consolidated net revenue grew 1.9% in the year, the result of robust performance in our international operations and a decrease in Brazil. Consolidated Ebitda and adjusted net income fell 6.9% and 9.7% respectively, while net income increased by 1.6%.

Dissatisfied with this result, we realigned our strategy to resume growth in profit and Ebitda, a constant characteristic of our operation.

In Brazil, during the course of the year, we continued to undertake structural investments in the business, including our commercial platforms:



R\$ 2 bi

invested in Brazil
in 2016

- ◆ We launched the new visual identity for Skol, our main brand, furthering reinforcing its connection with the youth public;
- ◆ Our premium brands continued to grow, with Budweiser maintaining its outright segment leadership;
- ◆ We increased our portfolio in the near beer segment, with the launch of Skol Beats Secret which, together with Skol Beats Senses and Skol Beats Spirit, represents more than 1% of our beer volume.
- ◆ We continued to invest in returnable glass bottles in supermarkets, launching a national campaign "Everything good returns";
- ◆ In the soft drink, non-alcoholic and non-carbonated beverages market, we saw solid growth for the Gatorade, Lipton and Fusion brands, the latter consolidating its number two position in the energy drink segment.





In Central America and the Caribbean, there was organic 21.3% growth in Ebitda, reaching the mark of around US\$ 430 million. This result was driven by our volumes, which grew 6.2% in the region with the expansion of the beer market in the Dominican Republic and a gain in market share in Guatemala.

In Latin America South (LAS), net revenue and Ebitda increased 15.8% and 20.6% respectively, due to robust volume growth in important markets in the region, such as Bolivia, Chile and Paraguay.

And in Canada we started to operate with our new mixed beverages, cider and special beer brands, helping drive 8.3% growth in net revenue and 3% growth in Ebitda in local currency in the country.

In 2016, we invested over R\$ 4 billion, of which around R\$ 2 billion in Brazil.

In Brazil, during the course of the year, we continued to undertake structural investments in the business, including our commercial platforms

For 2017, we reaffirm our commitment to turning performance around in Brazil, our main market, striving to ensure long-term results aligned with our past record.

Victorio Carlos de Marchi
Co-chairman of the
Board of Directors

MESSAGE FROM THE CEO

G4-1 and G4-2

We dream of bringing people together for a better world.

In spite of a very challenging year, we are proud of the important decisions taken by our team for the medium and long terms. We remain confident and focused on our commercial and consumer relationship strategies and on our investments in innovation.

We believe that tough times are favorable for the emergence of new ideas, processes and solutions, as an opportunity to strengthen our foundations for the future. It is time for us to get even closer to our consumers, offering them new products and packs that meet the most diverse consumer profiles and habits.

In 2016, we invested in expanding the offer of beverages in returnable bottles. With this strategy, the volume of returnable Ambev products sold in supermarkets reached 23% in the year. One in every four bottles of Ambev beer in the supermarkets is now returnable.

We expanded our product portfolio in 2016, we strengthened our brands and our market positioning.

The launch of the Do Bem juices expanded our presence in the area of non-alcoholic products.

We also consolidated the partnerships formed with Wäls and Colorado. We are fully integrated, which enabled us to innovate jointly and continuously grow our portfolio.

The Olympic Games were also a landmark for Ambev. It was an honor to be able to support and contribute towards an event which helped to unite the country, bringing it so many victories and so much joy.

We dream of bringing people together for a better world. And we know this is a major dream.

We work on bringing this about based on four pillars: Water, Waste and Climate, Smart Drinking and Development.

Worthy of note among our better world initiative is the development of AMA, a new Ambev product launched in the beginning of 2017. This is a mineral water that we might describe as 200%: 100% of the nutrients are for the consumer and 100% of the profit goes to projects providing access to potable water in Brazil's semi-arid region. The purpose of the AMA brand is to connect people with a common goal, a point of contact in such a polarized and individualized world.

We formed an External Committee of water security specialists to promote key discussions about this issue and were the first consumer goods company to join the United



We believe that, together with society, we are capable of making the world a better place

Nations CEO Water Mandate. In addition to these initiatives, we launched SAVEh (Water Efficiency Self-Assessment System), in which we share our knowledge in water management and efficiency to encourage our value chain and small and medium sized companies to reduce their water consumption.

We also became signatories to the United Nations Global Compact, to the United Nations Women's Empowerment Principles and to the Compromisso LGBT (LGBT Commitment).

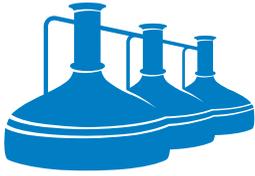
We believe that, together with society, we are capable of making the world a better place. At the same time, we have a team of professionals that has contributed to facing challenges, achieving

positive results in an environment that respects diversity and encourages innovation.

Celebration is always our cause. And celebrating not only today, but also tomorrow. To ensure a prosperous future, we always work sustainably, preserving natural resources and caring for people and for the environment.

Bernardo Paiva
CEO





AMBEV



PROFILE

G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9 and G4-10

Our history begins over a hundred years ago in 1853, with the foundation of the first brewery in Brazil, Bohemia. In 1885, it was followed by Companhia Antarctica Paulista and in 1888 by Manufactura de Cerveja Brahma & Villeger & Companhia. Together, 17 years ago, they became Ambev.

Today we are the largest beverages company in Latin America, founded based on the merger of Cervejaria Brahma and Cervejaria Companhia Antarctica.

We operate in 18 countries and are part of the largest brewery group in the world, Anheuser-Busch InBev (ABI). We manufacture, distribute and commercialize an extensive portfolio of alcoholic, non-alcoholic and carbonated beverages, including Skol and Brahma, two of the ten best-selling beers in the world.

Today we commercialize more than 100 labels. In 2016, we continued to introduce new brands and beverages into the portfolio, such as the three new Bohemia labels -14 Weiss, Bohemia 838 Pale Ale, Bohemia Aura Lager, Três Fidalgas, the Colorado novelties, as well as Skol Beats Secret. Among the non-alcoholic products, Do Bem became part of the Ambev portfolio, its juices and teas inaugurating a new



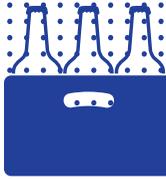
phase in our history.

We also developed AMA, a mineral water from which 100% of the profit goes to projects to provide access to potable water in Brazil's semi-arid region. These are the results of a wide-reaching market strategy designed to meet different consumer demands.

We keep close track of the production of 100% of our two main ingredients: barley and guaraná.

To produce our beers, we buy our barley from agricultural producers and do all the processing in our malting plants in the South of Brazil, in Argentina and in Uruguay. Our guaraná is grown in Maués, in the Amazon region, and processed

We are committed to being there for our consumers' special moments, sharing all their accomplishments for the next hundred years and more.



We are part of the biggest brewery group in the world



Brahma and Skol are among the ten best-selling beers in the world



To find out more about our history, access the site:
www.ambev.com.br/sobre/nossa-historia/

at the Santa Helena farm, a property we have maintained in the region for over 45 years.

We operate a complex distribution network that comprises beverage distributors, supermarkets, bars and restaurants, as well as small groceries, bakeries, snack bars and franchises, totaling almost 1 million points of sale in Brazil.

In addition to our more than 30 breweries ranging from the north to the south of the country, we operate verticalized factories making glass, labels, metal lids and concentrates.

We are also one of the largest independent PepsiCo bottlers in the world.

We have a team of 32,550 employees in Brazil, 3,400 in Canada, 6,600 in Central America and the Caribbean, as well as 9,400 in other units in Latin America.

Our work inspires our relationships. Our beliefs lead us to develop our value chain, generating knowledge and learning, enhancing processes and methodologies. We create and share value so that we may make our dream come true: bringing people together for a better world.

BRANDS



We launched Skol Beats Secret, in the Near Beer segment.



We launched Três Fidalgas



We resumed production of the beer Cerveja Adriática, which was withdrawn from the market in the 1940s.



We expanded our portfolio with Bohemia-14 Weiss, Bohemia 838 Pale Ale and Bohemia Aura Lager.



We launched our first social business, AMA water.

Beers

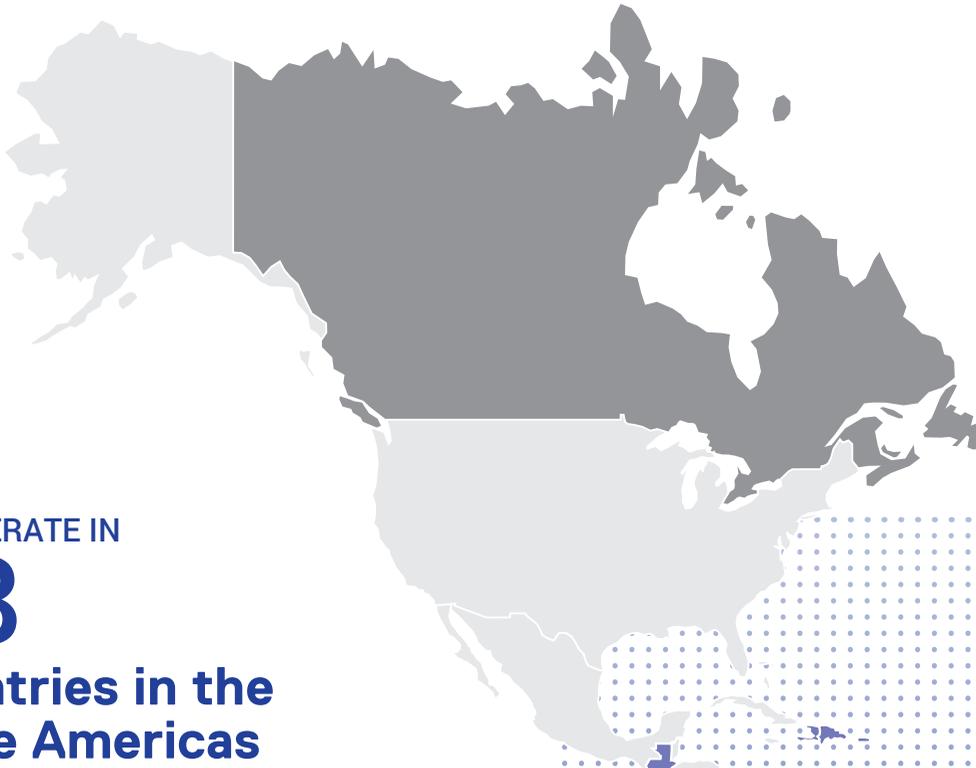


Non-alcoholic beverages



To see more of our brands,
access the website:
www.ambev.com.br/marcas

MARKET PRESENCE G4-8



WE OPERATE IN

18 countries in the three Americas

- ◆ Latin America North, of which Brazil is part, represented by the production and commercialization of beer and near beer (Beer Brazil), soft drinks, non-alcoholic and non-carbonated beverages (RefrigeNanc Brasil);
- ◆ Central America and the Caribbean (denominated CAC), comprising our operations in the Dominican Republic, Cuba, Saint Vincent, Dominica, Antigua, Guatemala (which also supplies El Salvador, Honduras and Nicaragua), Barbados and, from December 31, 2016, Panama;
- ◆ Latin America South (LAS), consisting of our beer and near beer, soft drink, non-alcoholic and non-carbonated beverage operations in Argentina, Bolivia and Uruguay, as well as the production and commercialization of beer in Chile, Paraguay and, up to December 31, 2016, Colombia, Peru and Ecuador; and
- ◆ Canada, represented principally by the Labatt Brewing Company Limited (Labatt) with the production and commercialization of beer in the country, a portfolio of mixed beverages and ciders, and exports to the United States of America.

Big numbers G4-9

66

breweries and mixed plants, producing soft drinks:

31 in Brazil

8 in Central America and the Caribbean

20 factories in South America (excluding Brazil)

10 in Canada

Fourth largest company in the segment worldwide (in volume)



+ than 100

direct distribution centers

7



malting plants:

2 in Brazil

5 in Argentina and in Uruguay

7

verticalized plants* (concentrates, glass, metal caps and labels)



32,550

employees in Brazil

6



centers of excellence (offices) in Brazil

30



beverage brands



8,100

vehicles in the outsourced fleet in Brazil

* Factories producing inputs used by Ambev in its operations.



AWARDS AND RECOGNITIONS

Exame Biggest and Best (Exame magazine)

14th in Overall Ranking; 3rd in Consumer Goods sector; 10th in list of groups.

Valor innovation (Valor Econômico newspaper)

10th in Overall Ranking; 1st in Foods and Beverages sector.

Valor 1000

(Valor Econômico newspaper)

1st in Foods and Beverages sector.

Estadão Empresas Mais (Grupo Estado)

Winner in Year; 1st in Foods and Beverages sector; Distinction in Corporate Governance.

Broadcast Empresas Award (Agência Estado)

2nd place.

360° (Época Negócios magazine)

1st in Financial Performance; 3rd in Foods and Beverages sector.

Melhores da Dinheiro (IstoÉ Dinheiro magazine)

1st in Super 20 category.

The Best Franchises in Brazil (Pequenas Empresa & Grandes Negócios magazine)

Classified for the Annual.

Best Companies to Start Your Career (Você S/A magazine)

5th place.

Young People's Dream Company (Cia de Talentos)

5th place.

Great Place To Work (Época magazine)

31st in Large Companies category.

Best Companies to Work for (Você S/A magazine)

Classified among the 150 Best Companies; 3rd in the Consumer Goods sector - Foods and Beverages.

Valor Career (Valor Econômico newspaper)

Among the 5 winners in the Large Companies category.

Exame Sustainability Guide (Exame magazine)

Among the eight distinctions in the Consumer Goods sector and Distinction in the Water Management category.

Best of Dinheiro Rural (Dinheiro Rural magazine)

Best Company in the Beverages category and Best Indirect Agribusiness Company (prior result).

Best in Agribusiness (Globo Rural)

Classified for the Annual.

Época ReclameAQUI (Revista Época)

Guaraná Antarctica won in the Beverages - Manufacturers category, and Brahma and Skol came among the finalists.

Valor Large Groups (Valor Econômico newspaper)

4th place among the top ten in net income, 9th among the 200 biggest groups and 4th among the biggest in the industry.

The Most Admired Companies (Officina Sophia)

1st place in the Alcoholic Beverages sector and 5th place in the overall ranking of the ten most admired companies.

Brewery sector

The sector has a wide-reaching, positive impact on the Brazilian economy.

It drives an immense network, involving research, the cultivation and processing of inputs and raw materials, followed by the commercialization and delivery of the end product to the consumer at the point of sale.

From beverage production to distribution, the process involves sectors which include the automotive, civil construction, transportation, energy, pulp, aluminum, glass and advertising industries, generating value for small and medium sized companies. The sector generates an estimated 2.2 million direct and indirect jobs. This means that each R\$ 1 invested in the brewery sector generates R\$ 2.50 for the economy.

In 2016, our breweries, which also manufacture soft drinks, produced 8 billion liters of beer, but as a result of the economic crisis, this volume was 7% down on the previous year.

99%
of households served by
the brewery sector

1.6%
of Brazil's GDP

R\$ 77

billion in revenues per year

2.2

million direct and indirect jobs

R\$ 27

billion in salaries

12,000

goods and service suppliers



38,000

vehicles in the fleet

R\$ 23

billion in taxes per year

117,000

hectares under cultivation



Each R\$ 1 invested in the sector generates R\$ 2.50 for the economy

1.2

million points of sale



50 FACTORIES

14%

of the transformation industry



To see the sector association CervBrasil (Associação Brasileira da Indústria de Cerveja) annual, access the website: **cervbrasil.org.br** > **anúário**

Data: Cervbrasil

FINANCIAL PERFORMANCE G4-DMA

In 2016, we maintained our position as the leading brewery in Latin America, operating in South America, Central America, the Caribbean and Canada.

Our consolidated net revenue grew 1.9% in the year, the result of a robust performance in our international operations and a drop in Brazil.

The net revenue generated by the Beer and RefrigeNanc operations in Brazil decreased by 5.2%, to R\$ 24,954.6 million.

Consolidated Ebitda and adjusted net income decreased 6.9% and 9.7% respectively, while net income increased 1.6%.

This is personally disappointing because we are a company of owners, and owners take responsibility for results. But we believe that moments like 2016 drive the emergence of new ideas, improvements in processes and the pursuit of solutions.

This was the reason that we invested more than R\$ 4 billion, approximately R\$ 2 billion of which in Brazil.

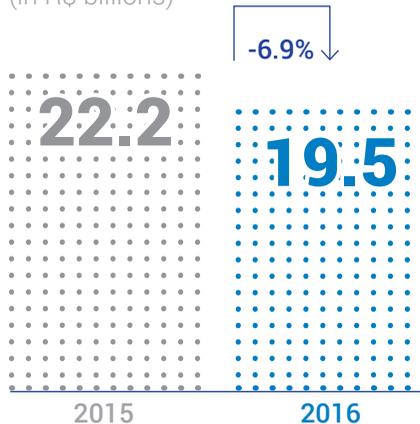
For 2017, we reaffirm our commitment to turning performance around in Brazil, our main market, striving to ensure long-term results aligned with our past record.

TAXES

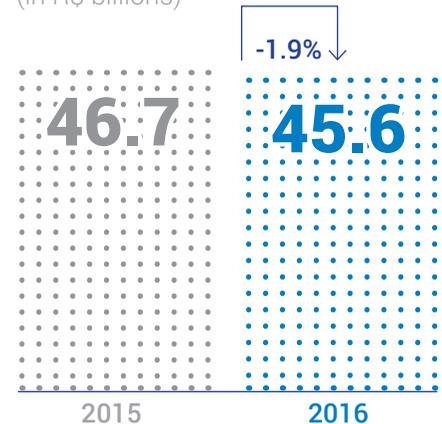
The manufacture and commercialization of beverages in Brazil is subject to federal - PIS/COFINS and IPI - and state - ICMS - taxes. In function of the state governments' need to increase their tax income, the ICMS tax on beer and soft drinks was increased in 2016, impacting the price of these beverages.

