

Hops & AB

Mark Yocum



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TOPICS FOR TODAY

- A Quick Review
- Over the Last Year
- What's the Plan Going Forward
- Q & A



Looking Back....

- *Beer is Essential...*
- *You Can't make Great Beer without Great Hops*
- *All of us are here to ensure that Hops (and Beer) are Sustainable...*



AB Rules (2017)

Key Rules

- Throughout our history Key Rules have played a Large Role in our day to day operation
- A deeper understanding of your daily approach is a must to build routine



Power of Planning

What is our Plan (10 yr Plan)

- 3 Key Demands for hop development
 - Core Brands
 - Key Growth Brands
 - True Innovation
- Have a disciplined approach for each and leverage the synergies of each



Food Safety (now Sustainability)

Food Safety isn't an option or a Marketing Term

- Consumers are demanding it
- Ask yourself if you know "everything" up and down your process
- Regulations and expectations are not going to relax... so the sooner you get on board, the better
- Its not a matter of what you know....its what you can Prove!



...*Don't Fall in Love with Something You Can't Have....*

Realistically, our priorities haven't changed...

- *Thinking Globally and Acting Locally*
- *Reinvest in the Business*
- *Planning to stick around for 100+ years (relevant & sustainable...)*
- *Leave it better than you found it.....*



Our **Agriculture Footprint** across the US and Canada

+700 Farmers

**17 States
3 Provinces**

+\$600 Million

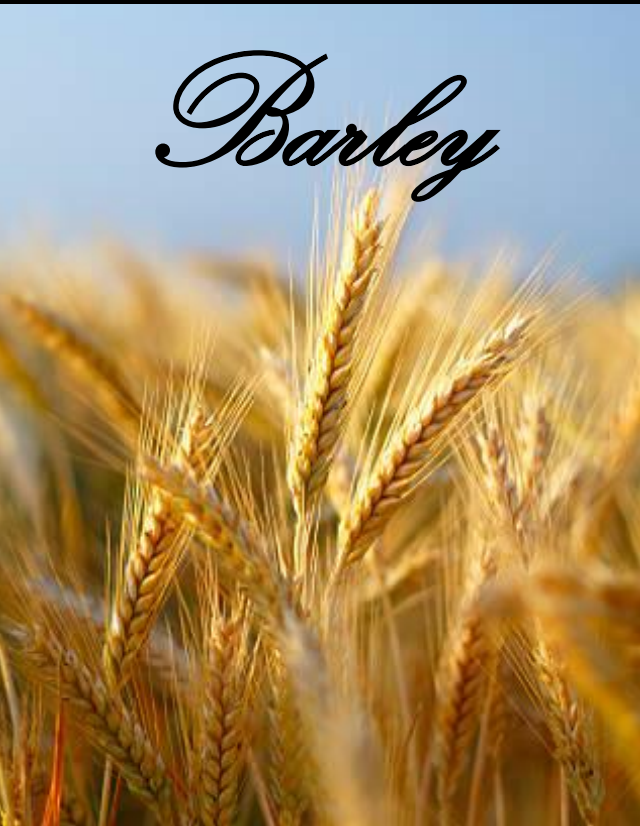
3 Malt Houses

1 Rice Mill

1 Hop Farm

Global Barley Research

Barley



Rice



Hops



Corn



Quality Ingredients make Quality Beers



Agriculture Matters....Hops Matter !!!

Heritage and Passion of our Process should match the same for our Ingredients

Supporting New Variety Development

Supporting US Cultivars

The Focus for AB regarding Hops remains Unchanged....but Updated

- *Focusing effort on Sustainability*
 - *Environmental Impacts (and Ag is ~13% of our footprint)*
 - *Variety Development*
 - *Core Brands*
 - *Innovation Products and Process*
 - *Industry Leadership*



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THE AB HOP PROJECT

- ***The Internal Project for AB that helps to manage all things Hops (2011)***
- ***Lead by North America – Brewing (Joe Casey), with support from Global and Key Zone participants / contributors***
- ***Focus on High Alpha, Willamette Family, Hallertau Family, Cascade Family, and Strategic / Critical aroma variety development***
- ***Other critical objectives / support (HRC, HGA, Hill Climb, Regulatory, and Government Affairs, Good Bines, analytical investigations, studies, and alignment on Industry Hops Objectives)***



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Some Restoration Efforts...

