

**Beer & A Better World**  
**Global Citizenship Report 2010**



**At AB InBev, we strive to be the Best Beer Company in a Better World. But we cannot achieve this goal in a vacuum. We must work hand in hand with many people, the most important being our employees. Their talents and dedication are the foundation of all we do — from brewing our high-quality beers and promoting their responsible enjoyment, to conserving and protecting our natural resources, to supporting the communities in which we operate.**

**Beyond our organization, we also must form partnerships — essential collaborations that enable us to reach higher and wider to create a better world. These partnerships include community groups, NGOs, government agencies, and industry peers, as well as academic institutions and experts who help us in this journey.**

**As a result, we have achieved great progress in helping create a healthier environment, vital communities and a safe workplace where our employees can thrive.**

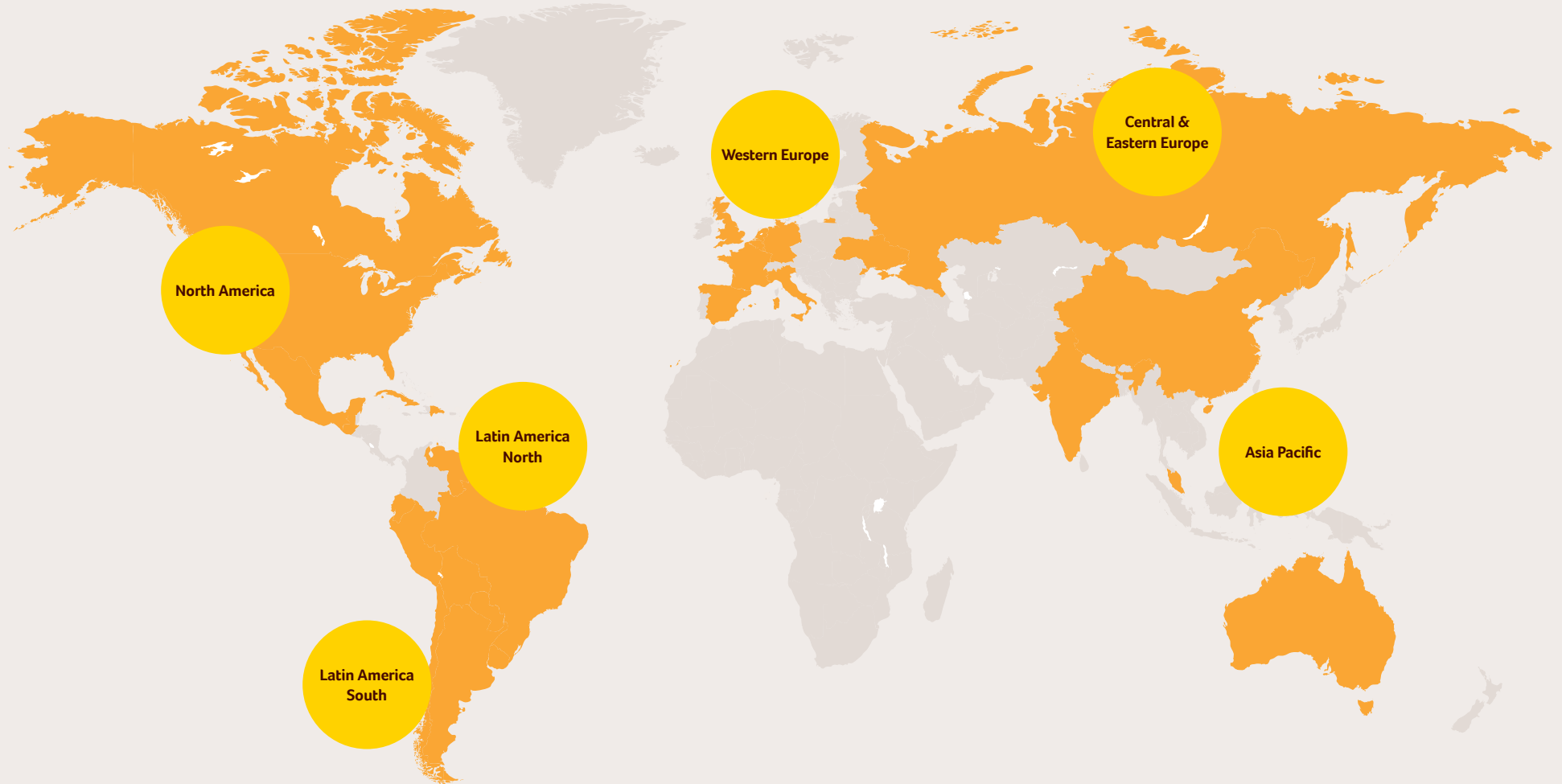
#### **Contents**

04	Introduction	17	UN Global Compact
08	CEO Letter	18	Responsible Drinking
10	2010 Report Highlights	28	Environment
12	About AB InBev	40	Community
14	Brewing a Better World	46	People
16	About This Report	55	GRI Index

# Anheuser-Busch InBev at a Glance

We have operations in 23 countries around the world (see map, below).