CONSOLIDATED INDICATORS

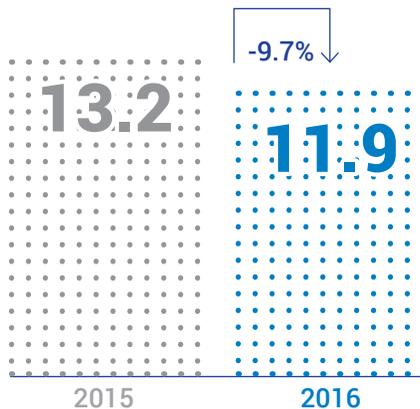
ADJUSTED EBITDA (in R\$ billions)



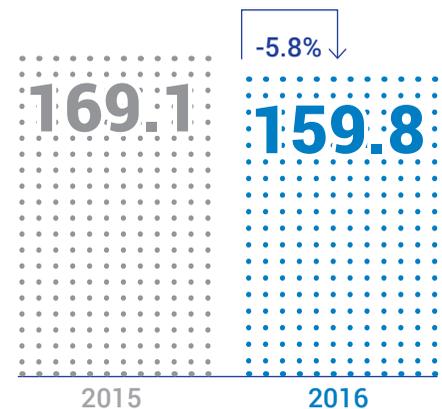
NET REVENUE (in R\$ billions)



ADJUSTED NET INCOME (in R\$ billions)



SALES VOLUME (millions of hectoliters)



PREMIUM BEER AND RETURNABLE BOTTLES

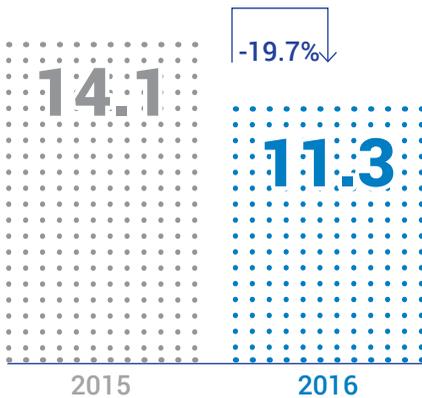
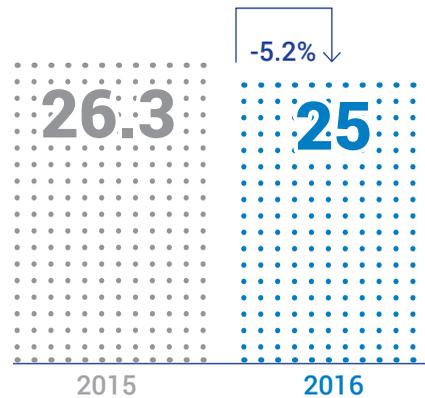
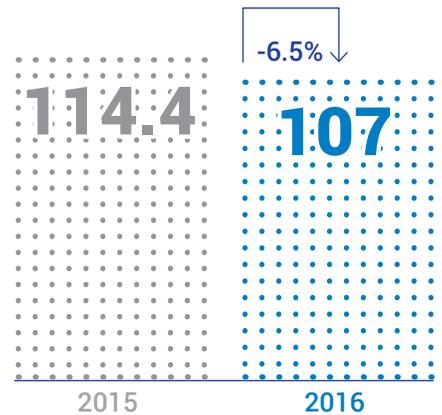
Premium beers already account for more than 10% of our beer volume, part of company strategy to increase market share. We also grew sales volume of returnable bottles to 23% in supermarkets.

DIVIDENDS

Even faced with economic challenges, we maintained the level of dividends paid to shareholders.

23%
growth in sales of returnable bottles to supermarkets

INDICATORS FOR BRAZIL

ADJUSTED EBTIDA
(in R\$ billions)NET REVENUE
(in R\$ billions)SALES VOLUME
(millions of hectoliters)DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED ^{G4-EC1}

Value Added Statement (%)	2014 ^[2]	2015	2016
Shareholders (remuneration of own equity)	33.34	29.92	30.56
Employees (remuneration, benefits and charges)	8.08	8.76	8.60
Government (taxes, charges and contributions)	51.13	52.88	49.95
Retained profit /loss	0.00	0.00	0.00
Interest and rents (remuneration of third-party capital)	7.45	8.43	10.88
Total	100	100	100
Summarized Value Added Statement	2014 ^[2]	2015	2016
1.Revenues	59,682,893	71,276,318	71,583,332
2.Inputs acquired from third-parties	-21,271,225	-26,254,108	-25,952,460
3. Gross amount (1- 2)	38,411,668	45,022,210	45,630,872
4. Retentions	-2,290,670	-2,963,463	-3,391,158
5.Net added value produced by the organization	36,120,998	42,058,747	42,239,714
6.Added value received in transfer	956,025	988,644	568,732
7.Total added value for distribution (5+ 6)	37,077,023	43,047,391	42,808,446

[1] Amounts in thousands of reais.

[2] The consolidated Value Added Statement for the period ending on December 31st 2014 was restated to reflect a reclassification of taxes on the "costs of products, goods and services sold" amounting to R\$ 1,291,510, with a corresponding increase in "federal taxes, charges and contributions" of R\$ 597,507 and "state taxes, charges and contributions" of R\$ 755,004, and a reduction in "financial expenses, except tax on financial transactions" of R\$ 61,001.



For further information on our financial performance, access the website:
ri.ambev.com.br > relatórios e publicações > divulgação de resultados

CORPORATE GOVERNANCE G4-7 and G4-34

Mission G4-56

Create enduring bonds with consumers and customers, providing them with the best brands, products and services.

Ambev is a publicly traded company whose capital consists entirely of ordinary shares. These shares are traded on the B3 exchange and on the New York Stock Exchange (NYSE). Consequently, the company is regulated in accordance with Brazil's Comissão de Valores Mobiliários and the US Securities & Exchange Commission. Ambev is controlled by Interbrew International B.V. (IIBV) and AmBrew S.A. (AmBrew) – both subsidiaries of Anheuser-Busch InBev (AB InBev) –, and by the Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência.

The governance structure comprises the Shareholders' General Meeting, the Board of Directors and its advisory committees, the Fiscal Council and the Executive Board.

GENERAL SHAREHOLDERS' MEETING

The shareholders' meeting has the power to decide on all company business and make the resolutions it deems necessary to protect its interests and drive its development, in accordance with company bylaws and applicable legislation.

Vision G4-56

Bringing people together for a better world.

THE BOARD OF DIRECTORS AND ITS ADVISORY COMMITTEES

The Board of Directors determines the company's short and long-term strategic direction and ensures that its ethical values and culture are disseminated among and upheld by all employees, among its others attributions. The Board is responsible for nominating the Executive Board.

Currently, the Board comprises 11 effective members and one alternate, elected at general meetings for three-year terms, with re-election permitted. Board members may not hold executive positions in the company. It is also forbidden for the same person to serve as Co-chairman of the Board of Directors and CEO of the company.



The governance structure comprises the Shareholders' General Meeting, the Board of Directors and its advisory committees, the Fiscal Council and the Executive Board.

The Board of Directors is supported by two advisory committees.

Operations, Finance and Remuneration Committee (COF)

The Operations, Finance and Remuneration Committee advises the Board of Directors on the following matters: the company's annual and triennial planning, management and employee remuneration, any legal restructuring, mergers and acquisitions, as well as on capital structure and cash flow, among others. The recommendations formulated by the COF are channeled to the Board of Directors. The Committee currently has four members, all elected by the Board of Directors.

Compliance and Related Parties Committee (Compliance Committee)

This Committee advises the Board of Directors on the following matters: conflicts of interest between Ambev and its managers and its related parties; compliance with standards governing operations with related parties and competitive conduct. The Committee currently has five members, all elected by the Board of Directors.

FISCAL COUNCIL

The Fiscal Council sits permanently and is responsible for overseeing management, analyzing and providing opinions on Ambev's financial statements, among the other attributions



set forth in Brazilian corporate legislation and in the company's bylaws. The Fiscal Council also exercises the function of Audit Committee, as required by the US Sarbanes-Oxley Act.

Members of the Fiscal Council may not be members of the Executive Board, the Board of Directors or its advisory committees. Council members are elected in the general shareholder meetings for a mandate of one year, with re-election permitted.

EXECUTIVE BOARD

Currently the Executive board comprises 11 directors holding a three-year mandate, with re-election permitted. The Executive Board is responsible for overseeing the day to day operations of the company. It consists of a CEO and a team of executives, all of whom have worked with Ambev for many years. Bernardo Pinto Paiva has been CEO since 2015, with a mandate that extends until May 2019, with re-election permitted.



The Executive Board comprises 11 members.



For further information about governance at Ambev, access the website: ri.ambev.com.br > **governança corporativa**

ETHICS AND THE CODE OF CONDUCT

G4-56



In 2016, we trained more than 1,600 employees in matters related to our Code of Conduct, including anti-corruption practices

We have an Anti-corruption and Competition Compliance program that guides the behavior of company employees and contract workers. The program incorporates the guidelines in the company's Code of Business Conduct, which sets forth our commitment to responsible, ethical and transparent behavior and mutual respect towards employees and workers. The company's Anti-corruption policy and other related policies, such as the one governing relations with government authorities, establish standards for contracts with public administrations and regulations for donations.

We also establish standards and expectations in relation to company suppliers and service providers in our Global Responsibility in Procurement Policy, which is communicated to all suppliers and service providers.

TRAINING IN COMPLIANCE G4-S04

All questions linked with the company's Code of Conduct,



For further information on our Code of Conduct, access the website: ambev.com.br > **sobre a Ambev > ética**

as well as anti-corruption and fair competition practices are disseminated to the entire company on an annual basis. In 2016, videos on these subjects were shown in the factories and distribution centers, as well as in the centers of excellence.

Additionally, 929 employees took an e-learning program, representing 100% of the work force occupying specialist, management or director level positions. Face-to-face training was provided for more than 700 employees, including members of the Board of Directors.

COMPLIANCE CHANNEL

Available for employees to clarify any doubts or answer questions about the Code of Conduct and other aspects of the Compliance Program, the Compliance Channel is accessed via the company intranet.

A specialized team analyzes the requests and questions and responds to the employee. The channel is also responsible for analyzing all the company's

COMPLAINTS RELATED TO IMPACTS ON SOCIETY G4-S011

Grievances and complaints related to impacts on society	Chan-nels	2014	2015	2016
Total complaints related to impacts on society filed* and addressed	CAT	403,731	359,320	211,317
	SAV	301,319	268,173	129,430
	SAC	103,265	91,906	106,719
Total complaints resolved	CAT	353,342	334,347	200,409
	SAV	263,713	249,536	103,184
	SAC	90,377	85,518	99,299
Total complaints filed before period covered by the report and resolved during reporting year	CAT	226	318	2,999
	SAV	168	237	6,645
	SAC	58	81	485

* in the reporting period.

** There was an increase in the scope of the SAC service in 2016: coverage of Chopp Brahma Express. Obs.: The premise was changed to improve adherence between the numbers and the GRI indicator. In the last report (base year 2015), the complaints received the previous year but still open in 2015 were reported. However, the item refers to complaints received before the period covered by the report but resolved during the reporting period.

commercial programs to ensure they are in accordance with the Code of Conduct, with our competition policy and with the law.

Commercial practices and programs are also analyzed by the Competition Compliance and Related Parties Committee. Similarly, the Compliance area assesses whether the interactions of employees and intermediaries with public bodies and agents are in accordance with the Compliance Program.

OMBUDSMAN

In addition to employees, commercial partners, consumers and customers may report any breaches of the Ambev Code of Conduct, as well as violations of other company standards and policies, via the Ombudsman Channel (telephone 0800 7250011 or website www.ouvidoriaambev.com.br). The channel is operated by a third-party and is managed by the Compliance team, overseen by the Ambev Fiscal Council.

RISK MANAGEMENT G4-14

The Fiscal Council, the Board of Directors and the advisory committees to the Fiscal Council and the Board monitor the company's businesses and conduct. This encompasses management of the risks to which Ambev is subject, in accordance with respective attributions and responsibilities.

The company adopts rigorous measures to control cash as a means of reinforcing financial discipline. It strives to limit exposure to market fluctuations in the supply of raw materials and inputs by signing mid to long term contracts at fixed prices.

It is company policy to only enter into contracts with commercial partners having solid credit ratings. Our short-term investments consist mainly of fixed-term and government securities.

Complaint channels

Customers have three channels through which to make complaints:

- SAV: Portuguese acronym for consumer contact service;
- SAV: Point of sale contact center;
- CAT: Contact service for complaints related to technical assistance.



For more detailed information on our Reference Form, access the website www.ri.ambev.com.br



(MAPA), due to the alleged absence of ingredients on the label of the soft drink Sukita. The label says that the beverage contains orange and lemon juice. However, since the predominant flavor is orange, it is possible that the consumer may not perceive the taste of the lemon juice. It is our understanding that all the ingredients should be included on the label, for which reason we are questioning the application of the fine by MAPA, which we believe is unfounded. G4-PR4

The other fine was related to the alcohol content of Bohemia 14 WEISS beer. The fine was paid and the case was finalized. G4-PR4

We have a strong preventive focus aimed at ensuring fulfillment of all legal obligations.

We are committed to the health and safety of our employees and consumers, and none of these fines reflect any risk to their health and safety. The significant* fines and judicial cases recorded in 2016 totaled R\$ 8.5 million**, of which around R\$ 4 million was related to labor suits. The only fine which is considered significant was one for R\$ 4,489,520.30 applied by Procon/SP due to a complaint made by a single consumer who bought a pack of Antarctica Tonic Water containing empty cans. There was no question of risk to health or safety. There is no evidence that the absence of liquid was the responsibility of the manufacturer. The company requested the annulment of the fine and was granted a preliminary suspension of the penalty.

In 2016, we received no other non-monetary sanctions other than those described above. Neither were there any condemnations in cases of arbitration. G4-S08

HEALTH AND SAFETY G4-PR1

Health and safety impacts are assessed for 100% of the products we produce as part of quality management in all our operations in Brazil. All the breweries, soft drink plants, malting plants and verticalized operations come under an integrated management program, which includes a Quality pillar.

To assess consumer satisfaction, we use the SAC contact center indicator, which was positive in 2016, showing a 1% variation in relation to 2015. However, as part of our culture, we established a 7.5% reduction target for 2017.

G4-PR5

In 2016, Ambev received three fines from the consumer defense body PROCON for alleged product defects. The company is questioning the three cases judicially, because the fines applied by Procon have no legal basis.

G4-PR2

We also received two fines related to labeling, applied by the Ministry of Agriculture, Livestock and Supply



To see the Ambev Responsible Marketing and Communication Code access the website: www.ambev.com.br > sustentabilidade > consumo-inteligente > Código de Marketing e Comunicação Responsável

*Significant fines =above R\$ 500,000

**Labor and civil judicial spheres

RESPONSIBLE MARKETING AND COMMUNICATION

The position of leadership we occupy in the beverages industry further intensifies our obligation to promote and commercialize our products ethically and responsibly.

We always strive to ensure that all campaigns and advertising are in accordance with our Code of Responsible Marketing and Communication and with the advertising self-regulatory body Conar's Code of Ethics. Consequently, all campaigns are subject to an approval flow that involves the marketing, legal and corporate relations areas. Whenever there is any doubt about a particular case, outside specialists are consulted.

By consensus, the members of the Brazilian soft drink and non-alcoholic beverage industry association ABIR, which includes Ambev, approved its Marketing Directives for Children in 2016. These measures suspend marketing communications in media in which the public comprises at least 35% children aged up to 12 years.

In parallel with this commitment, the company decided to stop commercializing soft drinks in schools for children aged up to 12 years (or where the majority of children are in this age group). In these locations, we now commercialize only mineral water, 100% fruit juice and coconut water.

We also decided not to support university events which involve sales via open bars. This decision encompasses the prohibition of publicity, activations and sponsorships.

These types of event will not receive any support, such as promotional materials - including tables, chairs, vests, sunshades etc. Similarly, they will not be

All our campaigns are reviewed by the marketing, legal and corporate relations areas.

permitted to exhibit Ambev beer brands on their promotional material, including flyers, invitations, websites and internal and external advertising, nor will they receive financial support. This decision was coordinated by the industry association CervBrasil.

CONAR G4-DMA and G4-PR7

In 2016, the company received five unfavorable decisions from the Brazilian advertising self-regulatory body Conar (Conselho Nacional de Autorregulamentação Publicitária).

