

AB InBev Investor Seminar

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Frank Wang, VP Legal & Corporate Affairs VP – Better World

Good afternoon, everyone. I am Frank Wang, the head of Legal and Corporate Affairs in Asia Pacific. It is my honor to be here to share with you our Better World dream as a responsible corporate citizen and to describe how it supports our top line growth strategy and the improvement of our reputation.

I have been with the company for 12 years. 12 years in Chinese culture is a zodiac cycle. It also represents the cycle of growth and harvest in a sustainable way. I am lucky that I have witnessed our rapid growth in China and APAC since I joined the company. I am looking forward to another 12 years with this great company. In the next 20 minutes, I will present to you the details of each pillar of our dream, and the progress we have made in bringing it to life.

At AB InBev, we share a powerful Dream to be the Best Beer Company Bringing People Together for a Better World. Why is Better World important for us? First, it ensures that our business grows in a sustainable way. Second, it helps attract, retain and engage great people. Third, it influences the choices consumers make around our brands. And finally, our Better World dream reflects a broader Wellness dream in China which aims to deliver a better life for Chinese people in a better world. And our Better World efforts can help our company, which is the only 100% foreign-owned brewer among the top 4 brewers in China, to build and maintain a good and constructive relationship with all key stakeholders in China. As we strive to achieve the Better World dream, we continue to support and promote our social responsibility initiatives in three pillars - responsible drinking, environment and community.

Let me first take you through our journey in promoting responsible drinking. As the world's leading brewer, we are not only brewing our beer passionately, but also promoting responsible consumption of our products. This slide shows our 7 year footprint of the designated driver campaign in China. As you can see, it's not a stand-alone project and we keep building the momentum each year.

In 2010, we initiated the first ever TV commercial to promote the concept of a designated driver, to address the issue of drunk driving, which is a big concern of the Chinese government since China has become the largest car market in the world. Each year, we evolve it from a simple advertisement to deeper initiatives such as mini movies and campaigns that involve many superstars in China, while extending the focus from designated driver to much broader road safety.

Our partners, including the traffic police and industry associations, also support us in communicating these messages. With their help, our latest mini-movie was launched featuring the former NBA star Yao Ming and the very popular movie star Lu Yi, together with their wives, and our zone president Michel, at the end of 2014. This mini-movie set a new record with online viewership of 200 million, and it was recognized by the Ministry of Public Security and Shanghai Government. Let's take a look at this 3 minute mini-movie together.

In addition to this mini-movie, we also extended our responsible drinking efforts by training alcohol servers and sellers at bars and restaurants, making all of them our ambassadors for responsible drinking to our consumers. In 2014, we trained over 650,000 alcohol servers and sellers in China with great support from our sales force. China has made a huge contribution to the company in winning the GUINNESS World record for "Most pledges received for a campaign".

Another very important program of responsible drinking is education. Family Talk is an educational program we run each and every year teaching the parents on how to talk to their children in order to prevent underage drinking. In China and Korea, we have reached millions of adults with creative approaches such as parent guidebooks and stage play.

In the era of the New Normal, environmental protection is getting more and more attention from people in China. In 2013, we announced seven environmental goals that we aim to achieve by the end of 2017 covering reduction in water, energy, emissions, and packaging, as well as watershed protection and sustainable agriculture initiatives.

One of our key efforts in China around the environmental goals is the Reclaimed Water Project, through which we are returning repurposed water to local communities. The reclaimed water can be widely used for irrigation, landscaping, road cleaning, toilet flushing etc. This project brings environmental, social and economic benefits for AB InBev and the communities in which we work. Our ambitious goal is to launch this program in at least 16 breweries in China and reach an annual supply of 10 million hectoliters of reclaimed water in 2015.

During the 2015 World Environment Day, we also organized an employee volunteer activity “Walk for Water” to rally citizens around protection of water resources. A few other programs to mention: since 2010, OBC has been working together with the internationally renowned environmental NGO, ‘Green Asia Network’ to plant trees in Mongolia to prevent desertification. Our goal is to plant 150,000 trees in total by 2020. “Cass Forest of HOPE” won the ‘Land for Life’ Award by UNCCD (The United Nations Convention to Combat Desertification). And, on the Community front, we aim to have a positive impact on the communities in which we live and work.

Now on barley. Last year, we purchased 220,000 tons of barley from China, 35% of our total consumption in China. The Grow Barley program is one of the global innovative CSR programs we implemented in China. We partnered with scientific institutions in China to introduce, test and support the local growers to cultivate new strains of barley in three key barley growing areas, Gansu, Jiangsu and Inner Mongolia. Last year, our Grow Barley project contributed 60,000 tons of barley, which is 28% of our total barley purchases in China.

Since 2013, we have organized an annual field day to showcase our efforts in water conservation, new technology implementation and best practice sharing to barley growers. The Ministry of Agriculture and China Alcoholic Drinks Association speak highly of this program. In China, we have made the commitment that, wherever we build a new brewery, we will donate funds to build a new hope school to help underprivileged children in that region to receive better education. To date, we have more than 10 hope schools in China. In the meantime, our brands and our employee volunteers are using this great platform to give back to their communities. Let’s watch a video about the first football pitch we built in our hope school during the FIFA World Cup in 2014. With support from the former football player from Manchester City, Sun Jihai, we have built 5 football pitches in China.

Our Better World efforts, have earned many external recognitions from influential media groups and organizations. AB InBev has been recognized by key stakeholders as the leading company in corporate reputation among all multinational companies. In closing, our Better World dream is not something we say, but something we live every day. Our journey continues, like the cycle of the zodiac. Year on year, we make a difference.

Thank you!