Thanks to our Better World initiatives, we are working to promote responsible drinking and discourage alcohol abuse, become a more resource-efficient global brewer, and continue making significant contributions to the well-being of the communities where we do business.



**Volume of Product** (million hectoliters)



**Water Use** (hectoliters of water per hectoliter of production)



**Normalized EBITDA** (million USD)





# Focused



# Magnified

The majority of adults drink responsibly, and we're leveraging this research finding and our best practices to promote responsible drinking around the world.



**Committed**



**Innovative**

**We're committed to finding innovative ways to save water, increase recycling rates and help improve the communities in which we operate.**

 **see page 28 for more on environment**

# Helping



# Sharing

Through volunteering, our employees not only help those in need, but also personalize our company to the communities where they live and work. One example is our work with Un Techo para mi País in Uruguay (see page 42 for more details).

We work tirelessly to share best practices across the organization. By doing so, we can achieve lasting success and meet our key social responsibility goals.

**Inform**



**Improve**



Best Beer Company  
in a Better World

 see page 46 for more on people

## **Welcome to Our Global Citizenship Report**

**With the collective strength of our 114,000 people based in 23 countries, we strive to be the “Best Beer Company in a Better World.” Achieving this goal starts with providing the highest-quality products and the best consumer experience possible. By building the strongest competitive and financial position we can, we create the opportunity to deliver on our Better World commitment, on behalf of our employees, our communities and the world at large. The following pages outline our recent efforts and plans.**



**Carlos Brito**  
Chief Executive Officer



At Anheuser-Busch InBev, we take our commitment to being the Best Beer Company in a Better World very seriously. Over the last 12 months, we have devoted significant resources to deliver on our Better World dream, including an extensive and growing range of successful programs and best practices that we are implementing in our key markets. Guided by our three-year plan through 2012—and on behalf of our employees, stakeholders, consumers and future generations—we have made a commitment to focus on three Better World pillars: responsible drinking, the environment and our communities.

As the world's leading brewer, our commitment to responsible drinking isn't just an obvious business concern, it's a serious, daily social commitment. So we have developed and implemented programs and promotions that encourage the responsible enjoyment of our products, while vigorously discouraging alcohol abuse, including underage drinking and drunk driving. In particular, we have committed to comprehensive initiatives that promote the use of designated drivers and encourage parents to talk with their children to help prevent underage drinking.

With regard to the environment, the responsible stewardship of our land and water is essential to ensuring the quality of our products. But it's not only in our business interest to be as efficient as possible in our use of natural resources. We also know that reducing our environmental impact preserves and protects the planet for future generations. We have set aggressive environmental goals for 2012 that are outlined throughout this report. Our membership in the United Nations CEO Water Mandate and our commitment to the United Nations Global Compact also reflect our commitment to the environment and the collaborations needed to achieve results.

In the community, we make a positive impact through the jobs we create, the wages we pay and the tax revenues we generate. But we also support communities in other meaningful ways, through charitable donations and volunteer initiatives that coincide with our business objectives. From volunteering their time to clean up rivers, to building temporary and permanent houses for those less fortunate, to helping provide scholarships and mentoring students, thousands of our employees generously donate their time and energy to make our communities a better place.

To support our employees, we strive to provide a well-managed, safe work environment, competitive compensation and professional growth opportunities.

With colleagues who are passionate about giving of themselves to their communities, with programs that promote responsible drinking around the world, with increasingly efficient operations that draw less on our natural resources, our journey to deliver our dream to be the Best Beer Company in a Better World continues.



**Carlos Brito**  
*Chief Executive Officer*



## Best Beer Company in a **Better World**

Our Better World logo represents our three pillars of Responsible Drinking, Environment and Community.

These are the focus areas for our social responsibility investments to help us achieve our dream to be the Best Beer Company in a Better World.