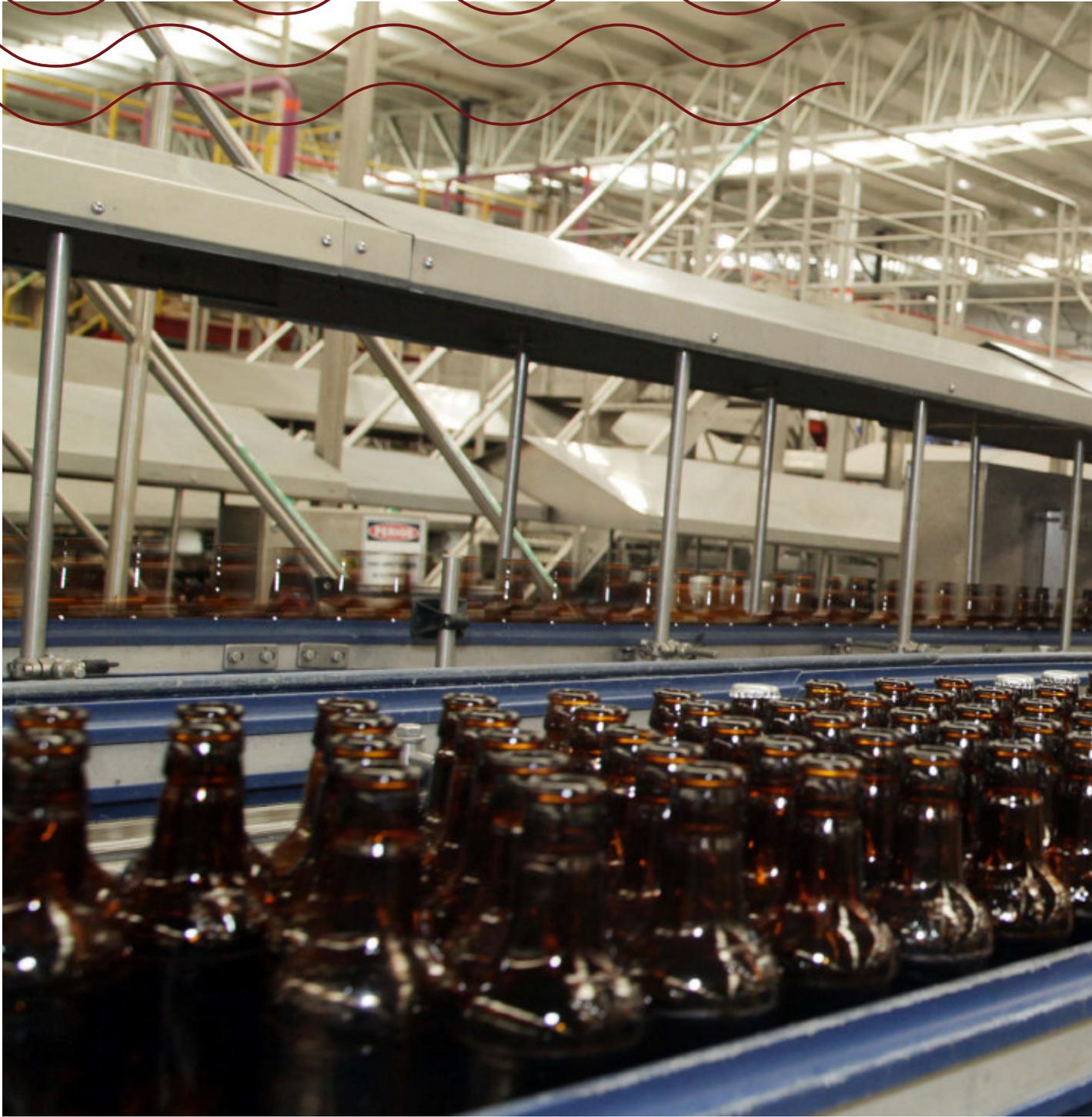
In the first case, a change was made to a billboard used by Colorado which contained more elements than those established in the Conar code for this type of medium (brand, product and slogan). The Conar decision was complied with immediately.

The second case involved a video posted on YouTube by an influencer who prepared a culinary recipe to harmonize with the beer Bohemia Aura. By mistake, the video was posted without the

mandatory warning clause at the end. It also contained a scene involving ingestion of the product, which is not permitted under the Conar code. The video was produced and published directly by the influencer, without the participation of Ambev.

The other three cases refer to advertisements for Skol beer within the context of the 2016 Rio Olympic Games, involving the participation of some Skol Delegation influencers aged over 18 years, but under 25, which is not permitted by the Conar Code. We stopped showing the images of these influencers as soon as we became aware of the fact.

We continuously strive to ensure that all company campaigns and advertisements are in accordance with regulatory standards and with our internal Responsible Marketing and Communication Code, and we also always comply readily with all Conar determinations.





HOW WE WORK



Ambev Principles G4-56

Our principles nurture big dreams, great people and a strong culture

- ◆ Our shared dream energizes everyone to work in the same direction to be the Best Beverages Company Bringing People Together For a Better World.
- ◆ Our greatest strength is our people. Great people are rewarded at the pace of their talent.
- ◆ We recruit, develop and retain people who can be better than ourselves. We will be judged by the quality of our teams.
- ◆ We are never completely satisfied with our results, which are the fuel of our company. Focus and zero-complacency guarantee lasting competitive advantage.
- ◆ 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.
- ◆ We are a company of owners. Owners take results personally.
- ◆ We believe common sense and simplicity are usually better guidelines than unnecessary sophistication and complexity.
- ◆ We manage our costs tightly, to free up resources that will support top-line growth.
- ◆ Leadership by personal example is at the core of our culture. We do what we say.
- ◆ We don't take shortcuts. Integrity, hard work, quality and consistency are key to building our company.

COMMERCIAL PLATFORMS G4-8



We foment expressions of Brazilian culture

A broad portfolio for diverse occasions

In 2016, we had a significant presence in street events, the kind of entertainment Brazilians like because it is more accessible and open, driven by a recent movement aimed at occupying urban zones.

We foment traditional expressions of Brazilian culture. In the carnival, we encourage street parades in diverse cities such as Rio de Janeiro (RJ). In Belo Horizonte (MG), a Skol bus offered party goers free transportation, encouraging smart drinking. We reinforced our presence in the São João celebrations, notably in the Midwest and Southeast regions.

We have also sought to maintain a presence at major events and activations beyond the promotion of specific brands.



NO GOGÓ

We have developed new communication strategies to promote our brands in an innovative way. The webseries #NoGogó is an example. This story about an Antarctica street vendor, available on the website www.antarctica.com.br/campanhas/nogogo/, was a major success and is now in its second season.

It represents an innovative campaign for the beer market, promoting one of our major brands based on a great story that also talks about the authenticity of Rio de Janeiro residents, the cariocas, and about samba.

Elevating our main brands

We continue to strengthen our main brands – Brahma, Antarctica and Skol – organizing activation measures and events in Brazil, consolidating their presence at memorable moments for consumers



BRAHMA

We organized actions to boost the availability of Brahma Extra – Lager, Red Lager and Weiss –, intensifying publicity for the product which was launched in 2015. The brand provided support for events such as Sertanejo (Country) in Rio de Janeiro (RJ), the Barretos Cowboy Fest (Festa do Peão de Barretos) in São Paulo, and the Festival de Parintins (Amazonas). These are beverages that deliver a different beer experience at a more affordable price.

To celebrate the 128th anniversary of Brahma beer, we launched nine historical labels which tell the story and show the evolution of the brand over the years, highlighting special dates such as the inauguration of São Paulo's Teatro Municipal (1900), the end of the First World War (1918) and the emergence of the Tropicalismo music movement in 1971.

The Brahma brand maintains its position as the ambassador of Brazilian *Sertaneja* country music, one of the most popular genres in the country, supporting the Vila Mix Festival and offering an online platform with contents on performers, songs, interviews and shows, available on the website www.brahma.com.br/sertanejo.



ANTARCTICA AND A 100 YEARS OF SAMBA

We launched a special edition of commemorative cans bearing the signature of the artist Elifas Andreato and promoted a series of events to celebrate a 100 years of samba, such as the cultural journey with samba circles in Rio de Janeiro.



SKOL

Hosting the Olympic Games for the first time, Rio de Janeiro presented Skol with an opportunity to display its expertise in entertaining people at multicultural events, in promoting parties and in bringing people together.



Skol raised the flag of diversity in 2016.

The Delegação Skol (Skol Delegation) campaign encouraged consumers to make the Olympic Games an opportunity for a great party, with special gatherings and unique moments organized by the brand in three settings:

- ◆ The Vila Skol, a party space for three thousand people at the Rio de Janeiro Museum of Modern Art;
- ◆ The Skol Live House, a 300 m² leisure area in the Parque Olímpico, reserved for the public to watch the games;
- ◆ The Arena Skol, in the Maracanã Stadium, a space for entertaining the public during the intervals of the games.

Thinking differently and proposing new viewpoints, Skol assumed its positioning on Diversity on LGBT Pride Day, supporting the parades

in São Paulo (SP), in Rio de Janeiro (RJ) and in Belo Horizonte (MG), advocating respect for individual liberty and the right to self-expression. The campaign is part of the brand's youthful spirit, in favor of plurality and against prejudice. The repercussion of the campaign among consumers and in the media was highly positive.

Diversity was also a key feature in the actions organized for the 2016 Rio Paralympic Games, with programming similar to that of the Olympics, yet another positive outcome of the strengthening of the brand.



Boosting Premium

We maintained our strategy of boosting our premium line, comprising the beers Budweiser, Stella Artois, Corona, Bohemia, among others. The segment has been growing ahead of the industry as a whole. We are working on increasing the volume of premium beverages in our beer portfolio, including Brazilian and international brands, and strengthening our operations in this market.

The Budweiser brand, leader among our premium beers, was reinforced at events linked with sports and rock, such the action with basketball supporters during the 2016 Olympic Games. The campaign #DeixemQueDigam (#LetThemSpeak) also promoted the authenticity, freedom and way of being of each consumer, contesting value judgments and pre-established truths, yet another of our actions advocating for diversity.

Stella Artois stimulated consumers with an action that invited them to leave their mark on the world. The global “Be Legacy” campaign told the story of the master-brewer Isabella Artois, a woman who broke down barriers in her time, leaving her legacy to the world. The campaign was based on a digital strategy with the publication of contents on Facebook, Instagram and YouTube.

The Argentinean brewery Cervejaria Patagonia expanded our portfolio with a series of launches: Pine Pale Ale, IPA Session con Sauco, Pale Ale con Lavanda, Patagonia Session IPA 24.7, Patagonia American Amber Ale, Pilón Pana and, lastly, Patagonia Macondo.



AWARD-WINNING SPECIAL BEERS

The Wäls and Colorado breweries have been fully integrated into Ambev, innovating together and driving the ongoing expansion of our portfolio. This segment is growing worldwide and offers fertile ground for innovation and the diversification of the ingredients we offer our consumers.

Wäls won eight medals in the 2016 International Beer Challenge 2016 and six in the World Beer Awards.

The beers Colorado Vixnu, Colorado Demoiselle and Wäls Dubbel were elected the best in the world in the World Beer Award, deemed to be the Oscar for beer.

In 2016, Cervejaria Colorado, which traditionally goes beyond the more conventional styles of beer, launched Eugênia, in its line of four beers containing Brazilian fruits and a robust presence of hops. This variant has an intense aroma based on the native fruit uvalha Cambess.



Alcohol Free

We intensified promotion of Brama 0.0%, aimed at making it the preferred beer for consumers who do not want or are unable to ingest alcohol. We made the beer available at our events and in restaurants and food courts at lunchtimes.

We know that consumers who try Brahma 0.0% tend to consume it again because of its surprising taste. The beverage is produced with an Ambev technology that enables the company to make flavorsome alcohol free beer. It continues to lead the segment and has been growing vigorously since its launch.



Off-trade consumption

A significant number of Brazilians consume beer at home. This is why we saw an opportunity to invest in enhancing this experience. One of the fronts of this strategy is the Empório da Cerveja, the largest e-commerce channel for beer in Brazil.

We also launched the Zé Delivery service, providing consumers in the city of São Paulo, São Paulo's ABC region and Ribeirão Preto with beer at supermarket prices. The menu includes major, well-known brands as well as special and imported beers. The service also offers soft drinks, energy drinks, ice, charcoal and meat; it accepts the exchange of returnable bottles; and functions at nighttime.



THE RETURN OF THE RETURNABLE BOTTLE

In 2016, we invested in expanding the offer of beverages in returnable glass bottles in supermarkets, such as the mini 300 ml bottles.

As a result of this strategy, the volume of returnable bottles sold to supermarkets reached 23% of our total volume in 2016. This is a more economical option for the consumer, with prices up to 30% lower. In addition to being cheaper, the bottles generate benefits for the planet because of their lower environmental impact. A glass bottle may be reused up to twenty times.

COLLECTION MACHINE

To encourage the use of returnable bottles and to help consumers to exchange them, we developed a machine to collect these bottles. The equipment, which is already in use in over 800 locations in Brazil, enables the consumer to return the glass bottles in a simple, practical manner.

The machine issues a discount ticket for the purchase of another returnable bottle. The coupon does not have an expiry date and the consumer hands it over at the check out, where the amount is deducted from the purchase. Savings with returnable bottles can be as high as 30%.

Check out where the bottles can be exchanged on the website www.miniretornaveis.com.br.



Out of home consumption

We serve almost 1 million points of sale, including the many bars frequented by Brazilians. In these establishments we have also boosted the commercialization of 1 liter returnable bottles. We continue to enhance distribution, with gains in efficiency and reduced costs. We have also invested in beverages like Skol Draft, a blend of bottled and draft beer at a more affordable price.

EXPANSION IN JUICES AND TEAS

In 2016, we took another step towards expanding our presence in non-alcoholic products. We acquired a stake in the company Sucos do Bem, which commercializes a range of juices, teas and cereal bars.

An integration phase was conducted during the course of the year, after which we initiated distribution, followed by expansion in the first quarter of 2017.



Other fronts

We recorded market gains with Gatorade, the sports drink that accompanied the gold medal-winning Brazilian men's volleyball during the 2016 Rio Olympics.

In sports beverages, while the industry suffered a 13% retraction, sales of our Fusion Energy Drink grew by 50%, consolidating its position in the market.

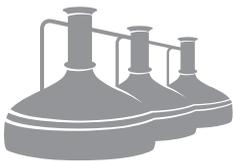
We undertook activations with Fusion, a partner on the electronic scene, at Ultra and at Tomorrowland, two of the biggest style festivals in the world. We introduced innovations in the product, with the launch of the flavors lemon with mint and peach, from the Wake Up Pra Vida line, an energy drink developed for everyday consumption.

Innovating even further, we launched Fusion Tea Break, reaching other consumer profiles, expanding the category and making the portfolio larger than the brand.



INNOVATION

We are always looking for new flavors to deliver different sensations to consumers



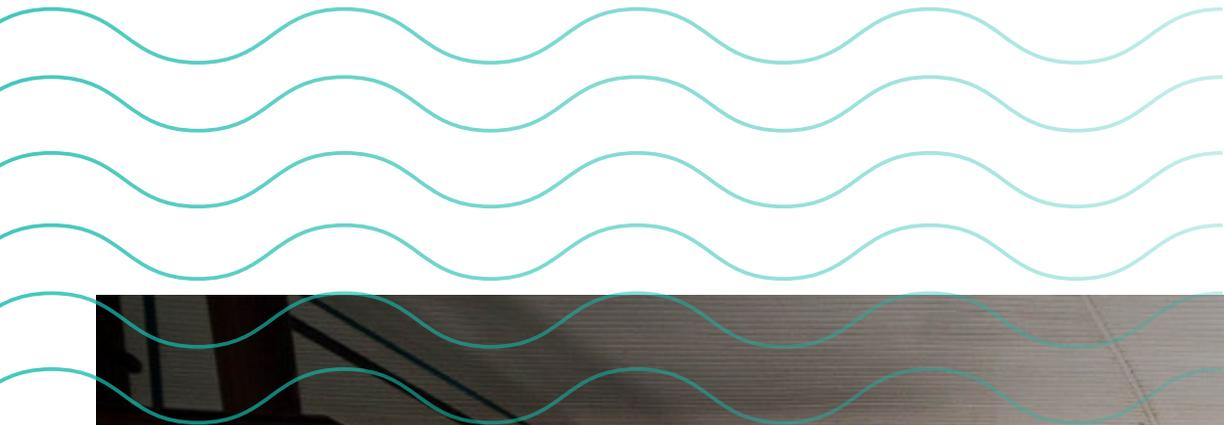
Our innovations are developed at the Guarulhos Technology Center (CDT), staffed by a 170-strong research and development team.



LET'S HEAR FROM THE MASTER BREWERS

We have a team of over 100 master brewers, the largest community of this profession in Brazil. They ensure that our innovations are in the vanguard of beverage development worldwide.

“The great beauty is in the brewers' creativity. The combination of different ingredients, the proportions you use in the recipe, the way it is processed, this is what makes each beer unique”, says Luciano Horn, a master brewer at Ambev for 14 years.





OUR OPERATION



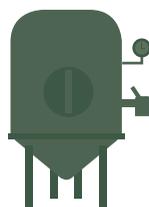
PRODUCTION PROCESS

We are passionate about making our products. Our master brewers put flavor and innovation into each stage.



1. Ingredients

Everything begins with the selection of the ingredients: water, cereals, hops and yeast.



4. Conditioning

Then the beer rests at low temperatures. This is when the aroma and the flavor are rounded out.



2. Brewing

The stage comprises 6 different processes:

- ◆ **Milling** - the cereals are milled, exposing the starch and other components from inside the grain.
- ◆ **Mashing** - the components break down into smaller molecules through the action of natural enzymes.
- ◆ **Lautering and Boiling** - the bagasse and husks of the cereals are removed and the wort goes on to be boiled, at which stage the hops are added.
- ◆ **Decantation** - the remaining solid particles that were precipitated during boiling are also removed.
- ◆ **Cooling** - the wort is cooled and is ready for mixing with the yeast.



5. Filtration

The beer is filtered to gain tonality, brightness and clarity.



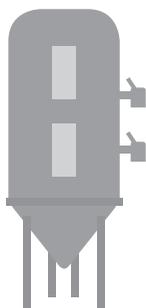
6. Tasting

Now it is time to taste the beer and try its flavor. If it is perfect, the beer is ready.



7. Packing

The final stage is putting the beer in its container. It may be bottled, canned or conditioned in barrels.



3. Fermentation

After cooling, the yeast is added to the wort, which initiates the process of converting the sugar into alcohol, carbonic gas and diverse components of the aroma and flavor.



For further information on our production process, access the website: www.ambev.com.br/marcas/como-produzimos/

BREWERIES

Our breweries play the key role of developing innovations and driving the creation of new beverages. As part of the plan to renew and update our manufacturing park, we continue to invest, modernizing the breweries and inaugurating new ones.

UBERLÂNDIA

We inaugurated a new 1.3 million m² brewery in Uberlândia, Minas Gerais, at the beginning of 2016, with an investment of R\$ 770 million. More than nine thousand people worked on the construction of the plant, which now employs 480 people.

With an installed production capacity of six million hectoliters per year, the Uberlândia unit is the only brewery that makes the 1 liter returnable bottle of Budweiser beer.

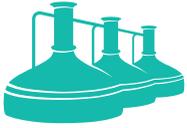
We chose this municipality to install the brewery because of its excellent infrastructure, qualified manpower and strategic geographical location – close to the major consumer markets, ensuring the efficient distribution and delivery of our beverages.

RIO DE JANEIRO

We doubled the production capacity of our Rio de Janeiro brewery, building three new production lines with an investment of R\$ 340 million. In addition to our brewery, in Rio de Janeiro we also have one of the largest glass recycling



operations in Latin America, producing bottles made from shards collected by partnering cooperatives and from our own operation. Of each ten bottles made, five are manufactured from recycled glass, representing savings of more than 127,000 metric tons of virgin material.



