



**ABInBev**

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**INVESTOR  
SEMINAR  
2018**



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**ABInBev**

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**DAVID  
KAMENETZKY**

Chief Strategy &  
External Affairs  
Officer



- Born in Binningen, Switzerland
- 2 years in our company
- Favorite Beer: Patagonia
- I'm most proud of our truly global footprint



# Our Dream is to Bring People Together for a Better World

We are building a company to last, brewing beer and building brands that will continue to bring people together for the next 100 years and beyond







We understand our environment and competitive landscape,  
anticipate trends and expectations of stakeholders

**Companies are expected to play a role  
and take action on relevant issues**





# We are in the driver's seat!

Transforming uncertainty into opportunities

## Leading the way

- Talent
- Closing Gaps
- Continuous Improvement
- Global Reach





# We have great foundations to win



**Dream • People • Culture**



**Passion for Beer**



**Sustainability**



**Smart Drinking**



**Road Safety**



Our people are our most important competitive advantage

We are committed to recruiting, developing and retaining the best talent

## BUSINESS INSIDER

**Budweiser's parent company is now giving nearly 200,000 employees four months of paid parental leave**



**ABInBev**



# Smart Drinking Goals 2025 as part of our commercial strategy

## Our Focus

- Innovation
- Evidence-based
- Collaboration / Partnerships
- Embedded in our business

## Changing Behaviors Through Social Norms



### Multi-Year Pilots

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

Implement the best practices globally by the end of 2025.



### Social Norms

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

## Empowering Consumers Through Choice



### Alcohol Health Literacy

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

Increase alcohol health literacy by the end of 2025.



### Product Portfolio

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



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**NABLAB Volume  
growth from ~5% in  
2015 to ~8% in 2018**

**Five of our markets  
have met and exceed  
the 20% beer volume  
target for 2025**

Country	NABLAB %	Key Brands 2017
 <b>Colombia</b>	~27%	Aguila Cero, AguilaLight, Cola y Pola
 <b>Australia</b>	~23%	Great Northern, Carlton LA, Cascade Premium Light
 <b>China</b>	~23%	Budweiser LA, Harbin LA, Sedrin LA
 <b>Ecuador</b>	~37%	Pilsener Cero, Pilsener Light, Stella ArtoisNA
 <b>Panama</b>	~50%	Atlas Golden Light

*Source: Company Data*



**ABInBev**



We have developed a strong NABLAB portfolio

No-alcohol beer has a great taste profile and frequently allows a premium and lower excise



ABInBev



**Excise policies can stimulate NABLAB category, encourage innovation and incentivize consumers**

## **Beer demands a different regime**



**Significantly lower alcohol content**



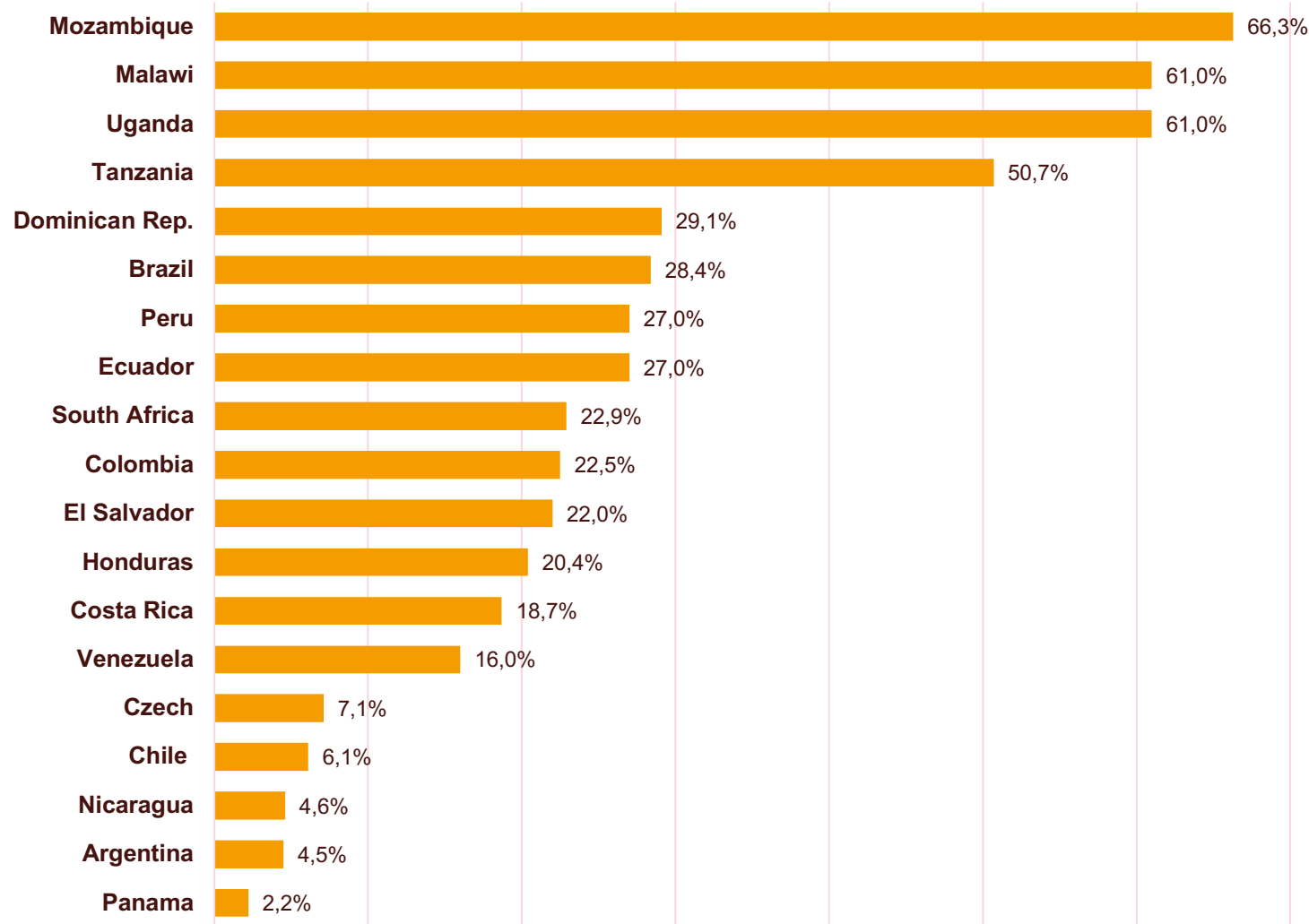
**Greater economic impact due to extensive value chain**