# 2010 Report Highlights



*Global Be(er) Responsible Day* was held for the first time in 2010. Approximately 16,000 employees around the world visited the marketplace to talk with customers and consumers to promote responsible drinking — from helping retailers understand the importance of not selling to minors, to communicating the benefits of designated drivers, to promoting our growing roster of non-alcoholic products.



In 2010, we more than tripled our annual media placement investment in responsible drinking advertising.

99%

recycling goal by end of 2012

We're on target to reach our 99 percent recycling goal by the end of 2012.



6%

water per hectoliter of production

In 2010, we used 6 percent less water per hectoliter of production than in 2009, and have reduced our water use per hectoliter of production by 19.7 percent since 2007 — a savings equivalent to more than 16,000 Olympic-sized swimming pools.



For the second year, we were active participants in the United Nations Environment Program's annual World Environment Day, engaging our employees and working with stakeholders across our countries. In Western Europe, our employees organized a *Run for Water* to benefit the non-profit WaterAid.

7

Our *Family Talk About Drinking* program is now available in seven languages.



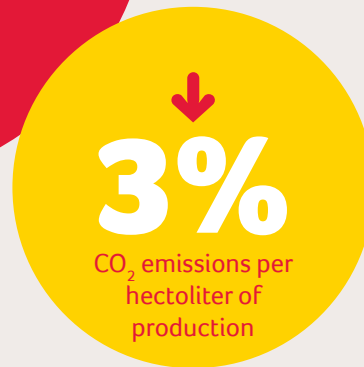
Nearly 7 out of 10 (68 percent) of American adults—148 million people—say they have been a designated driver or have been driven home by one.



In 2010, we donated approximately 850,000 cans of drinking water for U.S. disaster relief, including support to help people affected by water main breaks in Kentucky, winter storms in South Dakota, an oil spill in Michigan, forest fires in Colorado and flooding throughout the Midwest.



We reduced our energy use per hectoliter of production by 3.7 percent in 2010 and by more than 14 percent since 2007. In the 2010 Carbon Disclosure Project's environmental rankings, AB InBev was the highest-rated brewer in point score and combined grade.



CO<sub>2</sub> emissions per hectoliter of production

In 2010, we cut CO<sub>2</sub> emissions per hectoliter of production by 3 percent.



We have built or upgraded 12 biotreatment systems in 2010, and will construct or upgrade an additional 20 facilities by the end of 2012.



In China, when a once-in-a-century drought swept across the Yunnan Province, the company helped fund the construction of 150 wells to provide a sustainable water supply for 10,000 residents, as well as to support industrial and agricultural production.

# About Anheuser-Busch InBev

Based in Leuven, Belgium, Anheuser-Busch InBev is the leading global brewer and one of the world's top five consumer products companies.



**Global Brands**



**Multi-Country Brands**

The company has four of the top-10-selling beers in the world—Bud Light, Budweiser, Skol and Brahma—and has a #1 or #2 position in 19 markets.

Anheuser-Busch InBev employs approximately 114,000 people worldwide and manages a portfolio of more than 200 beer brands. The company works through six operational Zones: Asia Pacific, Central & Eastern Europe, Latin America North, Latin America South, North America and Western Europe.

## Financials

In 2010, Anheuser-Busch InBev made great progress in a challenging global environment. Normalized EBITDA<sup>1</sup> grew 10.6 percent in 2010,

reaching 13.87 billion<sup>2</sup> USD. Our EBITDA margin for the year was 38.2 percent, compared with 35.8 percent in 2009, up 209 basis points organically. Revenue for the year increased organically by 4.4 percent to 36.30 billion USD in 2010. Revenue per hectoliter rose 2.3 percent above the previous year. Total volumes and own beer volume growth in 2010 increased 2.1 percent, with non-beer volumes up 3.8 percent. Focus Brand volumes in 2010 grew 4.8 percent, led by Skol, Brahma and Antarctica in Brazil, Harbin and Budweiser in China, and Budweiser in the United Kingdom. Global Budweiser volumes increased 1.7 percent. Focus Brands are those with the greatest growth potential in their relevant consumer segments and where the majority of our marketing resources are

invested. We also gained or maintained share in markets representing more than half of our total beer volume from 2009 to 2010. For more detailed financial results and operational activities, view our 2010 [Annual Report](#).

## A Brief History

Anheuser-Busch InBev's roots can be traced back to Den Hoorn in Leuven, which began making beer in 1366.

In 1987, the two largest breweries in Belgium merged: Artois, located in Leuven, and Piedboeuf, located in Jupille, to create a single company called Interbrew.