R\$ 848

million invested in the Cervejaria Adriática brewery in Ponta Grossa, Paraná, inaugurated in 2016.

This investment is part of our commitment to reducing the impact of packaging on the environment. We also invested in expanding the volume of returnable bottles, which account for 33% of the packs produced. With an extended life cycle, these bottles take longer to become waste.

ITAPISSUMA

We expanded the Itapissuma brewery in Pernambuco, with a R\$ 400 million investment that boosted production capacity by 30%. Now the brewery also produces the new line of long neck bottles for the Skol Beats and Brahma Extra brands, as well as the premium Budweiser and Stella Artois brands, previously not produced in the Northeast of the country.

Currently the energy matrix for steam generation comprises 40% renewable biomass, substituting fossil fuel. The brewery uses biomass derived from eucalyptus and cashew wood chips as a source of energy.

PONTA GROSSA

In the second quarter of the year, we inaugurated the Cervejaria Adriática brewery in Ponta Grossa (Paraná), with an investment of R\$ 848 million. The plant employs 430 people and generated 1,500 jobs during its construction.

The name is a tribute to the beer brand inaugurated in this municipality in the 1920s. The beer was withdrawn from the market in the 1940s. Production of the brand was resumed at this brewery in 2016.

Occupying an area of 2.6 million m², the plant's four production lines have the capacity to produce 380,000 hectoliters of beverage per month. It manufactures Antarctica, Antarctica Sub Zero, Skol, Original and Brahma Chopp.

The Cervejaria Adriática uses the most modern equipment in the industry and leading edge technology to drive operational eco-efficiency, ensuring the lowest possible consumption of energy and water. Its energy matrix consists of 95% renewable fuels, based on wood chips and vegetable oil.

All the solid waste generated is either recycled or used to make animal feed and fertilizers.

CACHOEIRA DO MACACU

Further to the company strategy of optimizing production capacity in modern plants located close to the main consumer regions, in 2016 we acquired a brewery in Cachoeira do Macacu in the Rio de Janeiro metropolitan region. The unit produces and packs beer, soft drinks, juices and mineral water.



Management model

We doubled the production capacity of our brewery in Rio de Janeiro, building three new production lines.



6 million

hectoliters per year is the production capacity of the new brewery in Uberlândia (MG).

Our standardized management model, Voyager Plant Optimization (VPO), is aimed at generating gains in efficiency and reducing environmental impacts in our plants.

VPO established manuals for processes and work in seven areas: Safety, People, Management, Maintenance, Quality, Logistics and the Environment. Results have been positive in all these areas.

LOGISTICS



100%

of the company fleet
is tracked



2016 saw important results in our operational manuals and technological evolution.

TECHNOLOGY

During the year, we rolled the WMS (Warehouse Management System) out to 100% of the distribution center operations. The system digitalized all activities and paper-based checks, driving greater reliability in processes such as cargo receipt, cargo checking and assembly, as well as in internal controls. The application was developed to be used on a smartphone platform and may be upgraded as the warehousing process evolves.

Another massive implementation in 2016 was a tracking technology to monitor 100% of the truck fleet (5,000 trucks distribute our products nationwide, in a widely dispersed network consisting of 114 warehouses located throughout the country).

The mobile application tracks each delivery made by a truck in real time, verifying that the vehicle has reached its destination. The application suggests shorter and/or faster routes based on Waze/Google Maps technology.



210%

growth in shared journeys over the last four years

A MODERN, SHARED FLEET

We always renew our fleet between the fifth and eighth year of use, acquiring safer vehicles with more efficient engines. We transport products in partnership with other companies using our Shared Fleet program to optimize journeys, taking advantage of routes to carry additional cargo.

Currently the project involves 20 companies that share some 3,000 journeys per month, making a total of 39,000 shared journeys to date. Over the last four years the number of shared journeys has increased by 210%. This optimization of truck use led to an 8.5% reduction in CO2 emissions last year.

For 2017, we want to increase the number of journeys using the shared fleet by 25% and boost the number of partners in the project by 20%.

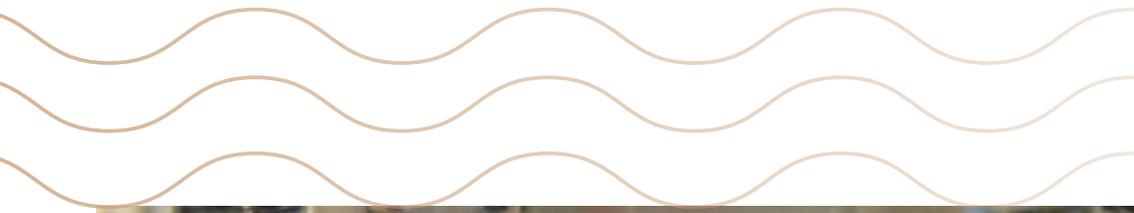
With the ongoing optimization of the system, we will also ensure more efficient occupation of the trucks, reducing the number of journeys and transporting larger cargo volumes while covering shorter distances.



Significant impacts in transportation (Tons CO₂) <small>G4-EN30</small>	2014	2015	2016
Quantitative logistics-related data	240,489	221,008	201,169
Quantitative employee transportation-related data	-	-	1.82 Tons CO ₂ /HL Commercialized

*Employee transportation data have been monitored since 2016.

**Methodology used for the calculation: Distance covered by the long distance haulage and urban delivery fleets x emission factor x benchmark consumption factor.





OUR PEOPLE



We have 7,000 leaders

We believe that people are our main asset. This why we constantly work on ensuring an environment that favors the generation of ideas and innovation, that is open so that people may express themselves and share their ideas. We value diversity and authenticity, a belief that is an integral part of our culture.

Faced with an extremely challenging year, we reinforced our principles, our culture and our goals, helping drive the growth of our leaders. Yet again we reaffirmed that we are owners, taking decisions consciously and assertively, choosing the best strategies to overcome the obstacles we encounter.

We demonstrated clearly that we are all engaged in a long-term commitment, working to maintain our growth curve and to ensure the sustainability of the business, building great brands and generating economic, social and environmental value.

As part of the development of our team, we invested R\$ 46 million in training for our employees.

We reinforced the principles of our culture by updating our training materials, ranging from induction into the company to qualifications for leaders.

We reinforced our belief that great people, passionate about the business, allowed to grow at the pace of their talent and compensated accordingly, are our most valuable asset.

We also maintained our talent attraction programs aimed at university students, including internships, Talents and Trainees. We looked for people aligned with our culture, based on different forms of recruitment.

We consolidated new channels, such as the Marketing Challenge – selecting interns interested in having the experience of working with our brands –, the Hackathon – a challenge for young people in start-ups to create technological solutions that generate value and impact –, Next, and the Interns League – intern programs based on the junior enterprise structure, giving young talents autonomy –, aimed at increasing plurality in our team. Moreover, the Ambev Trainee Program continues to attract young people. More than 230 trainees have been hired since the beginning of the program in 2000. Of these, 56% now occupy management positions and 14% are directors in the company.

We periodically track our team's level of satisfaction by means of a well structured survey process and chats with managers and leader at company units. In 2016, the team satisfaction indicator grew 1%, reaching its highest level ever, at 86%.



7

of the 11 Ambev Executive Board members joined the company via the Trainee program.



32,500

employees on our team in Brazil

We believe that diversity should be an integral part of our business, and we work constantly on ensuring that we retain our people regardless of their race, gender or sexual preference. This front has been the focus of our people management actions.

Number of employees by functional level G4-10	2014		2015		2016	
	Men	Women	Men	Women	Men	Women
Director level	243	17	256	30	262	36
Management	1,987	764	2,113	838	2,124	928
Leaders	3,261	1,205	3,416	1,274	3,451	1,281
Operational	22,195	1,672	22,184	1,682	21,099	1,668
Apprentices and interns *	760	713	1,035	891	988	715
Total by gender	28,446	4,312	29,004	4,715	27,924	4,628
Total	32,817		33,719		32,552	

Observation: this number includes the company's own employees.

*Only apprentices and trainees have fixed term contracts and work part-time; all other employees are permanent and work full-time.

Number of employees by region	2014		2015		2016	
	Men	Women	Men	Women	Men	Women
South	4,444	644	4,328	657	3,966	589
Southeast	14,884	2,526	15,842	2,811	15,513	2,806
Midwest	2,052	278	1,824	257	1,807	258
Northeast	5,538	688	5,504	753	5,216	735
North	1,528	235	1,506	237	1,422	240
Total by gender	28,446	4,371	29,004	4,715	27,924	4,628
Total	32,817		33,719		32,552	

Return to work and retention rates after maternity/paternity leave G4-LA3		2014	2015	2016
Total employees who were entitled to maternity/paternity leave	Men	28,446	29,004	27,924
	Women	4,371	4,715	4,628
Total employees who took maternity/paternity leave	Men	0	0	0
	Women	164	186	185
Total employees who returned to work after the end of maternity/paternity leave	Men	0	0	0
	Women	164	186	185
Return rate for employees who took maternity/paternity leave	Men	0	0	0
	Women	100%	100%	100%

Obs: the Ambev retention rate is being incorporated into the survey and will be reported in the next cycle

ADMISSIONS, TERMINATIONS AND TURNOVER G4-LA1

Number of terminations by gender				Termination rate by gender			
Gender	2014	2015	2016	Gender	2014	2015	2016
Men	5,722	5,141	5,588	Men	0.174	0.152	0.172
Women	1,168	1,338	1,550	Women	0.036	0.040	0.048

Number of terminations by age group				Termination rate by age group			
Age group	2014	2015	2016	Age group	2014	2015	2016
Under 30 years	4,529	3,819	4,290	Under 30 years	0.138	0.113	0.132
Between 31 and 50 years	2,278	2,531	2,630	Between 31 and 50 years	0.069	0.075	0.081
Over 50 years	83	129	218	Over 50 years	0.003	0.004	0.007

Number of terminations by region				Termination rate by region			
Region	2014	2015	2016	Region	2014	2015	2016
South	1,032	1,291	1,176	South	0.031	0.038	0.036
Southeast	3,443	3,089	3,870	Southeast	0.105	0.092	0.119
Midwest	678	583	420	Midwest	0.021	0.017	0.013
Northeast	1,244	1,151	1,308	Northeast	0.038	0.034	0.040
North	493	365	364	North	0.015	0.011	0.011

Number of admissions by gender				Admission rate by gender			
Gender	2014	2015	2016	Gênero	2014	2015	2016
Men	5,171	4,937	4,181	Men	0.158	0.146	0.128
Women	1,447	1,481	1,417	Women	0.044	0.044	0.044

DIVERSITY IS OUR AGENDA

We formed internal discussion groups that also address diversity-related questions - Weiss (Women Empowered Interested in Successful Synergies) and Lager (Lesbian and Gay and Everyone Respected). These reflections have helped mature our vision and have underscored the importance we attribute to diversity and diversity-related discussions. In 2016, we became signatories to the United Nations Women's Empowerment Principles and to the Compromisso LGBT. We still have a long way to go, but we are on the right path.

Number of admissions by age group				Admission rate by age group			
Age group	2014	2015	2016	Age group	2014	2015	2016
Under 30 years	4,987	4,572	4,386	Under 30 years	0.152	0.136	0.135
Between 31 and 50 years	1,607	1,776	1,194	Between 31 and 50 years	0.049	0.053	0.037
Over 50 years	24	70	18	Over 50 years	0.001	0.002	0.001

Number of admissions by region				Admission rate by region			
Region	2014	2015	2016	Region	2014	2015	2016
South	1,310	1,044	768	South	0.040	0.031	0.024
Southeast	3,248	3,638	3,168	Southeast	0.099	0.108	0.097
Midwest	443	325	563	Midwest	0.013	0.010	0.017
Northeast	1,201	1,118	850	Northeast	0.037	0.033	0.026
North	416	293	249	North	0.013	0.009	0.008

Percentage of employees by gender G4-LA12	2014			2015			2016		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Director level	93%	7%	100%	90%	10%	100%	88%	12%	100%
Management	72%	28%	100%	72%	28%	100%	70%	30%	100%
Leaders	73%	27%	100%	73%	27%	100%	73%	27%	100%
Operational	93%	7%	100%	93%	7%	100%	93%	7%	100%
Apprentices and interns	52%	48%	100%	54%	46%	100%	58%	42%	100%
Total	87%	13%	100%	86%	14%	100%	86%	14%	100%

Percentage of disabled employees	2014			2015			2016		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Director level	0%	0%	0%	0%	0%	0%	0%	0%	0%
Management	76%	24%	100%	87%	13%	100%	76%	24%	100%
Leaders	82%	18%	100%	85%	15%	100%	90%	10%	100%
Operational	92%	8%	100%	91%	9%	100%	90%	10%	100%
Apprentices and interns	53%	47%	100%	54%	46%	100%	58%	42%	100%

Percentage of employees by age group	2014				2015				2016			
	Under 30 years	Between 30 and 50 years	Over 50 years	Total	Under 30 years	Between 30 and 50 years	Over 50 years	Total	Under 30 years	Between 30 and 50 years	Over 50 years	Total
Director level	3%	92%	5%	100%	3%	92%	5%	100%	7%	84%	9%	100%
Men	3%	92%	5%	100%	2%	92%	5%	100%	7%	82%	10%	100%
Women	6%	94%	0%	100%	7%	90%	3%	100%	3%	94%	3%	100%
Management	30%	66%	4%	100%	30%	65%	5%	100%	36%	59%	5%	100%
Men	26%	68%	5%	100%	27%	68%	6%	100%	32%	62%	6%	100%
Women	40%	58%	1%	100%	39%	59%	2%	100%	46%	52%	2%	100%
Leaders	46%	51%	2%	100%	45%	52%	3%	100%	51%	46%	3%	100%
Men	40%	57%	3%	100%	38%	59%	3%	100%	42%	53%	4%	100%
Women	64%	35%	1%	100%	64%	35%	1%	100%	73%	26%	1%	100%
Operational	42%	54%	4%	100%	39%	56%	5%	100%	41%	53%	5%	100%
Men	40%	55%	5%	100%	37%	57%	5%	100%	40%	55%	6%	100%
Women	60%	39%	1%	100%	58%	40%	2%	100%	62%	37%	1%	100%
Apprentices and interns	98%	2%	0%	100%	95%	5%	0%	100%	96%	4%	0%	100%
Men	98%	2%	0%	100%	96%	4%	0%	100%	95%	5%	0%	100%
Women	97%	3%	0%	100%	95%	5%	0%	100%	96%	3%	0%	100%

In the last three years we have seen an increase in the number of women directors from 17 to 36, in female managers from 764 to 928, and in women in leadership positions from 1,205 to 1,281.



12%

of the company's directors and

30%

of its managers are women

OCCUPATIONAL HEALTH AND SAFETY RATE G4-LA6

SAFETY MANAGEMENT

We continue to evolve in managing safety for our teams.

We reduced the total number of accidents by 38% and accidents with time off work by 19% in the last year.

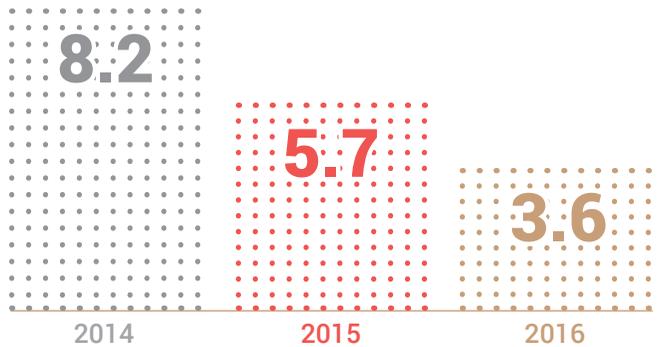
We have one of the largest private fleets in the country, with around 13,000 vehicles, including motorcycles, cars, trucks and buses. We invest in a set of modern technologies to ensure safety and efficiency, reducing costs and preventing risks in the logistics operations – Tech Safety.

We measure the distances traveled by our entire fleet by telemetrics, controlling speed. 100% of the trucks in the fleet have the Frota Legal seal, a certification that involves a number of safety criteria. Based on periodic monitoring conducted by the leader, traffic safety awareness measures are implemented with drivers. Defensive driving training is conducted twice a year for motorcycle riders and once a year for drivers of other vehicles.

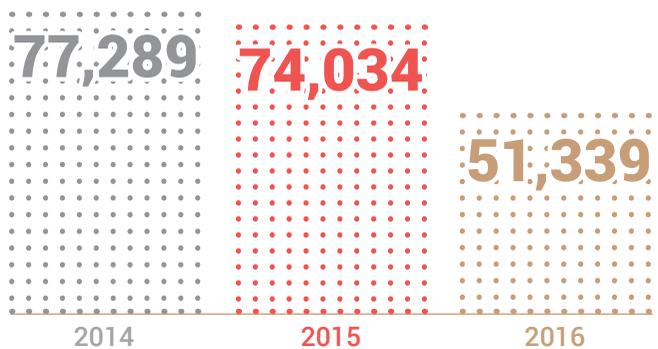
Tech Safety has reduced the number of accidents in our sales and logistics operations by 55% in the last two years.

We presented our case in the Best Practices in Road Safety Forum organized by the São Paulo state government Traffic Safety Movement (Movimento Paulista de Segurança no Trânsito).