**Higher costs of producing and delivering to POCs and consumers**



- Consumers get access to a safe, quality, moderate alcohol choice
- We work to reduce informal alcohol
- Excessive taxes aggravate informal market
- Affordable beer can curb informal alcohol



Source: Share of the illicit alcohol market, 2015 (HL LAE) - Euromonitor International

\*Figures for Brazil do not include tax leakage. Brazil, Venezuela = 2011. Nicaragua, South Africa = 2012. Argentina, Chile = 2013. Czech Republic, Mozambique = 2014. - Other countries= 2015



## Affordable beer projects with local sourcing demand lower excise tax and may lift consumers out of informal market

### A winning strategy:

- New economic activity for local producers
- Incremental revenue for AB InBev
- Governments collect additional taxes
- Consumers have access to safe and high-quality beer





**We want to reduce harmful consumption of alcohol and contribute to sustainable growth of our business**

- Lead the way in partnering for solutions to complex problems
- Positively influencing behaviour, providing information and offering high-quality choices to consumers





## Road safety is close to our business and to our people

- We have supported drink driving laws and enforcement
- Knowledge to leverage through powerful coalition
- Replicable and scalable solutions

1.25 million lives lost and 50 million people injured every year



**We are linking our efforts  
to the UN Sustainable  
Development Goals 2030**

**Integral development of  
communities is aligned  
with our future growth**





**ABInBev**

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## TONY MILIKIN

Chief Procurement  
and Sustainability  
Officer



- Born in USA
- 9 years in our Company
- Favorite Beer: Brahma Choppe
- I'm most proud that  
*"Sustainability is our Business"*



# Sustainability makes business sense

Operationally...



**LICENSE TO GROW**



**SUPPLY SECURITY**

and Commercially...