### Local Champions

After the merger in 1987, the company acquired a number of local breweries in Belgium. By 1991, a second phase of targeted external growth began outside of Belgium's borders. The first transaction in this phase took place in Hungary, followed in 1995 by the acquisition of Labatt, in Canada, and then in 1999 by a joint venture with Sun, in Russia.

In 2000, the company acquired Bass and Whitbread in the United Kingdom, and in 2001, the company established itself in Germany, with the acquisition of Diebels. This was followed by the acquisition of Beck's & Co., the Gilde Group and Spaten. The company operated as a family-owned business until December 2000. At this point, it organized an initial public offering, becoming a publicly owned company, trading on the Euronext stock exchange (Brussels, Belgium).

In 2002, Interbrew strengthened its position in China by acquiring stakes in the K.K. Brewery and the Zhujiang Brewery.

In 2004, Interbrew and AmBev combined to create InBev.

In 2006, InBev acquired the Fujian Sedrin brewery in China, making InBev the #3 brewer in China—the world's largest beer market. Labatt also acquired Lakeport in Canada, and InBev increased its shareholding in Quinsa, strengthening the company's foothold in Argentina, Bolivia, Chile, Paraguay and Uruguay.

In 2008, InBev merged with Anheuser-Busch, creating Anheuser-Busch InBev, the leading global brewer and one of the world's top five consumer products companies.

In 2009, Anheuser-Busch InBev was also listed on the New York Stock Exchange through the American Depository Receipt program, trading under the symbol BUD.

1 The term "normalized" refers to performance measures (EBITDA, EBIT, Profit, EPS) before non-recurring items. Non-recurring items are either income or expenses that do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of the company's performance.

2 All figures reported in U.S. dollars unless otherwise noted.



View our  
2010 Annual Report



# Brewing a Better World

From turning biomass and landfill gases into renewable energy that fuels our breweries, to promoting responsible drinking messages on leading television programs around the world, to providing a safe work environment for our employees, to leading volunteer efforts that strengthen our communities, Anheuser-Busch InBev is committed to delivering the best Beer & A Better World.

## Our Better World Three-Year Plan

In 2009, AB InBev formed the Beer & A Better World Taskforce, a team dedicated to implementing an aggressive three-year Better World plan. This plan ensures the setting and measurement of key social responsibility metrics and sharing of best practices across all functions and geographic zones. The taskforce, which reports to the CEO and company's Board of Directors, is supported and guided by our Better World Council, made up of senior company leaders and additional counsel from two members of our Board of Directors.

After engaging key stakeholders from all functions and zones, and surveying our employees, the taskforce identified the issues of greatest importance from a business success and external stakeholder perspective. As a result of this analysis and feedback, we defined three pillars for our Better World work, which is built on a strong foundation of support from our people, and we set key metrics and targets to accomplish the goals outlined in our three-year plan for 2010 to 2012.



More than 250 employees and wholesalers in the United States partnered with New Orleans Area Habitat for Humanity to help clean up neighborhoods and build homes during our annual sales convention.



### Responsible Drinking

Our primary responsibility to our consumers is to make sure that our products are of the highest quality. As the leader in the beer industry, we also must encourage the responsible enjoyment of our products. We promote responsible drinking and discourage alcohol abuse, including drunk driving and underage drinking, through focused and ongoing consumer campaigns, education programs and partnerships, as well as marketing and sales activities that support our responsible drinking position. We also promote responsible drinking internally, through targeted employee policies and training.



### Community

With operations in 23 countries, our company has a far-reaching economic impact in the communities where we do business through the jobs we create and the wages and taxes we pay. Given our position as a competitive, well-managed company that generates long-term value for our shareholders, we also have the opportunity to give back to our communities. This community support can take many forms, recognizing cultural differences around the world, from employees volunteering their time to beautify a park or clean up a river, to donating canned water to people devastated by natural disasters, to providing charitable donations to advance educational opportunities for young people.



### Environment

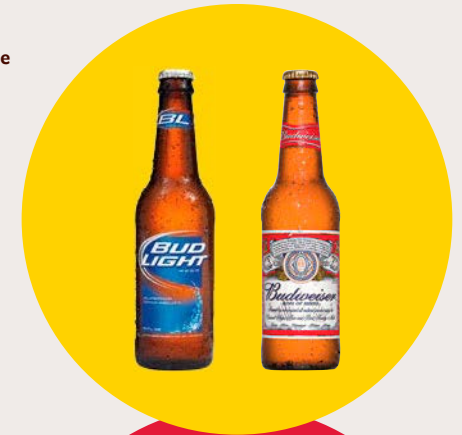
The sustainability of our business and the environment go hand in hand. Since our products come from the Earth, we understand that what's good for the environment is also good for business. In practice, this means being as efficient as possible in our use of natural resources, such as the water we use to brew our beers, recycling our by-products and waste, and reducing our carbon footprint to help meet the shared challenges of climate change.



