

Budweiser

BREWING GROUP UK&I™

A PROUD PART OF ABInBev

UK TAX STRATEGY

December 2022

ABOUT AB IN BEV

Anheuser-Busch InBev (“AB InBev”) is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD).

As a company, we dream big to create a future with more cheers. We are always looking to serve up new ways to meet life’s moments, move our industry forward to make a meaningful impact in the world. We are committed to building great brands that stand the test of time and to brewing the best beers using the finest ingredients. Our diverse portfolio of well over 500 beer brands includes global brands Budweiser®, Corona® and Stella Artois®; multi-country brands Beck’s®, Hoegaarden®, Leffe® and Michelob Ultra® and local champions such as Aguila®, Antarctica®, Bud Light®, Brahma®, Cass®, Castle®, Castle Lite®, Cristal®, Harbin®, Jupiler®, Modelo Especial®, Quilmes®, Victoria®, Sedrin® and Skol®. Our brewing heritage dates back more than 600 years, spanning continents and generations.

From our European roots at the Den Hoorn brewery in Leuven, Belgium, to the pioneering spirit of the Anheuser & Co brewery in St. Louis, US, to the creation of the Castle Brewery in South Africa during the Johannesburg gold rush, to Bohemia, the first brewery in Brazil, the group is geographically diversified with a balanced exposure to developed and developing markets, leveraging the collective strengths of approximately 169,000 employees based in nearly 50 countries worldwide.



GLOBAL TAX STRATEGY

How we manage our global tax affairs

The tax arrangements of the ABI Group are a Board responsibility. The board is assisted by four Committees: the Audit Committee, the Finance Committee, the Remuneration Committee and Nomination Committee. Taxation forms a permanent agenda item in the Board's Audit Committee.

The Board delegates day-to-day responsibility for the management of taxation to the Group Chief Financial Officer ('CFO'). The CFO is assisted in this responsibility by the Global Tax and Financial Control Function which reports directly to the CFO. This function is led by the Vice President Tax and Control, and, for tax matters specifically, by the Vice President Global Tax.

Organisationally and operationally, AB InBev is divided into geographic "zones". Each zone is led by a Zone President (who is a member of the global Executive Board of Management (EBM) and reports directly to the global Chief Executive Officer). The Global Headquarters ('GHQ') is also designated as a zone. The UK is part of both the GHQ zone and, operationally, the Europe zone. Accountability for day-to-day management of UK taxes resides with the heads of UK tax for the GHQ and UK operational entities, reporting into respective Tax and Financial Control functions.

Within this framework, and with full oversight and alignment of the respective local and entity level directors and boards of management, tax matters are managed in full accordance with our approach to policies, procedures and governance.

Policies and Procedures

The group's Business Code of Conduct sets out the group's core principles (publicly available and provided through the link provided).¹ This sets the standard for our tax policies whereby we manage all taxes in an ethical, responsible and transparent manner. We believe in an effective and fair tax system operating in the interests of all our stakeholders.²

Tax Governance

Tax governance within AB InBev works through a set of documented standards and procedures. These describe the strategy, policies and operational aspects of tax. The tax strategy is aligned with the overall business strategy, and also to the overall group approach to corporate governance and risk management. AB InBev aims to pay the correct tax amount at the right time. In order to do this, the group operates an effective tax control framework (as outlined in our management structure noted above) to identify key tax risks and to manage those risks through appropriately designed and operated controls. Furthermore, policies are kept under continuous review and are revised in the light of factors such as material changes within the company or in tax legislation.

UK Tax Strategy

The UK tax strategy is aligned with the global strategy and is subject to the oversight of the UK Board of Directors. The strategy applies to all UK companies in the ABI Group, all such companies being part of the UK sub-groups of headed by ABI UK Holding 1 Ltd and Anheuser-Busch Europe Limited, respectively. The implementation of the strategy is the responsibility of the UK tax function with close interaction with Audit, Treasury, Finance, Legal, and operational teams whose decisions have tax consequences.

¹ <https://budweiserbrewinggroup.co.uk/corporate/about/our-promise/policies/>

² The publication of this strategy statement is in line with the statutory obligation under, Schedule 19 paragraph 16(2), Finance Act 2016

The strategy is publicly available on the website of AB InBev UK T/A Budweiser Brewing Group in order to allow external stakeholders to understand our approach to tax in the UK. The strategy is compliant with the UK tax strategy publication requirement set out in Part 2 of Schedule 19 FA 2016.

The tax strategy is subject to regular review and updated as required.

Transfer Pricing

AB InBev in the UK has substantial interaction with the global group in areas such as finished product purchases, compensations for licenced brewing, financing and the use of services from centralised GHQ functions. For the pricing of these transactions, the arm's length principle is applied in accordance with appropriate transfer pricing rules and OECD principles. We work with HMRC to provide them with full information with regard to any queries they may have around our transfer pricing policies or procedures.

Uncertain tax position

Tax management can involve a number of areas of uncertainty on which we have to make judgements. We therefore take decisions based on strong tax technical analysis undertaken by the in-house tax team or, as necessary, sought from highly qualified external advisors in respect of material or complex transactions, or where we do not have the internal expertise required in a particular area.

Working with HMRC

AB InBev deals with HMRC in an honest, fair and truthful way. These principles of integrity are reflected in our relationship with tax authorities. We engage openly and regularly and meet at least once a year to review our business activities and recent tax filing obligations. We are also combating illicit trade through extensive collaboration with HMRC.

We have in the past sought tax clearances on various matters from HMRC and had engagement with HMRC technical experts where appropriate. We always ensure our Customer Compliance Manager is aware of these engagements.