**CONSUMERS**



**INNOVATION**

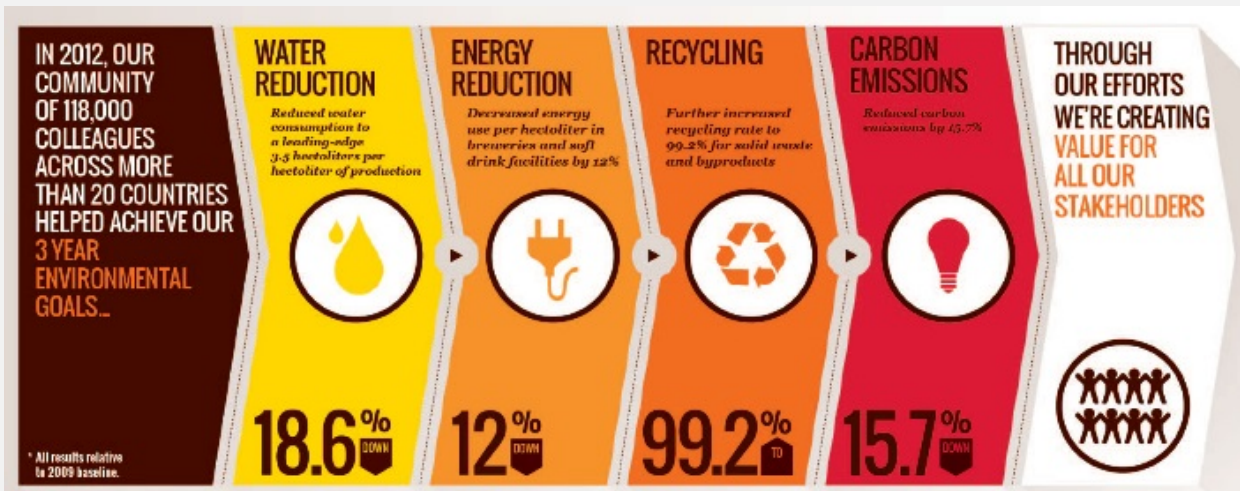




# Sustainability is about long-term resilience

Our job has always been to put great beer in consumers' hands, securing crops, ensuring water supply while reducing operational & regulatory risk

## 2010-2012 Goals: 100% Achievement



## 2013-2017 Goals: 100% Achievement

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



# Helping us mitigate risk and create value

**Our pursuit of excellence and passion for brewing highest quality beer present emerging challenges but also opportunities**

**Investing in partnerships  
in high stress areas**



**Using analytics to improve  
barley quality & local sourcing**







# Consumers increasingly reward sustainable brands

We know consumers want and expect sustainable products. Our own best practices are proof – with Stella Artois spearheading the effort

“Buy A Lady A Drink” campaign in partnership with Water.org has resulted in significant positive brand health impact for Stella Artois



CAMPAIGN OBJECTIVES	2015	2016	ABI NORM
CONSIDERATION	+0.3	+2.2	+1.6
IS WORTH PAYING MORE FOR THAN OTHER BRANDS	+1.1	+3.8	+0.5
IS SOPHISTICATED	+1.0	+5.2	+0.3
IS A HIGH QUALITY BRAND	+1.8	+4.9	+0.3
IS MADE WITH CARE	NOT ASKED IN 2015	+4.1	+1.1
MAKES AN OCCASION MORE SPECIAL		+2.9	
IS FOR SAVORING, DRINKING SLOWLY		+4.2	+1.0

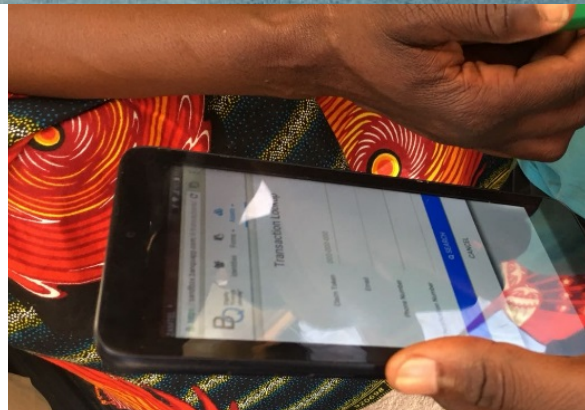
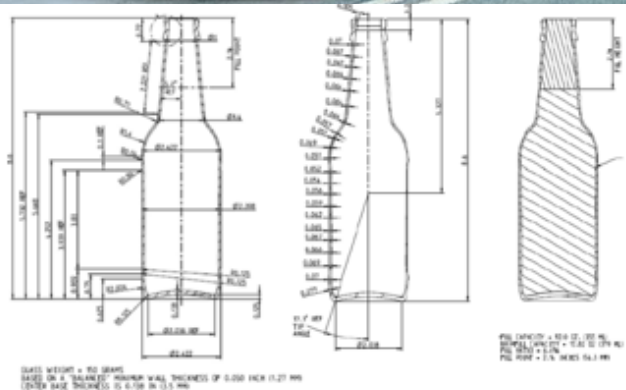
Source: Millward Brown Cross Media, June 2016





# Sustainability drives innovation

We want to be here for the next 100+ years. We need innovation to stay relevant, competitive and differentiated







## SMART AGRICULTURE

100% of our direct farmers to be skilled, connected and financially empowered



## WATER STEWARDSHIP

100% of our communities in high stress areas to have measurably improved water availability and quality



## CIRCULAR PACKAGING

100% of our products in packaging which will be returnable or made from majority recycled content



## CLIMATE ACTION

100% of our purchased electricity from renewable sources  
  
25% carbon emissions reduction across the value chain







# We have launched 100+ Accelerator last week

Aiming to identify and drive new sustainability innovation opportunities globally – for our business and for the world



*We know we cannot reach our Sustainability goals without innovative partners & technologies*