### People

We recognize that our social responsibility work is only possible with the commitment and support of our people, who are truly the foundation of all of our social responsibility efforts. To be the Best Beer Company in a Better World means we must employ the best people. To attract and retain them, we must provide a safe workplace, as well as an environment that promotes learning and talent development along with the highest standards of integrity and ethics.

Four of the top selling beers in the world: Bud Light, Budweiser, Skol & Brahma



# About This Report

This report presents key performance data and information for calendar year 2010, in accordance with the Global Reporting Initiative.

The report outlines specific targets in our Better World Three-Year Plan, as approved by our Board of Directors in October 2009. Much of the data presented is also available through our Annual Report and various company and brand websites. We have consulted the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, and are self-reporting at the B-Level.

A more detailed analysis of the risks our company faces is outlined in our annual U.S. Securities and Exchange Commission Form 20-F that is available on our [website](#). In addition, we annually report our water and greenhouse gas risks, management and performance to the [Carbon Disclosure Project](#).

Content owners across all functions and geographic zones were responsible for collecting and verifying the data, which reflects performance from our 130 breweries and soft drink facilities.

Highlights from 14 key countries are included in this year's report to show the depth and reach of our Better World work and to make the report more relevant for use with a variety of stakeholders in our worldwide markets.

For questions regarding the content of this report, please contact us at [betterworld@ab-inbev.com](mailto:betterworld@ab-inbev.com).

## **This citizenship report covers our work in 2010 and our Better World focus areas:**

### **Responsible Drinking**

Providing quality products, marketing them responsibly, and helping to address the problems of irresponsible drinking, including drunk driving and underage drinking;

### **Environment**

Conserving water and energy; reducing our greenhouse gas emissions, by-products and waste; and helping our supply chain be more efficient;

### **Community**

Providing jobs and competitive wages, paying taxes to local and national governments, making capital investments in our facilities, and giving back through donations and volunteerism to the communities where we operate;

### **Our People**

Promoting learning and talent development, providing a safe work environment, and helping to ensure that our business is conducted with integrity fuel our social responsibility work.





# United Nations Global Compact

Anheuser-Busch InBev is a member of the United Nations Global Compact (UNGC). As required by the UNGC's rules regarding communications on progress, this report covers our practical actions and partnerships to implement the UNGC principles. Our support of the 10 principles is

summarized in the table below. We are also a signatory of the UNGC's CEO Water Mandate. The water section in this report, found on pages 30–33, reports our Communication on Progress as required annually by the Mandate.