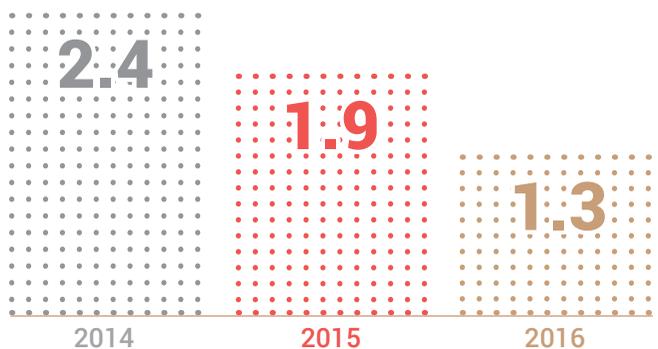
INJURY RATE



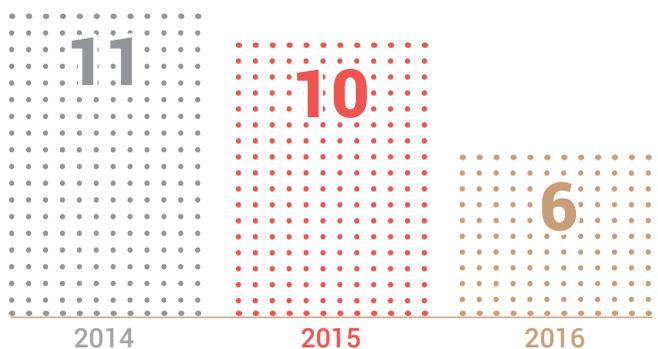
TOTAL DAYS LOST



ABSENTEEISM RATE



TOTAL FATALITIES



OCCUPATIONAL HEALTH AND SAFETY RATES (COMPANY AND THIRD-PARTY EMPLOYEES), BY REGION



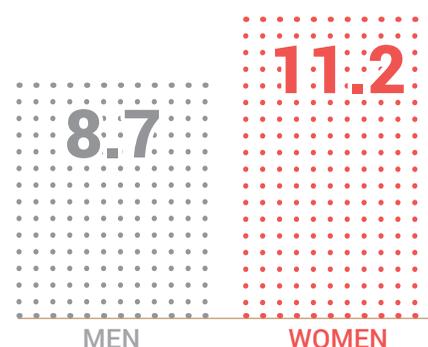
1. The system for consolidating safety information does not permit the disclosure of data by gender or the occupational disease rates.

2. Data on freelance workers is monitored together with data on third-party employees. The injury rate does not include commuting accidents.

AVERAGE NUMBER OF HOURS TRAINING G4-LA9

Functional Category / Gender	2016		
	Employees	Hours	Hours per employee
Legal	1,891	1,891	1
Men	1,309	1,309	1
Women	582	582	1
Finance	83	705	8.5
Men	55	448	8.1
Women	28	257	9.2
People and management	6,050	2,720	0.4
Men	4,763	1,303	0.3
Women	1,287	1,417	1.1
Industrial	4,238	57,324	13.5
Men	3,375	49,670	14.7
Women	863	7,654	8.9
Leaders	8,358	235,614	28.2
Men	5,963	147,704	24.8
Women	2,395	87,910	36.7
Logistics	1,421	24,594	17.3
Men	1,084	18,671	17.2
Women	337	5,923.6	17.6
Marketing	583	3,139	5.4
Men	385	1,846	4.8
Women	198	1,293	6.5
Method	1,293	5,037	3.9
Men	929	3,232	3.5
Women	364	1,805	5
Procurement	2,914	4,345	1.5
Men	1,889	2,819	1.5
Women	1,025	1,526.5	1.5
Sales	10,224	15,149	1.5
Men	7,284	10,767	1.5
Women	2,940	4,382	1.5
Total	37,055	350,520	9.5
Men	27,036	237,770	8.8
Women	10,019	112,750	11.3

HOURS PER EMPLOYEE DISCRIMINATED BY GENDER | 2016



1. Total employees refers to the total number of employees trained, that is, the same employee may participate in more than one training session or course.

2. The company monitors training data by area, differently from the G4-10 indicator in which the data are presented by functional category.

3. The numbers given for 2016 are for online and face to face training, centralized in the Universidade Ambev. Training given in the units is not included in this calculation. The numbers of online training hours were measured by the time required to complete the content, representing the average time a participant would take to visualize each course.

4. Training for leaders also includes training in people and team management tools and systems.





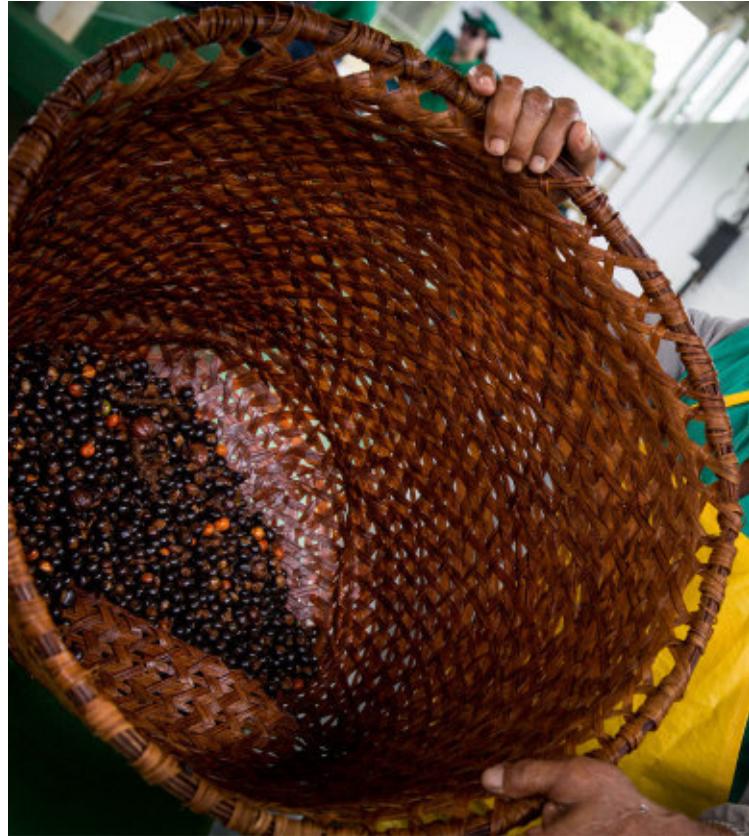
OUR STAKEHOLDERS



SUPPLIERS

G4-DMA and G4-12

5,812
new companies
joined our
supply chain



More than 10,000 suppliers located in the five regions of Brazil and in countries around the world. Diverse sectors such as raw materials, packaging, logistics, marketing and other services. This is the team, that supplies Ambev with products and services. And to drive further efficiency in managing these suppliers, in 2016 we centralized our procurement in a team responsible for supply in Brazil and certain countries in Latin America. Previously, purchases were made independently in each country. With this restructuring, we have enabled Brazilian suppliers to expand their activities to other countries in Latin America and vice-versa.

In parallel, last year we increased our supplier base. This was the result of a special project aimed at developing small and medium sized suppliers located close to our breweries and distribution centers. We noted that smaller companies

frequently had difficulty working with us due to factors such as lack of a point of contact or knowledge of the existing opportunities, even though they were highly qualified.

As a result of this project, 5,812 new companies have joined our supply chain in more than 20

cities in Brazil and in countries such as Guatemala, Dominican Republic and Argentina. We believe this initiative will permit these small and medium sized enterprises to develop and grow together with us.

INNOVATION

As part of our constant pursuit of new ideas, products and processes, we also intensified our partnerships with start-ups and young entrepreneurs interested in working with us. To do this, we mapped entrepreneurial centers, accelerators and incubators in Brazil and in Latin America to develop closer dialogue.



We provide 150 guaraná producers in Amazonia with free seedlings and technical training

SHARED VALUE

We want our suppliers to grow and develop together with us. The support we provide for these farmers and our partnership with Embrapa are examples of how we share value and develop our suppliers, while guaranteeing the quality of our beverages and the sustainability of our chain.

Our next step will be the creation of a specific procurement policy with differentiated terms for this group. While promoting innovation in our business, this initiative will also foment enterprise both in Brazil and Latin America.

BARLEY AND GUARANÁ

To guarantee the quality of our barley and guaraná, two of the main ingredients of our beverages, we take rigorous care with their cultivation. But our concern goes beyond the quality of the ingredients. We also strive to ensure sustainability in their production. In our incentive programs for the cultivation of these grains, we train agricultural producers to adopt environmentally, socially and financially sustainable growing processes.

This involves establishing long-lasting relationships that encompasses research, technology,

environmental management, foment for new types of seeds and the sharing of best practices.

Our SmartBarley foment program provides support for some 2,000 family agricultural producers in the South of Brazil, as well as Argentina and Uruguay. Brazilian barley is of key economic and social importance for our business and we strive to develop long-term, sustainable relations with the producers. In partnership with the agricultural research company Embrapa (Empresa Brasileira de Pesquisa Agropecuária), we study and test high quality seeds to distribute to the agricultural producers, as well as providing them with training and a series of inputs during the planting and harvest periods to drive their productivity and quality.

We want to develop a brewing culture in Brazilian agribusiness.

Regarding guaraná, we work with 150 agricultural producers in the region of Maués in the Amazon region, who are responsible for a large part of the guaraná used in Guaraná Antarctica, the soft drink with a Brazilian soul. We offer these producer free seedlings and technical training in cultivation, focused on environmental management and productivity. Further information on page 83.



Responsibility Policy

It is part of our culture not to take shortcuts, and we make every effort to ensure our operations are aligned with highest standards and principles of responsible behavior. We show the same rigor in selecting suppliers attuned to these requirements. Ambev has a Global Procurement Responsibility Policy that defines the standards and principles to be followed in the company and in the supply chain in matters such as labor rights, human rights, the environment and compliance.

In previous years, we reinforced our Responsibility Policy by including contract clauses requiring suppliers to comply with company standards and principles. In 2016, we went a step further towards effectively ensuring adherence to the policy. In addition to increasing communication with our suppliers, we carried out on site audits to verify supplier adherence to our policy.

We make every effort to ensure our suppliers are aligned with highest standards and principles of responsible behavior.

The audits involved questions such as compliance with rules on working hours, accident prevention, use of personal protective equipment, anti-corruption, water management, waste treatment, among others.

The audits were initiated in 2016 and will be concluded in 2017, when we will have definitive data about any impacts our supply chain has on the community, as well the preventive and mitigation measures to be adopted. G4-S010



Further information in www.ambev.com.br/conteudo/uploads/2016/08/Pol%C3%ADtica-de-Responsabilidade-Global-de-Suprimentos-Ambev.pdf



Investment in environmental management



We share knowledge in process management, adding value for the supplier and for the business

SATISFACTION SURVEY

In 2016, we carried out an independent, anonymous survey to measure suppliers' satisfaction in working with us. The findings showed that 77% of them are satisfied or very satisfied, but we also identified opportunities for improvement. This survey led us to establish a series of measures to further improve relations with suppliers, such as, for example, in communication channels, in the payment process and in monitoring deliveries.

To drive the increasingly efficient use of natural resources, we have different programs aimed at our suppliers. In addition to the aforementioned Smart Barley program, we have an Excellence program that shares best social and environmental management and responsibility practices.

For example, in 2016 the Excellence program managed to minimize the negative impact of climate conditions on the barley harvests.

We also have Radar, an early warning system consisting of climate stations. Radar information is shared with more than 400 barley producers, enabling them to take preventive measures with their crop, promoting greater productivity and quality.

Lastly, in 2016 we launched SAVEh (Water Efficiency Self-Assessment System), through which we share our knowledge in water efficiency and management with suppliers and other companies free of charge. By means of SAVEh, we encourage our supplier chain to reduce its water consumption.

All of these initiatives and programs are aimed at bringing our suppliers and partners together for a better world.

CUSTOMERS

G4-8



We share best management practices with our customers to deliver the best experiences for consumers.

We serve almost 1 million points of sale, ranging from beverage distributors and supermarkets to bars, restaurants, small grocery stores, bakeries, snack bars, kiosks and franchises.

Similar to the supplier chain, we play an important role in the development of our customers. In order to do this we promote processes aligned with our culture and way of working.

We are the third largest franchiser in the country. We have some 2,500 franchises with offerings ranging from the bar experience to in-home draft beer consumption. We transfer management knowledge to our franchisees with a view to developing these entrepreneurs and delivering a better experience for consumers.

We have standardized quality processes to scale the business model up for the whole of Brazil.

Our entire chain has access to the franchisee portal, the main communication channel with this group.

On the website, we provide training materials in a number of areas in accordance with the type of point of sale. These range from best practices to orientation on activations to attract consumers and service.

We advise franchisees on the organization of promotions and events, on programming entertainment and on the preparation of menus. The website is also an online sales channel for franchisees, currently accounting for 1/5 of the orders we receive.

In 2016, 1,267 new Nosso Bar franchises were inaugurated. In 2017, we will implement an application for franchisees to manage the day to day operations of the business.

The easy to use platform will enable the placement of orders to Ambev to replenish stock, as well as recording orders, accounts and payments. The process is completely digital and fully standardized. The app will also be available in a mobile version.

CONSUMERS

Our consumers are the reason for our existence. It is our mission to serve them with excellent products and to be present at the most varied consumption and celebration opportunities.

This commitment positions us among the companies most admired by consumers, and our brands are among the most valuable in Latin America, a living demonstration of the long-lasting relationship we have with consumers.

We are present on the most diverse occasions and at different locations: important moments for Brazilian people, such as sports events, music shows, public festivals. At the same time, we maintain a direct relationship via different platforms, such as the website, our social networks – Facebook, Pinterest, Instagram and Twitter – and by the contact channel Fale Conosco.

We are also pioneers in developing smart alcohol drinking actions in Brazil and worldwide. Aimed at raising consumer awareness of the risks of excessive consumption associated with driving and minors aged under 18 years, we created a responsible consumption program 13 years ago. Aligned with World Health Organization (WHO) principles, the program combines projects such as Be(er) Responsible! (Na Resposta), Be(er) Responsible Bar and Be(er) Responsible Day, in addition to more recent initiatives such as our global smart drinking targets and partnerships with governments (São Paulo Traffic Safety Movement, Responsible City and Safety in Brasília). Further information on this program on pages 78 to 80.



We are one of the key promoters of the music culture in Brazil, supporting more than 12,000 events a year, reaching more than 247 million people.



UM MUNDO
MELHOR
É DA
NOSSA
CONTA
A BETTER WORLD IT'S UP TO US



RESÍDUO
& CLIMA
WASTE AND CLIMATE



ÁGUA
WATER





BETTER WORLD



CONSUMO INTELIGENTE

SMART DRINKING



DESENVOLVIMENTO

DEVELOPMENT



Better World: water, waste and climate, smart drinking and development are our four activity fronts

We dream of bringing people together for a better world. A dream that begins at the moments of celebration involving our beverages and is translated into four fronts where we believe we can contribute and make a greater impact: water, waste and climate, smart drinking and development.

To achieve our targets, we expanded our partnerships and involved our people. We engaged suppliers, customers and consumers to generate and share value.

We work with governments, other companies and civil society, among others. In 2016, we became signatories to the United Nations Global Compact, to the United Nations Women's Empowerment Principles, to the CEO Water Mandate and the Brazilian initiative Fórum de Empresas e Direitos LGBT (Business and LGBT Rights Forum).

We are a company of owners and owners take care of everything that affects the business and ensures its future. For us, sustainability is not theoretical. It is getting things done. It is doing the right things, inspired by a great dream.



GLOBAL COMPACT G4-15

In 2016, we became signatories to the United Nations Global Compact. This is an initiative aimed at mobilizing the private sector to incorporate some fundamental, internationally accepted values in the areas of human rights, labor relations, the environment and anti-corruption into its business practices.

We disclose our approach to corporate responsibility and our progress in the 10 Compact principles in our communications.

WATER

Actions are focused on decreasing water consumption in our breweries, on conserving water basins and on providing access to potable water for communities in Brazil's semi-arid region.

SDG 1, 3, 6 and 9



Water represents 90% of our main product – beer –, and it is our business to take care of it. This is why we invest in and work consistently towards improving water efficiency, with diverse projects on our water platform.

For more than 20 years we have had a management system focused on reducing water consumption in our breweries and recovering waste water. Over the last 14 years we have reduced water consumption by 43%. In addition to reducing consumption, we have invested in treating and reusing effluents. For example in the Aquiraz brewery, part of our effluent is sent to a neighboring company, taking the place of

clean water that otherwise would be withdrawn from nature, since 100% of the volume it requires for production comes from the treated effluent from our brewery.

In 2016, we set up an External Committee of Water Security Specialists, comprising experts from the most diverse sectors (academia, civil organizations and the private sector) to provide us with guidance on this question. The committee advised us to share our experience in water management with other companies and to provide assistance in promoting access to potable water. In relation to the first question, we developed a free platform through which we make



our water management system available online, enabling any interested company to improve its water efficiency regardless of the industry it operates in. The platform, known as SAVEh (Water Efficiency Self-Assessment System in the Portuguese acronym), was developed in partnership with the UNO Global Compact, the Fundación Avina and the Carbon Trust.

Regarding the second question, currently 35 million Brazilians do not have consistent, safe access to potable water. In 2016, we carried out extensive research into the problem and identified that the majority of these people live in Brazil's semi-arid region.

We established key partnerships with organizations operating in the region for decades and developed an innovative product in the Brazilian market. This is a mineral water from which 100% of the profit is channeled to projects for access

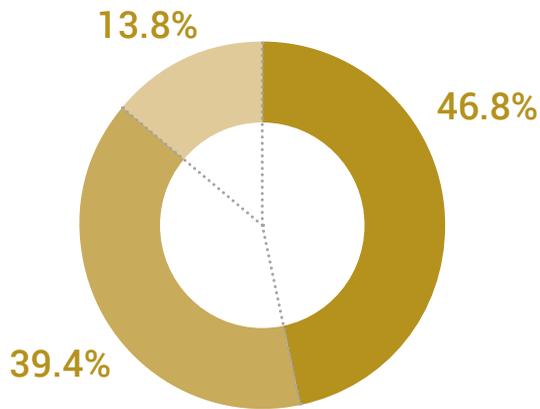
to potable water. AMA mineral water is a social business that supports projects in the semi-arid region, helping to provide people with access to potable water.

With respect to water conservation, we redoubled our efforts with the Brazilian project Coalizão Cidades Pela Água (Cities for Water Coalition), led by The Nature Conservancy. This is aimed at impacting 12 metropolitan regions, 21 water basins and more than 42 million people, conserving and reclaiming water sources and rivers in key regions suffering from water stress. We are the only sponsoring company anchoring the Coalition, further reaffirming our commitment to the future and to the conservation of water resources in the country.