*We are global, but we operate locally: we can identify & scale new tech on the ground*

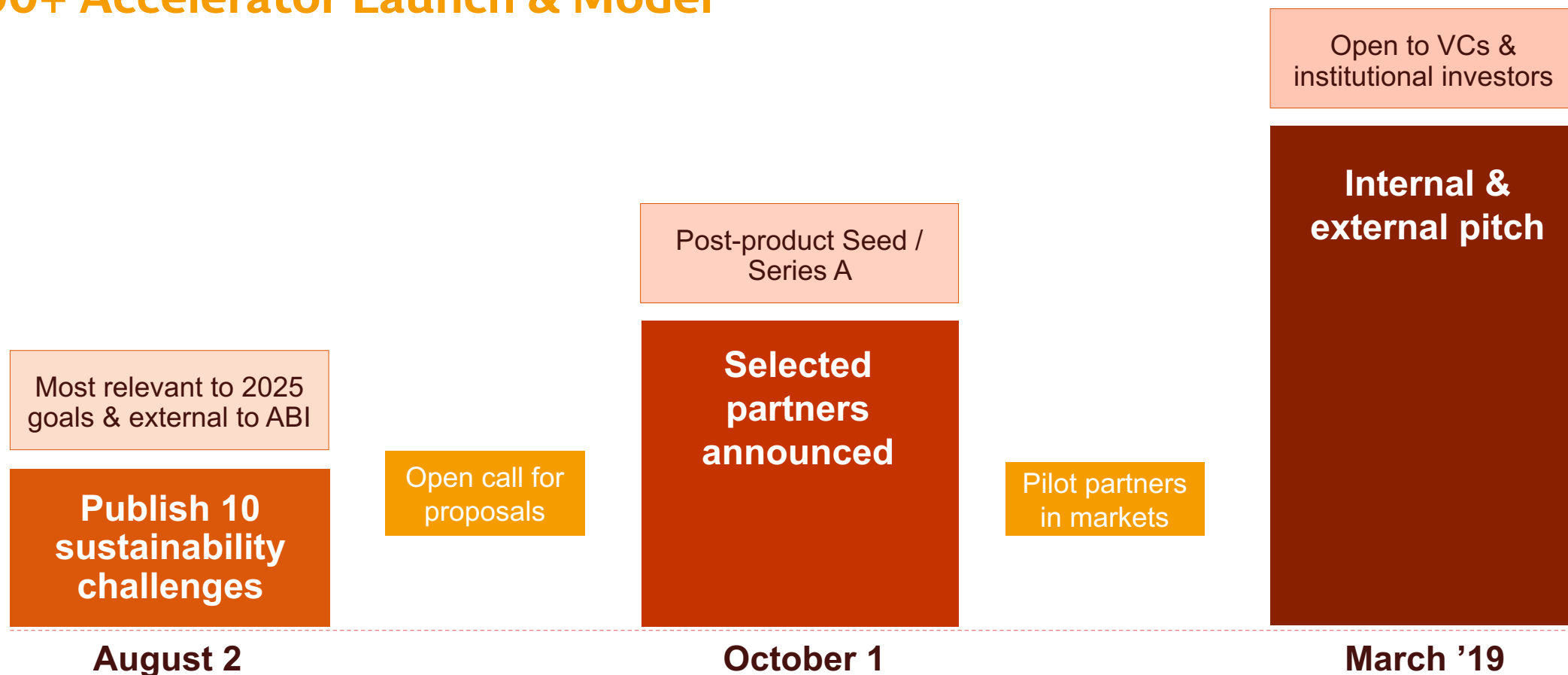
*The world needs more investment & new vehicles that drive sustainability innovation*





**We will pilot solutions locally across our zones, then scale up partners with viable solutions**

## **100+ Accelerator Launch & Model**



Governance provided by **100+ Accelerator Council**, internal & external (EBM, NGO, investors)  
Mentorship delivered by cross-functional company mentors



# We are ready for the future...

1

Our distinctive culture and outstanding talent have brought us here

2

As owners, we take results personally and continue to innovate to drive topline growth

3

We view Smart Drinking as a differentiator; and recognize that harmful drinking is bad for society and our business

4

We are pursuing a progressive approach towards fair excise and regulation

5

Through our agenda-setting efforts in Sustainability, we are creating long-term value for our business, partners and communities.

A close-up photograph of a person's hand holding a generous amount of finely chopped green herbs, likely cilantro or parsley. The hand is positioned over a dark-colored bowl, and many of the herb pieces are captured in mid-air, falling from the hand into the bowl below. The lighting is dramatic, highlighting the texture of the herbs and the skin of the hand.

**We are building a company  
to last. Not just for  
a decade. But for the  
next 100+ years...**