Support of the UN Global Compact 10 Principles	
<p>1. <b>Business should support and respect the protection of internationally proclaimed human rights.</b></p> <p>2. <b>Business should make sure that they are not complicit in human rights abuses.</b></p>	<p>Our Global Code of Business Conduct prohibits human rights violations. In addition, we have a <a href="#">Responsible Sourcing Policy</a> that helps drive our values down the supply chain. <b>Find out more on <a href="#">our website</a>.</b></p>
<p>3. <b>Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.</b></p>	<p>We continue to adhere to the collective bargaining agreements in place across our global operations. Employee involvement in decision making (such as via works councils) varies across the organization. In addition, our Responsible Sourcing Policy recognizes the rights of employees to engage in collective bargaining. <b>Find out more on <a href="#">our website</a>.</b></p>
<p>4. <b>Business should support the elimination of all forms of forced and compulsory labor.</b></p> <p>5. <b>Business should support the effective abolition of child labor.</b></p>	<p>Our Global Code of Business Conduct and our Responsible Sourcing Policy prohibit these forms of labor in our own and our suppliers' operations. <b>Find out more on <a href="#">our website</a>.</b></p>
<p>6. <b>Business should support the elimination of discrimination with respect to employment and occupation.</b></p>	<p>Our Legal and Corporate Audit departments monitor legal compliance and conformity with principles of non-discrimination. Our Responsible Sourcing Policy addresses non-discrimination by our suppliers in their operations. <b>Find out more on <a href="#">our website</a>.</b></p>
<p>7. <b>Business should support a precautionary approach to environmental challenges.</b></p>	<p>Our <i>Voyager Plant Optimization (VPO)</i> management system promotes best practices in brewery management. <b>Find out more on <a href="#">pages 30–39</a>.</b></p>
<p>8. <b>Business should undertake initiatives to promote greater environmental responsibility.</b></p>	<p>Our <i>VPO</i> management system promotes environmental efficiency throughout our operations. We have set aggressive environmental targets to achieve by the end of 2012:</p> <ul style="list-style-type: none"> <li>→ Use 3.5 hectoliters of water per hectoliter of production;</li> <li>→ Reduce energy use and greenhouse gas emissions by 10 percent;</li> <li>→ Recycle 99 percent of our solid waste.</li> </ul> <p><b>Find out more on <a href="#">pages 30–38</a>.</b></p>
<p>9. <b>Business should encourage the development and diffusion of environmentally friendly technologies.</b></p>	<p>We aim to employ environmentally efficient brewing and packaging technologies, while maintaining our commitment to quality. We continue to use renewable fuel technologies in our processes to improve environmental, social and financial performance. In our Latin America South Zone, biomass fuel accounts for 26 percent of our on-site fuel use. We operate bio-energy recovery systems (BERS), which turn wastewater left over from the brewing process into methane, at 25 of our facilities around the world. We also have two solar installations and a landfill gas application. In addition, we are striving to conserve water throughout our operations on a daily basis, and we constantly share best practices among all our zones worldwide. <b>Find out more on <a href="#">pages 30–39</a>.</b></p>
<p>10. <b>Business should work against all forms of corruption, including extortion and bribery.</b></p>	<p>Our Code of Business Conduct strictly prohibits the facilitation of payments, and this is reinforced through annual code training. In turn, our Responsible Sourcing Policy addresses the business conduct of our suppliers. <b>Find out more on <a href="#">our website</a>.</b></p>



**Responsible  
Drinking**

# Responsible Drinking



As a leader in the beer industry, our primary responsibility is to provide the highest-quality products and to encourage consumers to enjoy them responsibly at all times. That means we are adamantly opposed to alcohol abuse in any form, including drunk driving and underage drinking.

Research shows that the vast majority of consumers who choose to drink do so responsibly. According to a 2010 GfK Roper survey, 95 percent of adults who choose to drink say they do so in moderation—a trend that is not only advantageous for individuals and society, but also coincides with the long-term interest of our company and brands. No company benefits when its products are misused.

We promote responsible drinking and discourage alcohol abuse by informing and educating consumers through focused campaigns and marketing activities that support our position on responsible drinking. These programs include:

- Communicating regularly on topics such as the importance of designated drivers, the role parents play in helping prevent underage drinking by talking with their children, and encouraging young people to respect drinking-age laws;

- Promoting our position and beliefs internally through our employee responsible drinking policies;
- Promoting education for bar, restaurant and store staff to help them learn how to properly check a patron's age to prevent underage sales and to discourage excessive drinking;
- Supporting the enforcement of blood alcohol content (BAC) laws to help prevent drunk driving around the world.

To be effective, our responsible drinking initiatives require a significant commitment. Since 1982, the company has invested more than 875 million USD toward these efforts in the United States. In 2010, we more than tripled our media placement investment globally in responsible drinking advertising.



**of adults who choose to drink say they do so in moderation**  
2010 GfK Roper survey



**invested since 1982 toward responsible drinking initiatives in the United States. In 2010, we more than tripled our media placement investment globally in responsible drinking advertising.**

## Responsible Drinking



Sharing best practices among our zones, in Belgium, we launched the first-ever responsible drinking television ad for our Jupiler brand. The commercial was a remake of a successful Labatt spot called “Tattoo,” originally used in Canada, that reminds consumers to know their limits.

### Campaigns, Community Programs, Partnerships

Our push for responsible drinking is a significant component of our Better World initiatives. In 2010, we developed and promoted responsible drinking programs in our 23 markets, often expanding their reach across the countries where we operate. Where possible, we established partnerships with governments, community organizations, educators and law enforcement agencies, focusing on preventing drunk driving, high-risk drinking and underage drinking, to maximize these efforts.

### Global Be(er) Responsible Day

A new initiative within our Responsible Drinking platform was *Global Be(er) Responsible Day*, which we held for the first time in 2010. On September 15, employees around the world went into their communities to talk with customers and consumers about promoting responsible drinking. More than 16,000 employees participated—from helping retailers understand the importance of not selling to minors, to communicating the benefits of designated drivers, to promoting our growing roster of non-alcoholic products.