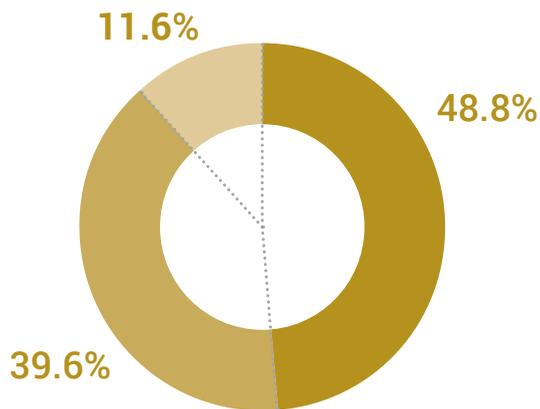
The coalition has already initiated works in São Paulo, Rio de Janeiro, Curitiba, Belo Horizonte, Vitória and Brasília and has plans to start additional projects in another six regions in the near future.

TOTAL WATER WITHDRAWN BY SOURCE¹ G4-EN8

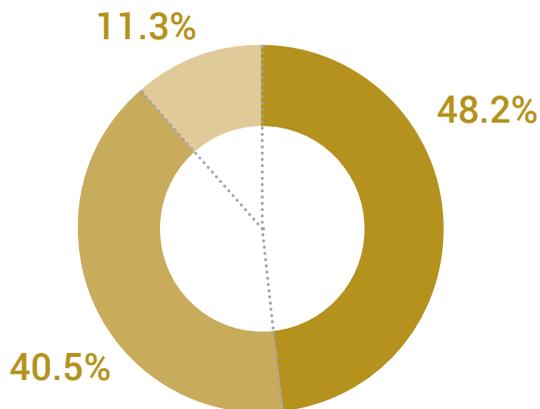
2014



2015



2016



Water

sources G4-EN9

We comply with the withdrawal volumes permitted by the competent authorities, determined in accordance with variables and limits that do not significantly impact water resources.

- ◆ SURFACE WATER (RIVERS, LAKES, WETLANDS, OCEANS)
- ◆ GROUND WATER
- ◆ UTILITY

¹ Percentage calculated by means of total/consumption from source.

In 2016, we were elected one of the eight most sustainable companies in the consumer goods sector, one of the most important awards in this area in Brazil.



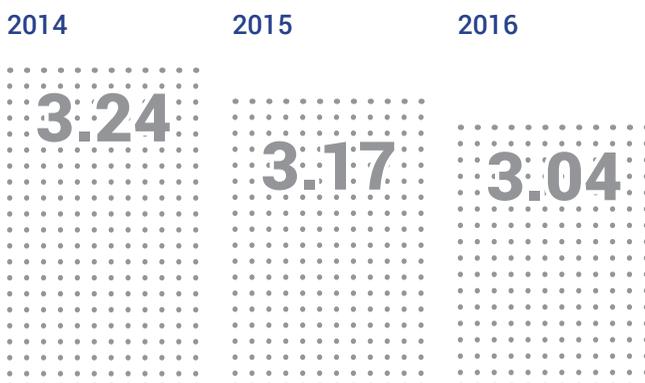
The CEO Water Mandate

THE CEO WATER MANDATE

In 2016, we became the first consumer goods company to join the United Nations Global Compact's CEO Water Mandate. This is a unique platform for sharing innovative best practices and for establishing partnerships with stakeholders to face water-related challenges: scarcity, quality, governance, access and sanitation.

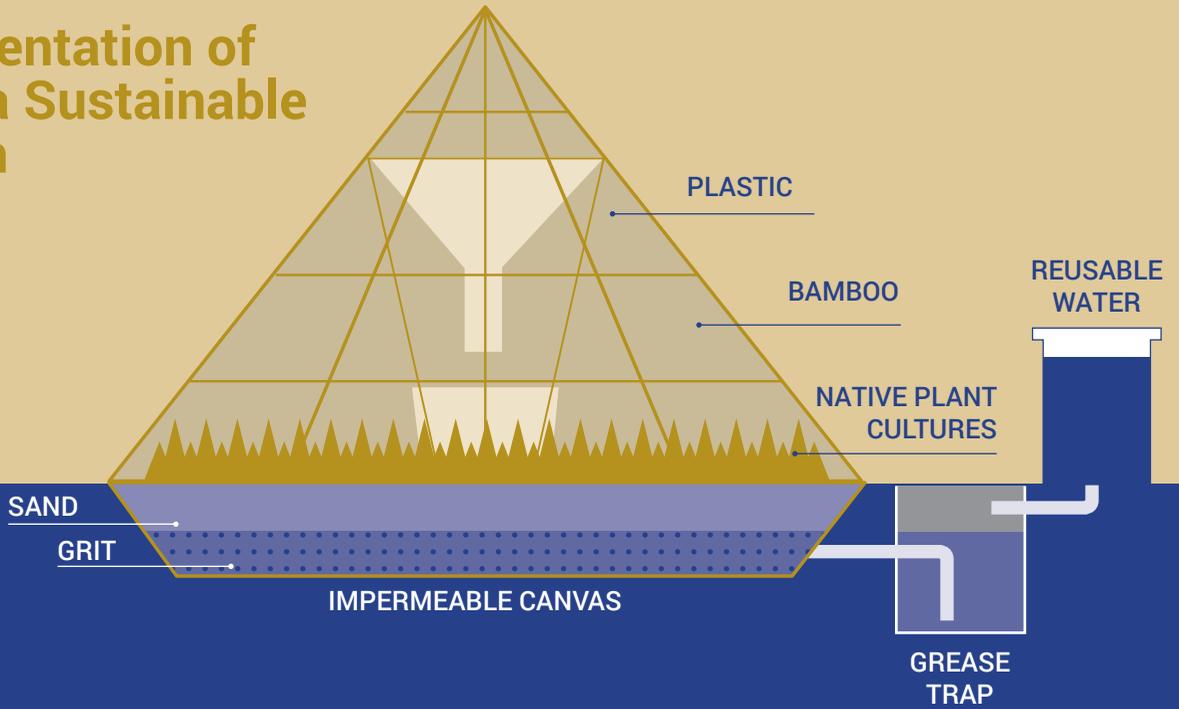
WATER CONSUMPTION RATE

(in hl/hl)



Obs.: We monitor water consumption with the goal of reducing it, reusing the resource.

Representation of the Oca Sustainable System



To continually drive increased water savings, we invest in diverse fronts and leading edge technology. Over the last 14 years we have reduced water consumption in our breweries by 43%.

WATER CHALLENGE

In 2016, we launched the first Ambev Water Challenge. Eleven thousand university students and 300 junior enterprises from all over Brazil were invited to seek innovative solutions to address the problem of access to potable water that affects more than 35 million Brazilians.

Representatives of the three universities in the finals took part in the Junior Enterprise World Conference and came with us on an exploratory journey through the hinterland of the state of Ceará, experiencing the reality of communities that suffer from the lack of water.

The company Ciclo Jr., from the Federal University of Ceará, won the challenge with the project Sustainable Oca, in which a bamboo structure uses plants and heat to purify reclaimed water. The group received a prize of R\$ 30,000 to put the idea into practice.

We also organized the second Ambev Hackathon, challenging candidates to develop technological solutions to drive access to potable water. During the 24-hour non-stop event, the 96 selected contenders were encouraged to develop innovations to solve the problem. The winning project was the application Share The Water. This is a digital platform to optimize the treatment and distribution of water discharged by industry, incentivizing the circular economy.



BASINS PROJECT

Our activities extend to the preservation of water sources in Brazil. Since 2010 we have run the Basins Project, aimed at reclaiming and conserving important water basins in the country: the Córrego Crispim basin (DF), the River Guandu basin (RJ), the basins of the Piracicaba, Capivari and Jundiá rivers (SP), and the basins of the Rio da Velha and São Francisco rivers (MG). The project is run in partnership with public authorities and with NGOs, such as WWF Brasil and The Nature Conservancy (TNC), with the overarching goal of increasing water security.

It comprises actions carried out jointly with the communities surrounding our breweries:

- ◆ In the Distrito Federal, the project mobilized some 7,800 people, reclaimed the soil around four springs, planted approximately 6,000 seedlings and an agroforestry area of 150 m², as well as assisting in the formation of the local Basins Committee, a joint entity for managing water resources.
- ◆ In Jaguariúna in the state of São Paulo, one of the main project measures is a Payment for Environmental Services (PSA) initiative for agricultural producers. This is aimed providing incentives for farmers who commit to undertaking environmental reclamation and conservation actions on their properties. It also provides free support for farmers in the rural environmental registration (Cadastramento Ambiental Rural) process and financing for conservation practices related to springs and waterways located on their farms. In Jundiá, the initiative is aimed at protecting 1,400 springs



The Basins Project reclaims and conserves important water basins in Brazil.

by means of forestry reclamation and preservation in the chosen areas.

- ◆ In Minas Gerais, we developed a project in partnership with WWF Brasil. We are concluding a social and environmental diagnosis of the Ribeirão Jequitibá sub-basin, prior to implementing and executing conservation measures in 2017.
- ◆ In the state of Rio de Janeiro, the project involved planting 2,000 seedlings in a 10,000 m² environmental preservation area on the banks of the Guandu River. We are also working with the Basins Committee to develop additional environmental services payment programs.

COALIÇÃO CIDADES PELA ÁGUA (CITIES FOR WATER COALITION)

Since 2015, we have been the most significant sponsor of the Cities for Water Coalition, an initiative led by TNC. The measure is aimed at increasing water availability for more than 42 million Brazilians in 12 metropolitan regions encompassing 243 municipalities by means of water management initiatives and measures to preserve rivers and springs.

SAVEh

In 2016, we established our External Committee of Water Safety Specialists, which provides support and guidance on the development of water security measures that will have a wide-ranging impact.

The committee activities gave rise to the idea of sharing our experience in water management with our suppliers and small and medium sized enterprises. The goal is to reduce consumption in industrial activities. As part of this strategy, we launched SAVEh (Water Efficiency Self-Assessment System), in partnership with the NGO Fundación Avina, the consultancy Carbon Trust, and the UNO Global Compact.

The program is based on a free online platform through which any company may access a water management system that was developed based on the Ambev system. In accordance with their registration information and a self assessment questionnaire, the company receives a report on their water use and a suggested action plan to drive increased efficiency at all production stages. The company itself may monitor and make alterations to the plan.

The goal of the SAVEh program is to get other organizations and our own value chain to reduce their water consumption under the aegis of a collective movement to preserve this valuable resource.

Further information about SAVEh on the website: saveh.com.br/



AMA: SOCIAL TRANSFORMATION

The lack of access to potable water is a problem that affects more than 35 million Brazilians in different regions of the country. With the objective of improving access to potable water, we launched our first social business, AMA mineral water. 100% of the profit from sales is invested in projects to enable access to potable water in the Brazilian semi-arid region. AMA was planned and developed in 2016 based on training in social businesses provided by Yunus Social Businesses, the Yunus Corporate Action Tank.

The higher the number of consumers who believe in this project and choose AMA mineral water, the more people will benefit. This is precisely the purpose behind this brand: to bring people together for a Better World. Our water brings people closer, helping them to expand their horizons; above all, by acting together it enables them to provide water for those who need it.

We have already completed three projects in Ceará, conducted under the SISAR (Integrated Rural

Sanitation System) community management model.

These involved drilling deep wells and the installation of photovoltaic systems to reduce the cost of pumping water. They were executed in the following communities: Carqueja do Sabino Mota (Capistrano-CE), Bom Nome (Aiuaba-CE), and Sítio Volta and Caiçara (both in Jaguaruana-CE).

We are currently working on another five projects – three in Ceará and two in Bahia.

These projects are being undertaken in partnership with the Fundación Avina and Yunus Social Businesses.

We will invest in diverse projects - using already existing solutions or innovative ones –, all focused on scalable, sustainable access to potable water.

All the AMA projects, as well as the financial results, will be verified by KPMG to ensure the highest levels of transparency for consumers, on the website www.aguaama.com.br.

In addition to showing the projects we support, the website has a profit meter, which shows the profit generated from AMA sales almost in real time.

Today, more than ever, companies have an essential role to play in solving social and environmental problems, acting as catalysts and agents of change.

They can and should use their infrastructure, resources and execution capacity to help solve these problems. I am very happy to have the opportunity to participate in the launch of Ambev's first social business, AMA mineral water. This is a project that was created by a highly diverse group of people, all of whom are aligned around the same cause: developing something that can make a difference in the problem of lack of access to potable water in Brazil. Today 35 million Brazilians do not have water for their most basic needs, such as drinking, bathing and brushing their teeth, and the most part of these people live in rural areas in the semi-arid region.

This gave rise to the idea for AMA: a mineral water based on a completely innovative concept. A 200% mineral water, in which 100% of the nutrients go to the consumer who drinks the water and 100% of the profit goes to projects to provide access to potable water. By means of AMA, we are generating a platform that enables social investment by consumers. Ambev does what it is good at: manufacturing, distributing and selling the product. And the consumer acquires and drinks the water, at the same time contributing to a real cause and to projects with high potential for social transformation.”

Carla Crippa,
Sustainability manager.

WASTE AND CLIMATE

Actions are focused on reducing materials used in production, recycling and the proper disposal of waste, clean and renewable energy, as well as decreasing greenhouse gas emissions.

SDG 7, 11 and 13



RESÍDUOS & CLIMA

WASTE AND CLIMATE

We have been investing in recycling for over 30 years, with measures such as selective waste collection, innovations in sustainable packaging, a glass plant that recycles shards and the Ambev Recycles program, which supports recyclable waste picker cooperatives. In our production process, we are close to our dream of "zero waste", currently recycling or reusing 99.24% of the waste generated in our breweries.

In the Ambev Recycles program, in 2016 we provided direct support for 54 cooperatives in 19 cities in every region of the country. This encompasses more than 1,600 cooperative members who commercialize over 38,000 metric tons of recyclable material, a substantial increase compared with 2015. Furthermore, we invested in the installation of 15 voluntary drop off points, that collected more than 1,500 metric tons of material.

In 2016 alone, we organized over a 100 environmental education activities, directly impacting more than 11,000 people, promoting the question of recycling in a number of communities nationwide.

In 2016, we also consolidated the use of returnable beer packs. Together with the Marketing and Sales teams, we implemented a communication plan to explain to consumers that returnable bottles are better for the environment because they may be used up to 20 times, as well as being cheaper for the consumer.

Our climate initiatives include the substitution of fossil fuels with renewable sources. To reduce emissions, we operate fleet sharing with other companies. Additionally, we are substituting our refrigerators with more eco-efficient models, that represent almost 90% of new refrigerator purchases. Moreover, our breweries employ an advanced intelligent control technology that reduces energy consumption by 15%.

Waste



99.2%

of the waste generated in the year was recycled

We are engaged in reducing the volume of raw materials in our packaging.

We are engaged in reducing the volume of raw materials in our packaging. In recent years, the weight and the size of labels have decreased, and Ambev bottle caps are smaller. In 2016, we also stepped up investments in returnable bottles, which may be used up to 20 times and have a lower environmental impact. Since 2013, we have avoided the generation of over 25,000 metric tons of waste by reducing the weight of our packaging in Brazil. We also avoided the circulation of 2.5 million metric tons of glass in 2016, a volume equivalent to the waste generated by 6.5 million Brazilians in the course of a year.

Our efforts to expand the use of returnable packs have been extremely successful. The volume of returnable packs commercialized in supermarkets grew by 23% in 2016.

THE FACTS ABOUT RECYCLED PET

- ◆ We pioneered the creation of the first PET bottle made from 100% recycled material.
- ◆ The pack is used for over 40% of the Guaraná Antarctica commercialized.
- ◆ The target is to introduce the technology gradually until we substitute the entire portfolio with PET packs.
- ◆ For each five metric tons of PET no longer discarded, 30 m³ of landfill area is freed up.
- ◆ Manufacturing recycled PET consumes 70% less energy and 20% less water compared with virgin resin, generating significant savings in the use of petroleum.



The company disposes of less than 1% of its waste in landfills, and these are controlled.

TOTAL WEIGHT OF WASTE DISCRIMINATED BY TYPE AND DISPOSAL METHOD G4-EN23

Less than 1% of the waste generated by Ambev ends up in landfills, and this small amount goes to controlled landfills. The great part (99.24%) is recycled or reused in the production process.

Hazardous and non-hazardous waste (in metric tons)	2014	2015	2016	Types of waste
Recycling	1,616,775 t	1,567,194 t	1,499,708 t	Recyclable waste (paper, cardboard, plastic, metal, aluminum, glass, wood, sludge, ash, earth filter, malt bagasse, among others)
Recovery (including energy recovery)	588 t	851 t	2,566 t	Considering waste sent for co-processing, Class I waste
Landfill	15,699 t	13,439 t	11,484 t	Regular waste
Total	1,633,062 t	1,581,484 t	1,513,758 t	—

*The decrease in recycling volume is due to the decrease in the total volume of waste generated. In terms of percentage, the 2016 volume recycled is practically unaltered compared with 2015.

** The increase in the quantity of reclaimed waste is due to the inclusion of the Ponta Grossa (PR) operation and changes in waste disposal at some units.

MATERIALS USED G4-EN1

Product	Materials used in production	Type of source	Measurement unit	2015	2016
Soft drinks and beer	Water	Renewable	hl per hl of product	3.17	3.04
Soft drinks	Raw material	Non-renewable	kg/Hl	9.80	9.63
Beer	Agricultural inputs	Non-renewable	kg	1,327,138,697	1,228,700

Product	Packaging materials	Type of source	Measurement unit	2015	2016
Soft drinks	PCR PET bottles (100% recycled)	Renewable	Number of bottles	481,774,603	547,849,567
Soft drinks and beer	Cans	Renewable	number of cans	10,866,063,225	10,186,174,795

Ambev Recycles G4-EN27

Ambev Recycles comprehends our initiatives oriented to the proper disposal and recycling of post-consumer packaging and is part of our measures aligned with Brazil's National Solid Waste Policy. The program benefits consumers, cooperatives, society and the environment.