AB Donated Wolf Picker for
OSU needed some Love in
2018



ABInBev



AB Donated Wolf Picker for
WSU needed some Love in
2019



AB's Elk Mountain Hop Farm Maintenance Crew Tuning and Preparing Virgil Gamache Farm's Wolf 140/160 for Shipment to Oregon



ABInBev



Pictured (L-R): Chris Leyden, Don Allenberg, Nick Johnson

A HUGE THANK YOU to the Following:

VGF Farms (Darren and Bernie Gamache) for lending their Wolf Picker to USDA

Elk Mountain Farm & Brett Porter (Ed Atkins, Don Allenberg, Chris Leyden, and Nick Johnson) for their unflagging support of USDA by donating their time and expertise to this project. *(EMF crew that also rebuilt, tuned, and painted the stationary Wolf Pickers at OSU and WSU)*

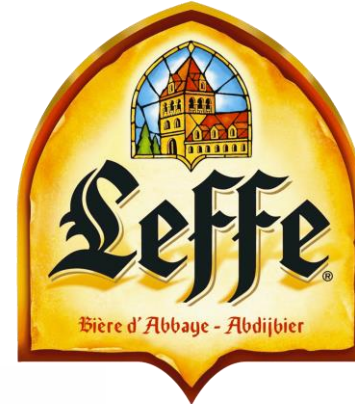
Fobert Farm (Cheyne and Paul Fobert) for their support of John Henning's Breeding program by sharing their land and nurturing USDA's Advanced Line



Battle Stations! The Wolf HA-1 last year at Fobert Farm. "VGF Wolf Picker will be a game changer"
--Dr. John Henning

It still all comes down to taste...

Beer Awards – Recent Wins



LÖWENBRÄU



Top information:

- 75+ winners
- 15 Gold (14 are country winners!)
- Global Brands (Stella Gold, Bud Silver, Corona Bronze). Global extensions – Stella Unfiltered Bronze, Corona Cero Gold, Stella 0.0 Silver, Bud 0.0 Bronze.



AB's Objectives: Some Things Never Change

Focus on the Quality of the
Ingredients and Process

Synergies for a Better
World--***Sustainability***

Strategic Partnerships



U.S. 2025 Sustainability Goals



RENEWABLES AND CARBON

100% of purchased electricity will come from renewable sources; and CO2 emissions across the value chain will be reduced by 25%



WATER STEWARDSHIP

100% of facilities will be engaged in water efficiency efforts; and 100% of our communities in high stress areas will have measurably improved water availability and quality



CIRCULAR PACKAGING

100% of packaging will be made from majority recycled content or will be returnable



SUSTAINABLE AGRICULTURE

100% of direct farmers will be highly skilled, connected and financially empowered

Enable a sustainable and inclusive future

Sustainable Agriculture is one of our 8 core ESG Priorities and ties to our overarching themes on *Natural and Local*





**Our ambition to achieve
net zero across our value chain by 2040**

#FutureWithMoreCheers

Upcycling food waste & promoting plant-based food

Potential in everything

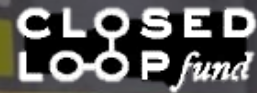
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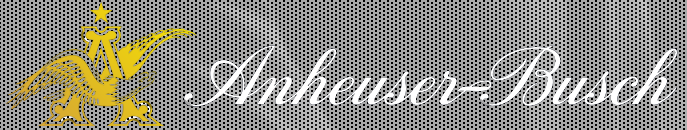


ESTABLISHING POWERFUL PARTNERSHIPS IN SUSTAINABILITY



FORWARD LOOKING...

- Agriculture, including HOPS is a core objective, and our objectives within HOPS remains unchanged
- Sustainability is not a buzzword, but rather a guidepost...it transcends our objectives and our belief that we will be relevant for the next 100 years...
- Headwinds only provide opportunities to Succeed, to Grow, to Evolve, to Innovate, and to Shape our Future.



Final Thoughts:

- ***The Industry is Strong.....but Stay Focused. Challenges are coming, but that a Good Thing!***
- ***There will always continue to be distractions.....so Stay Disciplined. Its easy to cut corners, but Integrity and Character are the things you do, when No One is Watching***
- ***There is a High Likelihood that you will be disrupted....non-stop. Stay Consistent, and Know that you are Essential !!***

LEAVE IT BETTER THAN YOU FOUND IT....



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THANK YOU!!