### Amplifying the Responsible Drinking Message

In 2010, we more than tripled our annual media placement investment in responsible drinking advertising, and we shared key best practices throughout the company.

One of our most successful campaigns has been our popular Budweiser designated driver ad, featuring Cedric the Entertainer. This commercial first ran in the United States, and the spot went global in 2010. Our China team adapted the ad, featuring Chinese entertainer Eason Chan, and launched it in 10 key cities across the country. This made it the first nationwide ad to promote the use of designated drivers in China. In consumer focus groups, the spot received the highest rating ever for a Budweiser TV ad in China.

During the FIFA World Cup™ broadcasts, we ran the original commercial in the United Kingdom, and consumers selected it as the most-liked ad for the month of June, according to Nielsen polling. We then created a Spanish version of the spot that aired in Bolivia under our Paceaña brand.

Learning from this best practice experience, our marketing team launched a remake of a Labatt commercial called “Tattoo,” which was originally used in Canada. The French version of the spot was re-created and ran in Belgium under our Jupiler brand. Both campaigns take a lighter approach, and communicated a serious message in a fun, memorable way that resonates with our consumers. In 2011, we’ll continue to share creative approaches across our international markets to support the responsible drinking media investment.

Meanwhile, in the United States, our wholesalers are required to commit a penny per case of beer sold toward responsible drinking efforts. In 2010, that investment equaled 15.2 million USD, with investments in such initiatives as:

- More than 400 wholesalers conducted designated driver programs;
- Nearly 60,000 advertisements;
- More than 254,000 safe ride home programs with bars and restaurants;
- Collaborations with more than 1,100 law enforcement agencies.

### Encouraging Results

Owing to these and other responsible drinking campaigns in the United States, government research released in 2010 indicated that both drunk driving and underage drinking reached new lows in 2009. According to the U.S. Department of Transportation, drunk-driving fatalities have declined 49 percent since 1982, when the government

first began tracking. Likewise, according to the 2010 Monitoring the Future study, past-month drinking among high school seniors reached a record low, declining 40 percent since tracking began in 1975. In the United Kingdom, according to the Office of National Statistics, the number of alcohol-related deaths fell by nearly 13 percent in 2009—the first decline in about 20 years.

**Industry Associations and Stakeholder Engagement**

We work closely with key stakeholders, including industry associations, governments and community organizations, to strengthen our responsible drinking efforts.

In 2010, the World Health Organization (WHO) adopted its Global Strategy on the Harmful Use of Alcohol. The strategy acknowledges the significance of different national, religious and cultural contexts for alcohol, proposes a menu of options, and is not legally binding. Member states may tailor the strategy to their cultures in order to reduce the harmful use of alcohol. The strategy also recognizes the need for the involvement of all stakeholders, including the industry, and the importance of self-regulation to help address alcohol abuse.

The WHO strategy notes that: “Sustained political commitment, effective coordination, sustainable funding and appropriate engagement of subnational governments, from both civil society and economic operators, are essential for success.”

We agree, and AB InBev is now working to support the objectives of the WHO Global Alcohol Strategy as it is implemented in specific regions and countries. Our efforts will continue to focus on education and awareness initiatives, especially in developing countries, with a particular emphasis on at-risk young people and those affected by the harmful drinking of others, as emphasized by the WHO strategy.

While we continue our company-specific programs and initiatives, we also support the International Center for Alcohol Policies (ICAP), a non-profit, global organization with regional and national alcohol

policy expertise. ICAP leads the alcohol industry’s Global Actions on Harmful Drinking, a three-year, 8 million USD commitment by the leading alcohol beverage companies to implement initiatives in key global markets around drunk driving, illicit alcohol and self-regulation. AB InBev is the largest contributing member of ICAP and is supporting these joint industry initiatives in Argentina, Brazil, China, Ukraine and Russia. More information is available at [www.global-actions.org](http://www.global-actions.org).

**Designated Driver Programs**

With our commitment to promoting designated drivers, we have implemented programs in our international markets through advertising, partnerships, and activities at bars and restaurants.