The platform is underpinned by five activity fronts:

- ◆ Environmental education;
- ◆ Support for cooperatives;
- ◆ Voluntary waste drop-off points;
- ◆ Foment for the recycling movement;
- ◆ Sustainable packaging.

WASTE PICKER COOPERATIVES

In 2016, we supported 54 cooperatives in 19 cities. These involve a total of 1,650 members who recycled and commercialized 38,934 metric tons of material, representing a significant increase compared with 2015 (30,600 metric tons of material).

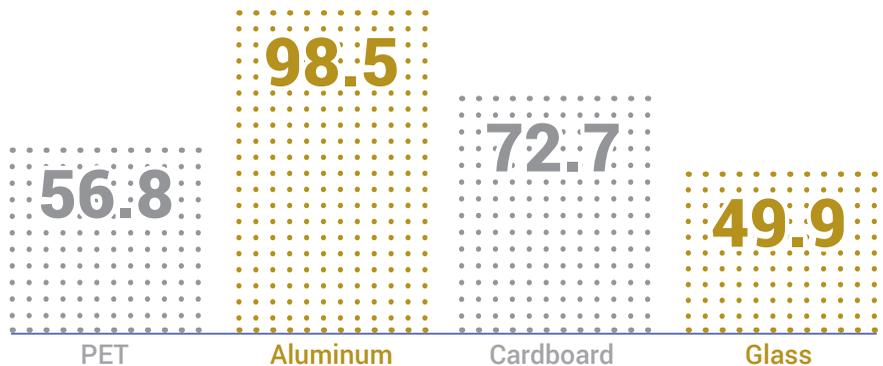
The cooperatives also receive support from the Excellence in Recycling Program (PEX-R), a tool which provides guidance, driving improved management and organization in the areas of finance, operations, people and commercial activities for the waste picker cooperatives. The program's 108 environmental education initiatives impacted 11,250 people directly and another 4 million indirectly.

Based on PEX-R, in 2016 we launched Ambev Recycles

In line with Brazil's National Solid Waste Policy we work on five main fronts:

- 1 environmental education
- 2 support for recyclable material waste picker cooperatives and associations
- 3 voluntary waste drop-off points
- 4 foment for the recycling movement
- 5 sustainable packaging

PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY G4-EN28



*It was not possible to obtain the latest data for 2016, because CEMPRE (Compromisso Empresarial para Reciclagem) had not disclosed the consolidated data for the year when the Ambev annual and sustainability report was published. Ambev tracks the recycling data for each type of material in Brazil and uses CEMPRE data as a basis for calculation.

Excellence in partnership with the waste picker movement Movimento Nacional dos Catadores de Materiais Recicláveis. This initiative identified Brazilian cooperatives with successful collection, sorting and valuation systems for recycled materials. Three cooperatives joined our team of partners: Coopert (Itaúna, Minas Gerais), Cooper Região (Londrina, Paraná) and Ascorsi (Itapira, São Paulo).

With the objective of reducing energy consumption and greenhouse gas emissions, we have diversified our energy matrix. We are gradually substituting fossil fuels with renewable fuels. Biomass already accounts for 37% of the matrix.

We also use the biogas emitted by the wastewater treatment plants in our breweries, meaning that in addition to reducing emissions, we prevent them from being discharged into the atmosphere.

We adopt measures to reduce emissions and energy consumption throughout our value chain.

To reduce emissions in logistics, we prioritize initiatives such as fleet sharing with other companies, optimizing truck journeys. In partnership with MAN-Volkswagen, we worked on the launch of truck powered solely by natural gas, which reduces CO₂ emissions by 20%

In points of sale, we are gradually replacing our refrigerator park with eco-efficient models, providing the owners of the sales outlets with energy savings of up to 20% compared with conventional equipment.



Reduction in energy consumption G4-EN6

In 2016, we economized 1.44 GJ in fuel and electricity by means of efficiency initiatives, including the substitution of metal vapor lights with LED models, advanced automation of refrigeration and steam systems, improved equipment and modulation efficiency in manufacturing and awareness campaigns with employees. The target for 2017 is to reduce total energy consumption by 4.8% against 2016.



1.44 GJ

economized in fuel and electricity

Global environmental targets

Eight global targets for 2017 established in 2013 reflect our commitment to producing beers and other beverages building a better world.

- ✔ Reduce the volume of water necessary to produce 1 liter of beverage to 3.2 liters
- ✔ Reduce energy consumption by 10%
- ✔ Reduce water availability risk in key barley growing regions
- ✔ 70% of the refrigerators acquired annually must be more ecological models
- ✔ Promote initiatives to protect water basins
- ✔ Reduce the raw material used in packaging production by 100,000 metric tons
- ✔ Reduce greenhouse gas emissions by 10%
- ! Reduce greenhouse gas emissions in the logistics chain by 15%

✔ Achieved before the deadline ! Expected for 2017

SMART DRINKING



CONSUMO INTELIGENTE

SMART DRINKING

Actions are focused on health and wellness, partnerships and reducing harmful consumption

We are committed to promoting the smart consumption of our beverages. Our positioning is clear: we have no interest in making a profit on the improper consumption of our products.

We combat the sale of alcoholic beverages to minors aged under 18, to people who have some kind of restriction to consumption (such as mothers-to-be) and drinking and driving. We seek to promote moderate consumption.

Our Smart Drinking program promotes a joint effort with universities, research centers, supermarket chains, bars, restaurants, unions, governments, traffic authorities, taxi applications, sociologists, psychologists, health specialists, artists, soccer players, digital influencers and NGOs.

DIA DE RESPOSTA OR BE(ER) RESPONSIBLE DAY

To commemorate smart attitudes towards alcoholic beverage consumption we created Be(er) Responsible Day, commemorated in September. The date has also been adopted in all the 24 countries in which Anheuser-Busch InBev has operations.

In 2016, for the seventh year running, we organized a nationwide mobilization engaging more than 32,000 employees in transmitting messages about the importance of not selling, serving or allowing minors aged under 18 years to consume alcoholic beverages, as well as underscoring the importance of not drinking and driving or drinking excessively.

RESPONSIBLE TRAINING

We organized smart drinking training sessions at events such as Carnival, music festivals – Lollapalooza and Tomorrowland, for example –, at rodeos and at the Olympic Games, involving more than a thousand people. The objective is to ensure that the service and sales teams assume the commitment to replicate this message, becoming ambassadors for the cause.

In a dynamic manner, the course content addresses health and wellness related to moderate consumption, the prohibition of consumption for under-eighteens, the dangers of excessive consumption and of drinking and driving.



RESPONSIBLE CITY

Responsible City is a pioneering initiative that we support in partnership with the Brazilian Beer Industry Association CervBrasil. Its main objective is to prevent the consumption of alcohol among under-18s, and the main measures include:

- ◆ Training for teachers, healthcare workers, waiters, bar and restaurant owners, representatives of NGOs, social workers, people working with sports and culture;
- ◆ Distribution of educational materials at beverage points of sale;
- ◆ Raising awareness about the improper consumption of alcoholic beverages.

The project is aimed at building a network to eradicate consumption among under-18s. It is supported by local governments, municipal departments, educational networks, hospitals and regional bar associations, restaurants, supermarkets, hotels and convenience stores. It was implemented in the cities of Fernandópolis and São Bernardo do Campo, both in São Paulo, and in 2017 it will be introduced in Americana (SP).

In São Bernardo do Campo, a partnership was established with the Organization of American States (OAS) in 2016.

Smart drinking targets

We promote smart drinking habits and a culture of moderation.

Our commitment to supporting the smart consumption of alcoholic beverages led us to establish global targets to be achieved by 2025.

- ◆ To reduce the harmful use of alcoholic beverages by at least 10% in six cities by 2020 and to implement best practices worldwide by the end of 2025. In Brazil, the pilot city will be Brasilia (DF);
- ◆ To influence social standards and individual behaviors to reduce the harmful use of alcoholic beverages, investing at least US\$ 1 billion in social marketing campaigns and related programs in all our markets by the end of 2025;
- ◆ To ensure that 1 in 5 beers in AB InBev's global portfolio is no- or lower-alcohol by the end of 2025;
- ◆ To place a guidance label on all our beer products by the end of 2020 and to increase alcohol health literacy by the end of 2025.



SAFE LIVING IN BRASILIA

Brasilia was chosen to be one of the AB InBev pilot cities. In 2016, the Brasília Vida Segura (Safe Living) program was launched in partnership with the Distrito Federal government and, among other things, is aimed at reducing harmful alcohol consumption by 10%. In 2017, measures are already underway in the health and road safety areas with the involvement of community leaders.

Road Safety

Road safety was also an action focus in 2016. Work was initiated one year before when we led the creation of a coalition with public authorities, private and civil society organizations to improve road safety management in the country.

The initiative contributed to the launch of a traffic safety movement in São Paulo, the Movimento Paulista de Segurança no Trânsito, in 2015 in partnership with the São Paulo state government. Aligned with the goals of the United Nations' Decade of Road Safety, the movement has the target of halving the projected number of deaths in traffic accidents by 2020, saving approximately 20,000 lives.

The launch of Infosiga SP, a traffic accident information management system for the state of São Paulo – was one of the movement's main accomplishments in 2016. An unprecedented digital report provides precise data on traffic accidents with victims in the entire state on a monthly basis. Armed with the most up-to-date information, managers can make better informed decisions, such as repositioning police road checks, ordering the paving of specific stretches of roads and developing accident reduction plans.

Considering all the municipalities participating in the program, in 2016 there was an 11% reduction in the number of accidents with fatalities in comparison with 2015.



TRAFFIC SAFETY MAP

In 2016, we launched the 2nd edition of the Portrait of Road Safety in Brazil, based on data from 2013. The report shows the number of accidents and the main causes of death by region in Brazil.

Motorcycles represent 26% of the Brazilian vehicle fleet, but account for the highest percentages of deaths (37%) and injuries (56%). The report showed that the number of motorcyclists injured has quadrupled since 2013: from 21,692 to 88,682.

On the other hand, we noted that the number of deaths decreased by 5.7%, although traffic in Brazil continues to be one of the most violent in the world, according to the WHO (World Health Organization).

With the aim of helping to develop effective policies to combat traffic accidents, we provide an unprecedented cross referencing of data from diverse organizations such as the Associação Nacional dos Transportes Públicos (ANTP), Datasus (Departamento de Informática do Sistema Único de Saúde), Departamento Nacional de Trânsito (Denatran), Instituto Brasileiro de Geografia e Estatística (IBGE), Instituto de Pesquisa Econômica Aplicada (IPEA), as well as the World Health Organization (OMS).

We believe that to improve traffic safety in Brazil it is necessary to form a coalition involving private and public sector agents and the third sector, and we contribute actively to this end.

DEVELOPMENT



DESENVOLVIMENTO DEVELOPMENT

We provide incentives to improve barley by means of a program in partnership with Embrapa that foment growing techniques and encourages the sharing of best practices. We also work with 150 agricultural producers in the Maués region in the Amazon, responsible for supplying a major part of the guaraná used in our soft drinks. We provide them with the seedlings free of charge and give them technical training in cultivation, focused on environmental management and productivity. Another initiative includes training to leverage small bars by means of programs for micro-franchises like Nosso Bar.

Actions are focused on eradicating poverty; quality education; decent work; economic growth; and reducing inequality

SDG 1, 4, 9 and 10

Our work drives us forward, making an impact on each link in our chain. We believe that everyone can benefit and grow by means of opportunities for social transformation.

Our dream and our capacity to execute inspire us to develop our business chain, generating knowledge and learning, elaborating methodologies and processes, driving the development of our suppliers and our customers.

We share Ambev know-how with our suppliers to enable them to enhance their processes, promoting efficiency, quality and sustainability. We foment the development of our guaraná producers in the Amazon and the farmers who produce our barley in the south of Brazil, driving the local economy.

In relations with our customers, we assume an important role in developing the points of sale, which range from beverage distributors and supermarkets to bakeries, snack bars and small grocery stores. In addition to providing support to improve management at these establishments, we foment best environmental practices, such as the efficient use of water and energy.

We have built close a close relationship with our consumers. We take part in important moments of their lives, such as sporting events, music shows and popular festivals. In addition to being present at major festivities such as Carnival, the Paratins Folk Festival and the São João Festival in Campina Grande, we promote events in other cities that are not part of the established festival circuit.

We support more than 12,000

cultural and musical events per year, impacting over 247,000 people.

Lastly, where development is concerned we must mention our people. In addition to providing training and opportunities, we have invested in discussing and promoting diversity.

Women Empowered Interested in Successful Synergies (Weiss) airs subjects of interest to women in the work place, including the Women's Empowerment Principles – which provide guidance on how to empower women in the labor market and in society. This is an initiative launched by the United Nations to which we have adhered.

Lesbian and Gay and Everyone Respected (Lager) promotes a work place in which people are able to be themselves, expressing their individuality, reaffirmed with the Fórum de Empresas e Direitos LGBT created in March 2013.

Everything we do is aligned with our culture and way of working, so that we may bring people together for a Better World.

Bem Ambev

Since 2013, Bem Ambev, a volunteer work initiative in which our employees participate, has been engaged in different social and environmental activities in the areas surrounding our operations. A total of 21 committees nationwide are part of the program. In the last year, Bem Ambev mobilized around 12,000 volunteers, more than 3,000 of whom are company employees, who invested over 6,000 hours in activities. We undertook more than 115 voluntary work initiatives that benefited some 43,000 people.

Better Soccer

We idealized the Movimento Por um Futebol Melhor (Better Soccer Movement), a series of



initiatives to drive improvements in Brazilian soccer, which has already engaged 15 teams, involving 158,000 member-supporters who participate in a discount purchase program with products from more than 14 companies.

We have already passed the mark of 1.1 million members in 74 partnering clubs. Even with the difficult economic situation in 2016, we continued to grow, adding some 100,000 new members, conceding more than R\$ 30 million in discounts, reaching a total of R\$ 110 million since the program began.

The annual revenue generated for the clubs by the member-supporters' monthly fees is estimated at R\$ 400 million.

We idealized the Better Soccer Movement, a series of initiatives to drive improvements in Brazilian soccer.

MANAGEMENT CHAMPION

We also developed the Management Champion, an award that recognizes management excellence in Brazilian soccer clubs and shares learning.

The Fundação Instituto de Administração (FIA), one of the major business schools in the country and our partner in the award, developed the postgraduate course Excellence in Soccer Management to train soccer managers in accordance with the competencies set forth in the awards manual developed by Ambev.

The course program is focused on the key competencies necessary for managing a soccer club, such as leadership, strategic planning, complex negotiations, financial planning, managing marketing and sales, analysis of financial and sporting performance, ethics in the business environment, among other items inspired by the Management Champion regulations.

Revitalizing soccer pitches

We also promote a series of other initiatives to value Brazilian soccer.

Aimed at promoting social transformation via soccer in Brazilian communities, the Brahma Viva Campinho revitalized 27 local soccer pitches in the state of São Paulo in 2016. Since the initiative was started in 2014, 58 pitches have been concluded. Currently, 3 pitches are undergoing revitalization, 2 are being prepared and 51 are awaiting authorization for work to begin. Our target is to improve 300 pitches nationwide by 2018.



A STORY OF DEVELOPMENT IN THE AMAZON

The municipality of Maués, in the state of Amazonas, is where guaraná originated. Our Santa Helena farm has grown the fruit there since 1972, when it initiated its activities. The farm employs between 30 and 50 people in growing the fruit and has a total of 120 employees. Taking into account the primary chain comprising 2,000 agricultural producers and their families, more than 10,000 people benefit from producing or commercializing the fruit.

We drive the development of the region, sharing our experience and best practices with producers, technicians and the local community. This exchange of knowledge is epitomized on Guaraná Day, an event organized by Ambev. Our goal is to invest in research and innovate in our products, growing our chain and increasing the number of people benefiting from the value generated. Furthermore, our productivity improvements are shared with the agricultural producers, to whom we donate thousands of seedlings.

Guaraná has been contributing to the social and economic development of the municipality. Poverty has been reduced by 30% in the last decade, while the city's Gross Domestic Product (GDP) has grown, particularly in the agricultural area. In the region, guaraná is commercialized in the form of grain, sticks, powder, syrup and tea, as well as being used in handicrafts.

The guaraná which generates development in Maués may be found in diverse parts of the world as result of the commercialization of Guaraná Antarctica.

Promoting children's health

We recognize the role we play as part of the pursuit of a solution for obesity, a complex problem that has multiple causes. Since August 2016, we have made changes in our beverage portfolio sold directly into school canteens serving children aged up to 12 years (or with a majority of children up to this age), no longer selling soft drinks in these locations.

We now only commercialize mineral water, 100% fruit-based juice and coconut water. The new portfolio is based on the guidelines published by international beverages associations. New products launched in the future may be added to this portfolio if they are aligned with the guidelines.



The choice of the portfolio in Brazil is also based on dialogues with specialists in public health, diet and nutrition, as well as children's rights professionals and institutions.

The policy is applied to school canteens that buy directly from the company and from our distributors.

We offer almost 2,000 study scholarships to children from the communities surrounding our facilities and to employees' children.

Fundação Zerrener

Founded 80 years ago, the Fundação Antonio e Helena Zerrener (FAHZ) promotes formal and technical education for children and adolescents. The institution is one of the controlling Ambev shareholders and its funding comes from the company.

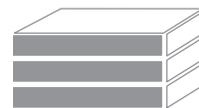
FAHZ supports two teaching institutions: the Walter Belian Technical School – providing technical industrial education –, in the city of São Paulo, and the Roberto Herbster Gusmão high school in Sete Lagoas (Minas Gerais). The school in São Paulo has 1,151 students at primary, secondary and technical level, the latter developed in partnership with Senai (Serviço Nacional de Aprendizagem Industrial), involving more than 1,500 students. The courses are free of charge and scholarships for the institution are shared among the children of Ambev employees, who receive 109, and the local community, which receives 1,042 scholarships.

The Sete Lagoas school has 715 1st to 5th grade primary students. The children of Ambev employees occupy 135 vacancies, while children from the local community have 580 places. All the children study free of charge.

