

ANHEUSER-BUSCH INBEV INVESTOR DAY
NEW YORK CITY, USA
MONDAY, 21 MAY 2019
US CHIEF EXTERNAL AFFAIRS OFFICER – CESAR VARGAS

Good afternoon. I'm Cesar Vargas, Vice President of Legal and Corporate Affairs. It's nice to be with you. I've been advised to tell you that happy hour is just around the corner!

By way of introduction I was born and raised in southern California and have been with the company for nearly two years.

Prior to joining AB InBev I spent 20 years in various corporate affairs roles with other multinational CPG's in a few different sectors. I've spent the bulk of my career here in the U.S. but also spent 8 years based in Europe managing public affairs and communications issues in markets worldwide. It's been great to be back home and back in the beer business.

I'd like to spend the next few minutes talking about our focus on our company's reputation in the U.S. As you have seen, we identify reputation as one key enabler of our commercial strategy. We believe that it's critical that our key external stakeholders understand who we are as a company and the positive impact we have on our communities and on our economy. We must meet - and exceed - society's expectations and ensure that we maintain an operating environment where our business can grow and thrive. An environment in which Marcel's and Brendan's teams can re-energize our stakeholders and reconnect with our consumers and where we lead future growth.

Anheuser-Busch has been a leading employer and making a positive contribution in the U.S. since it was founded more than 150 years ago, but just as we are driving simplicity through the other parts of our business, we saw an opportunity in early 2018 to better prioritize and to be more focused when it comes to our external initiatives.

We started by listening. We engaged our stakeholders in a dialogue to better understand where we stood as a company and to better understand the programs and initiatives that resonate and that tend to have the

greatest impact on driving our reputation. We learned a few things in these conversations.

First, we heard loud and clear that Anheuser-Busch is recognized as an iconic American company with a rich history and heritage that most other U.S. companies would envy.

There is also a strong recognition that A-B is a leading U.S. company when it comes to economic investment and job creation. Today we employ more than 18,000 colleagues and operate more than 100 facilities across the United States – this includes 12 major breweries and 12 craft partner breweries.

In addition, in the last 10 years alone, we have purchased \$70 billion in raw materials and agricultural commodities from U.S. growers and other suppliers – making an exponential positive impact well beyond the beer category.

And, our powerful network of more than 430 independent wholesalers - who are all active in their local communities - allows us to collectively contribute even further to driving economic growth and prosperity in this country.

There is also a recognition - and a deep appreciation – of A-B's leadership in the area of responsibility. We are the undisputed industry leader in this area. In fact, we pioneered the first major responsible drinking consumer campaign "Know When To Say When," more than 35 years ago.

Today, through our DrinkWiser platform, we are taking on both alcohol-impaired driving and binge drinking by educating our consumers and promoting hydration and planning ahead.

Along with our wholesaler partners, we have invested more than \$1 billion in community-based programs to help prevent underage drinking and alcohol-impaired driving. We are committed to fostering a culture of responsible drinking and to making every experience with our products a positive one.

Another key category is environmental sustainability. We like to say that sustainability is not a part of our business, rather it *IS* our business and there is no doubt that in the U.S. specifically we have a tremendous opportunity to lead.

In our quest to create a cleaner and more sustainable world for future generations, we are doing our part to protect the environment from seed to sip, including investing in water conservation and improving energy efficiency across every aspect of our business.

Last year, we launched our ambitious 2025 Sustainability Goals, focused on four key areas: water stewardship, smart agriculture, circular packaging, and renewable electricity. We've made significant progress with each, but there is still much work to be done.

We also learned that Anheuser-Busch's efforts to support disaster relief – principally through our Emergency Drinking Water Program – make a powerful impact in our communities.

Since 1988, we have temporarily paused brewing beer a few times a year in order to produce and package clean drinking water that is then donated to communities that are hit by natural disasters such as hurricanes, fires, and floods.

We partner with the American Red Cross to understand when our help is needed and to ultimately deliver the water to families in need.

Earlier this year we announced we are expanding this program to support volunteer firefighters. In conjunction with the National Volunteer Fire Council, we will be donating 1 million cans of clean drinking water in support of volunteer fire departments in 2019.

When it comes to our disaster relief and sustainability efforts, our consumer-facing brands play a huge role in telling our story. You will see in the immersion area later today how Budweiser has highlighted the emergency drinking water program and our commitment to renewables during the past two Super Bowls. These are great illustrations of how our corporate initiatives and our consumer brand activity can combine to deliver inspirational stories that are supported by the substantive work we do in our communities.

These signature initiatives are complemented by the strong local partnerships we have forged over many decades with a wide array of NGO's and community-based organizations that rely on critical funding, technical resources, and our employees' volunteer efforts to support their remarkable work.

Our vibrant U.S. charitable foundation was established in 1977 and in the last 15 years alone has contributed more than \$200 million to leading organizations like Folds of Honor, which provides educational scholarships to the children and spouses of our fallen and disabled armed forces, the United Way, the United Negro College Fund, the Hispanic Scholarship Fund, and Habitat for Humanity, among many others.

Now allow me to show a brief video that illustrates this powerful story and sums up who we are as a company in the U.S. today.

As the industry leader in areas like responsible alcohol consumption, environmental sustainability, and supporting our neighbors in times of need, we realized we had a massive opportunity to be more visible and more vocal on the issues that impact us as a company and society as a whole. That starts with our leadership team. Today, we are active and present in forums and events where these issues are being discussed. We have a stronger voice in the debates that impact our business, our people and our partners.

But in today's cluttered environment it takes more than these events to get your message across. So we tell our story consistently, using a variety of venues and channels, including broadcast media, as well as social and online assets.

We want to leave no doubt that Anheuser-Busch is not only the leading brewer in the U.S. but indeed a leader among all companies when it comes to making a positive impact in the places where we operate.

Our efforts to be more focused and more consistent are working. Over the course of 2018 we saw an increase in awareness of the programs and initiatives that truly move the needle with critical U.S. audiences. Moreover, that resulted in a strong increase in Anheuser-Busch's overall company favorability. The progress is encouraging and demonstrates that we are on the right track.

Our progress in this area is so significant that the approach we have taken in the U.S. to strengthen our company's reputation is an AB InBev best practice.

This year our colleagues in 12 other critical markets will be implementing the model and approach we have developed in the U.S. so that collectively we can help drive AB InBev's global reputation forward.

This work is critical, and it matters. It matters because we have a responsibility – and with our scale and our resources we have a tremendous opportunity – to make a positive impact on the communities where we live and work. This is what our internal colleagues, our business partners, our customers and our consumers expect.

It matters because when people that can impact our business better understand who we are and what we stand for, it creates an environment where we have the operational freedom to deliver against the long-term objectives that have been described today.

It matters because by doing the right things, setting high standards, and meeting the expectations others have of us, we will successfully be positioned to lead future growth.

Thank you for your time.

Let me now welcome today's presenters back to the stage for our Q&A session.

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