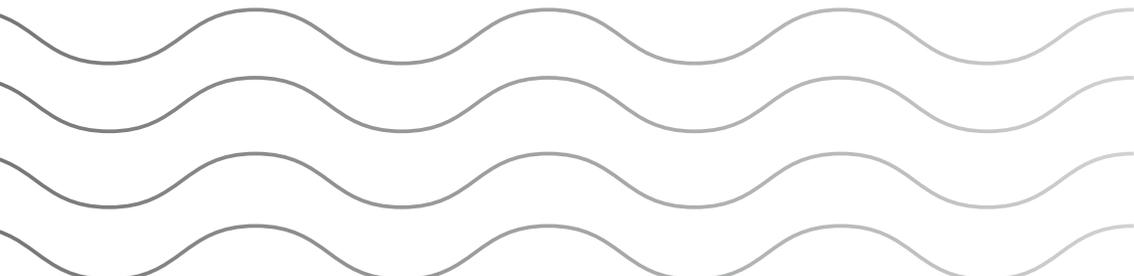


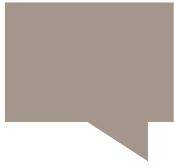
Based on a partnership between Ambev and FAHZ, we organize Educare, a study scholarship for primary and secondary school children from locations in Rio de Janeiro and Ceará close to our operations. In 2016, 327 scholarships were granted, 274 for children of Ambev employees and 53 for children and adolescents from the surrounding communities.

Beneficiaries include public school children who now attend first class private schools in the regions where they live. Currently, 350 children and adolescents benefit from the project. We continue to monitor the results in order to identify opportunities to improve the project, delivering greater value.



80
years promoting
education





REPORTING PROCESS



We are committed to disclosing financial and non-financial information about our social, environmental and economic performance. The Ambev Annual and Sustainability Report shares the main highlights in our operations from January 1, 2016 to December 31, 2016 with our stakeholders.

It is developed in accordance with the core option of the Global Reporting Initiative (GRI) G4 guidelines and is aligned with the Global Compact communications. G4-28, G4-29, G4-30, G4-32

The topics addressed and their respective indicators* – GRI, operational and economic-financial – are based on the principle of materiality, as explained below.

This publication was developed based on interviews with the main Ambev executives in Brazil, institutional materials, documents and data gathered in our areas. The information does not cover the operations in Latin America and Canada. G4-18

We are also disclosing our financial statements for the year ended on December 31, 2016, as well as documents and communications filed with the Comissão de Valores Mobiliários (CVM) and on the CVM and Ambev websites. G4-17

Any requests for clarification or further information may be addressed to the Investor Relations area, at ri@ambev.com.br. G4-31

STAKEHOLDER ENGAGEMENT

G4-18, G4-20, G4-21, G4-24, G4-25, G4-26 and G4-27

We revised our materiality matrix in a process conducted in 2014 and 2015, identifying priority topics for our sustainability management – such as water and responsible consumption –, as well as opportunities to enhance our practices and strategy.

The process involved in-depth individual interviews with representatives of government, academia, investors, suppliers, customers, the press, civil society, the health sector and companies.

Stakeholders pointed out opportunities for improvement in our internal management for sustainability, in relations with suppliers and with customers, as well as in product communication and marketing practices.

Our engagement process takes into account the AA1000 principles of inclusion, materiality and response capacity – in the identification and selection of stakeholders and incorporates the periodic revision of the materiality matrix.

*Because of their strategic nature, some environmental indicators are not disclosed in absolute numbers, but rather in terms of consumption per unit produced.

Material Topic (G4-19)	GRI Aspect (G4-19)	Indicators Reported	Boundaries (G4-20 and G4-21)	
			Main stakeholder groups impacted	Material aspect inside/outside organization
Responsible Consumption / Responsible Communication and Marketing/Consumer Health	Product and Service Labeling / Marketing Communications	G4-PR4, G4-PR7	Executives, Managers and Customers	Inside and outside the operations
Water	Water	G4-EN8, G4-EN9	Executives and Managers	Inside and outside the operations
Governance and Transparency	Governance/Anti-Corruption	G4-S6, G4-S4, G4-S08	Executives, Managers, Suppliers and Society	Inside and outside the operations
Product Safety and Quality	Customer Health and Safety	G4-PR1, G4-PR2	Executives, Managers and Customers	Inside and outside the operations
Economic Performance	Economic Performance	G4-EC1	Executives	Inside the operations
Development of Human Capital	Training and Education / Diversity and Equality of Opportunity	G4-LA9, G4-LA12	Managers and Employees	Inside the operations
Energy Efficiency	Energy	G4-EN6	Executives and Managers	Inside and outside the operations
Waste Management	Effluents and Waste	G4-EN23	Executives and Managers	Inside and outside the operations
Environmental Impact of Packaging	Materials/Products and Services	G4-EN1, G4-EN28	Executives and Managers	Inside and outside the operations
Working Conditions	Employment, Occupational Health and Safety	G4-LA3, G4-LA6	Managers and Employees	Inside the operations
Social and economic impact on surrounding communities	-	Own Indicators	-	-
Customer service and satisfaction / Responsibility in the supply chain / Sustainable agriculture	Product and service labeling / Assessment of suppliers for impacts on society	G4-PR5, G4-S010, G4-S011	Executives, Managers, Customers, Suppliers and Society	Inside and outside the operations
Atmospheric emissions	Emissions/ Products and Services	G4-EN19, G4-EN27, G4-EN30	Executives, and Managers	Inside and outside the operations
Generation of employment	Employment	G4-LA1	Managers and Employees	Inside and outside the operations

GRI Summary

General Standard Disclosures	Pages/response
General standard disclosures	
Strategy and analysis	
G4-1 Statement from the most senior decision-maker in the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Pages 4 and 6
G4-2 Description of main impacts, risks and opportunities: focus on the organization's main impacts on sustainability and its effects for stakeholders.	Pages 4 and 6
Organizational profile	
G4-3 Name of the organization	Page 10
G4-4 Primary brands, products and services	Page 10
G4-5 Location of the organization's headquarters	Page 10
G4-6 Countries in which the operation's main or most relevant units for the sustainability aspects of the report are located	Page 6
G4-7 Nature of ownership and legal form	Page 10 and 20
G4-8 Markets in which the organization operates (with geographical discrimination, sectors covered and types of customers and beneficiaries)	Pages 10, 14, 29 and 60
G4-9 Scale of organization	Pages 10 and 15
G4-10 Total number of employees UNGC	
G4-11 Total percentage of employees covered by collective bargaining agreements UNGC	100% of the employees are covered by collective bargaining
G4-12 Description of organization's supplier chain	Page 56
G4-13 Significant changes in the organization's size, structure, ownership, and supplier chain during the reporting period	There were no changes in 2016
G4-14 Description of whether and how the precautionary approach or principle is addressed by the organization	Pages 23 and 95
G4-15 List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Pages 64 and 95
G4-16 Membership of associations (e.g. industry associations) and national or international advocacy organizations	Page 95
Material aspects identified and boundaries	
G4-17 Entities included in the organization's consolidated financial statements or equivalent documents	Page 88
G4-18 Explanation of process for defining the report content and boundaries of aspects	Page 88
G4-19 List of all the material aspects identified in the process of defining the report content	Page 89
G4-20 Boundary within the organization for each material aspect	Pages 88 and 89

General Standard Disclosures	Pages/response
G4-21 Boundary outside the organization for each material aspect	Pages 88 and 89
G4-22 Effects of any restatements of information provided in previous reports and reasons for these restatements	In the event of restatements, explanatory notes are inserted in the response to the indicator.
G4-23 Significant changes in scope and boundaries of material aspects in relation to previous reports	In the event of restatements, explanatory notes are inserted in the response to the indicator.
Stakeholder engagement	
G4-24 List of stakeholder groups engaged by the organization	Page 88
G4-25 Basis for identification and selection of stakeholders with whom to engage	Page 88
G4-26 Approach adopted by the organization to engaging stakeholders, including the frequency of engagement discriminated by type and group, indicating whether any engagement was promoted specifically as part of the report preparation process	Page 88
G4-27 Key topics and concerns that have been raised during stakeholder engagement and measures adopted by the organization to address these topics and concerns, including in the process of reporting them. List the stakeholder groups that raised each of the topics and concerns mentioned	Page 88
Report profile	
G4-28 Reporting period (e.g.: fiscal or calendar year) for the information presented	Page 88
G4-29 Date of most recent previous report (if applicable)	Page 88
G4-30 Reporting cycle (annual, biennial, etc)	Page 88
G4-31 Contact point for questions regarding the report or its contents	Page 88
G4-32 "In accordance" option chosen by the organization	Page 88
G4-33 Current policy and practice with regard to seeking external assurance for the report	The contents of this document were audited by KPMG, which was contracted by Ambev to conduct an independent verification of the report. Page 95
Governance	
G4-34 Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making provoking economic, environmental and social impacts	Page 20
Ethics and integrity	
G4-56 Values, principles, standards and norms of behavior in the organization, such as codes of conduct and ethics	Pages 20, 22 and 28

Aspect	Description	Page/response	Omission
SPECIFIC STANDARD DISCLOSURES			
Economic category			
Economic performance UNGC	G4-DMA Management approach	Page 19	
	G4-EC1 Direct economic value generated and distributed	Page 19	
Environmental category UNGC			
Materials	G4-DMA Management approach	Page 74 and 76	
	G4-EN1 Materials used, discriminated by weight or volume	Page 74	
Energy	G4-DMA Management approach	Page 76	
	G4-EN6 Reduction in energy consumption	Page 76	
Emissions	G4-DMA Management approach		
	G4-EN19 Reduction of greenhouse gas (GHG) emissions		Information unavailable because the emissions inventory was under preparation when the report was published
Waste	G4-DMA Management approach	Page 74	
	G4-EN23 Total weight of waste, discriminated by type and disposal method	Page 74	
Products and services	G4-DMA Management approach	Pages 75, 76 and 95	
	G4-EN27	Pages 75, 76 and 95	
Extent of mitigation of product and service environmental impacts	G4-DMA Management approach	Page 75	
	G4-EN28 Percentage of products and packaging reclaimed, discriminated by product category	Page 75	
Transportation	G4-DMA Management approach	Page 43	
	G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and of transporting members of the workforce	Page 43	
Social Category - Labor Practices and Decent Work UNGC			
Employment	G4-DMA Management approach	Page 48	
	G4-LA1 Total number and rates of new employee admissions and employee turnover by age group, gender and region	Page 48	
	G4-LA3 Return to work and retention rates after maternity / paternity leave, discriminated by gender	Page 48	
Occupational health and safety	G4-DMA Management approach	Page 51	
	G4-LA6 Types and rates of injury, occupational diseases, days lost and absenteeism, and total number of work-related fatalities, by region and by gender	Page 51	
Training and education	G4-DMA Management approach	Page 53	
	G4-LA9 Average number of hours training per year, per employee, discriminated by gender and by functional category	Page 53	
Diversity and equality of opportunity	G4-DMA Management approach	Page 49	

Aspect	Description	Page/response	Omission
	G4-LA12 Composition of groups responsible for governance and discrimination of employees by functional category, gender, age group, minority group and other diversity indicators	Page 49	
Social category - Society			
Anti-corruption UNGC	G4-DMA Management approach	Page 22	
	G4-S04 Communication and training on anti-corruption policies and procedures	Page 22	
Compliance	G4-DMA Management approach	Page 24	
	G4-S08 Monetary value of any significant fines and total number of non-monetary sanctions applied due to non-compliance with laws and regulations	Page 24	
Supplier assessment for impacts on society	G4-DMA Management approach	Page 58	
	G4-S010 Significant actual and potential negative impacts of supplier chain on society and measures taken	Page 58	
Grievance and complaint mechanisms for impacts on society	G4-DMA Management approach	Page 23	
	G4-S011 Number of complaints and grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Page 23	
Social category - Product responsibility			
Customer health and safety	G4-DMA Management approach	Page 24	
	G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed in pursuit of improvements	Page 24	
	G4-PR2 Number of cases of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Page 24	
Product and service labeling	G4-DMA Management approach	Page 24	
	G4-PR4 Total number of cases of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Page 24	
	G4-PR5 Results of customer satisfaction surveys	Page 24	
Marketing communications	G4-DMA Management approach	Page 25	
	G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes	Page 25	

List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses G4-15

Membership of associations (e.g. industry associations) and national or international advocacy organizations G4-16

- ◆ United Nations Global Compact
- ◆ United Nations Women's Empowerment Principles
- ◆ United Nations CEO Water Mandate
- ◆ Compromisso LGBT
- ◆ CervBrasil Associação Brasileira da Indústria da Cerveja
- ◆ CISA Centro de Informações sobre Saúde e Álcool
- ◆ ETCO Instituto Brasileiro de Ética Concorrencial
- ◆ ABIR Associação Brasileira das Indústrias de Refrigerantes e de Bebidas não Alcoólicas
- ◆ CEDES Centro de Estudos de Direito Econômico e Social
- ◆ Cerveceros Latinoamericanos
- ◆ AMCHAM American Chamber of Commerce
- ◆ CEMPRE Compromisso Empresarial para a Reciclagem
- ◆ IEDI Instituto de Estudos para o Desenvolvimento Industrial
- ◆ CEBDS Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável
- ◆ ETHOS Instituto Ethos
- ◆ ABERJE Associação Brasileira de Comunicação Empresarial
- ◆ Conar Conselho Nacional de Autorregulamentação Publicitária

- ◆ CNI Confederação Nacional da Indústria
- ◆ FIRJAN Federação das Indústrias do Estado do Rio de Janeiro
- ◆ ABA Associação Brasileira de Anunciantes
- ◆ SINDICERV Sindicato Nacional da Indústria da Cerveja

EXTENT OF MITIGATION OF PRODUCT AND SERVICE ENVIRONMENTAL IMPACTS G4-EN27

Water use

- ◆ Training initiatives, standardization, implementation of good operational practices (GOPs) and investments in projects to reuse water or reduce consumption.
- ◆ Jaguariúna: 13% reduction in specific consumption indicator with the implantation of project to reuse wastewater and management of the KPI.
- ◆ Aquiraz: 22% reduction in the consumption indicator with the implantation of reuse of external waste water, management of the KPI and equipment maintenance.

Effluents

All the effluents from our operations are treated. Our wastewater treatment plants are highly efficient. The increase in the efficiency of the IWTPs (2016 x 2015) represents 369,500 kg COD discharged, equivalent to the annual sewage production of a city with 11,248 inhabitants.

Expansions of the IWTPs represent 38,500 kg COD/Day, equivalent to sewage treatment for 481,000 people per day.

* Principle 15 of the "Rio Declaration on the Environment and Development" introduced the precautionary principle – an approach adopted by the organization to manage risks in operational planning or in the development and introduction of new products.

PRECAUTIONARY PRINCIPLE G4-14

One of our main causes aligned with the precautionary principle* is smart beer drinking. We combat the improper consumption of alcohol, the sale of alcohol to under-18s, to drivers and to whoever has any kind of restriction related to the product.

We are also committed to the health and safety of our consumers when we develop and produce beverages. In our operations, we implement measures to control and monitor raw materials, principally water, emissions, waste and effluent generation.

Credits

Overall report coordination

Ambev External Communication and Ambev Sustainability

Editorial coordination, GRI consulting and design

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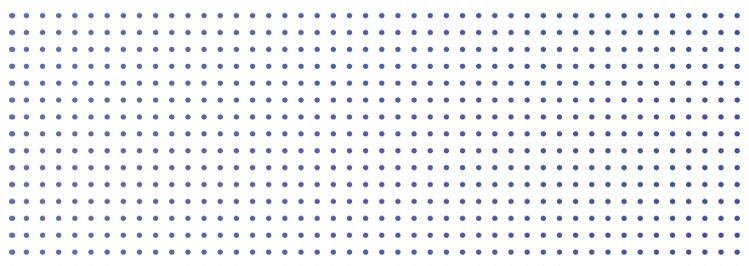
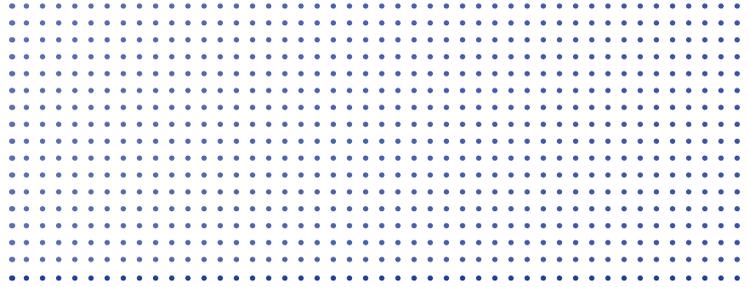
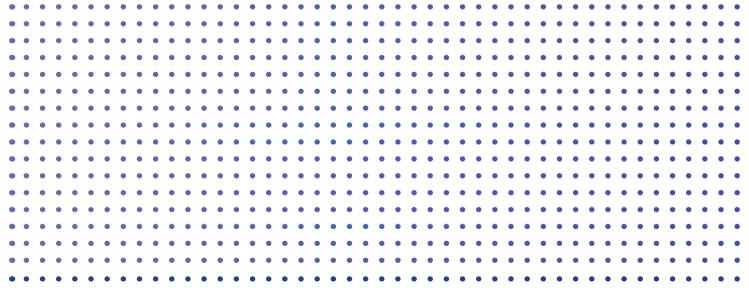
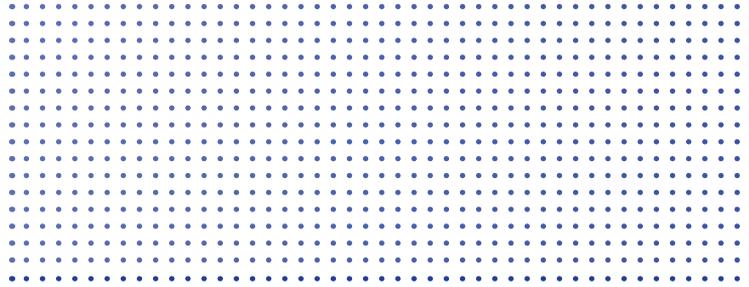
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