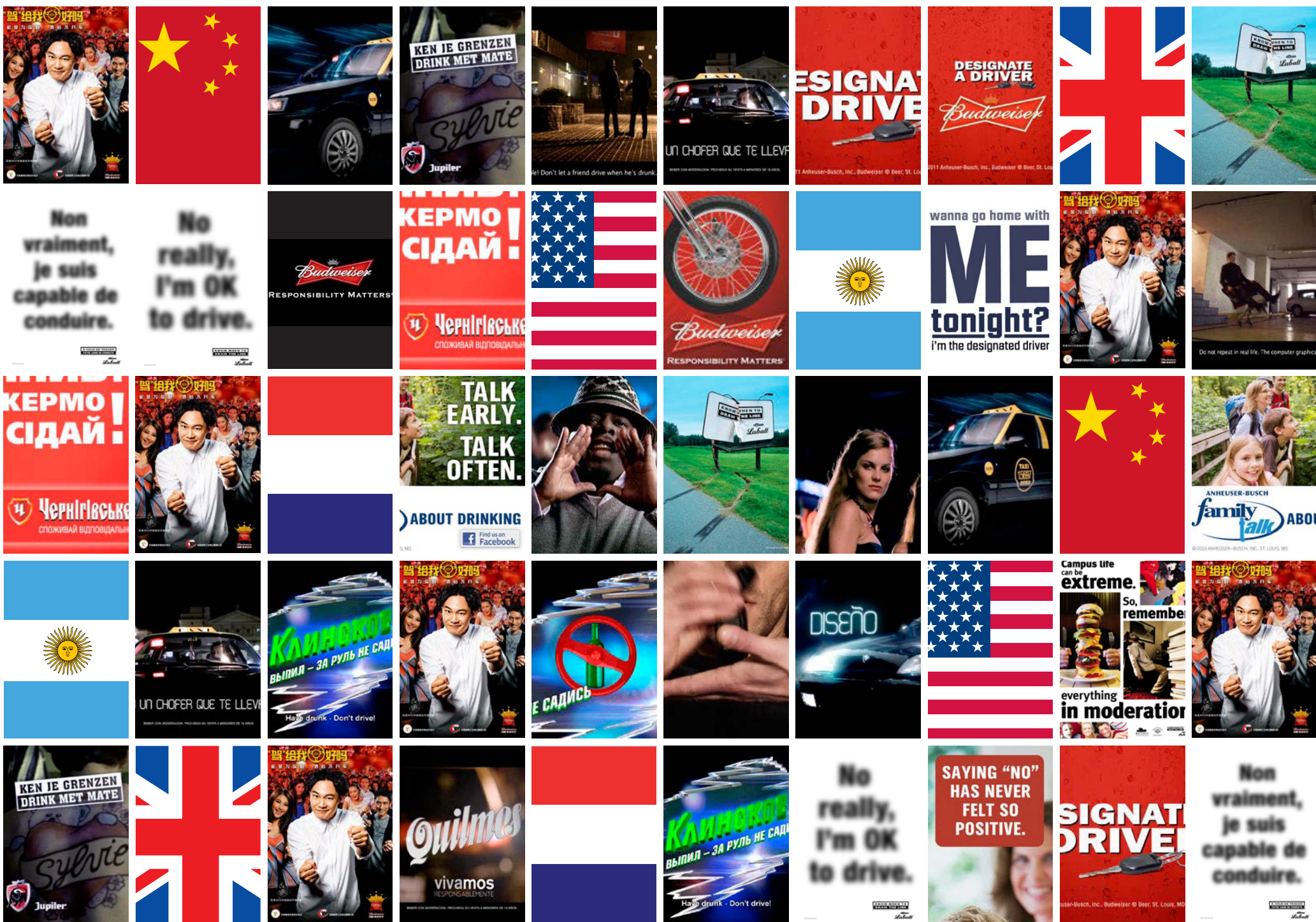
At the end of 2010, we developed baseline data that will help us track usage of, and support for, these programs in each of our key countries. Americans, for example, support the designated driver concept, with 87 percent of respondents saying that promoting the use of designated drivers is an excellent or good way to help reduce the problem of drunk driving. Nearly 7 out of 10 (68 percent) of American adults—148 million people—say they have been a designated driver or have been driven home by one.

In February, we launched China’s first-ever national designated driver campaign—*Will You Let Me Be Your Designated Driver?*—which included the Chinese version of the popular “Cedric” television commercial. Starting in Beijing, the program has been introduced in 10 cities nationwide. This campaign follows a successful 2008 program to solicit consumer suggestions for the Top 10 Tips on preventing drunk driving, which targeted consumers in partnership with the Shanghai Traffic Safety Bureau and local media.

In Belgium, thanks in part to *Bob*—a long-running designated driver campaign—nearly 6 out of 10 adults say they have been a designated driver or used a designated driver in the past year.



In Germany, our “Check Who’s Driving” (Geklärt, wer fährt!) ambassador campaign with our Beck’s brand uses a peer-education approach to remind young adult consumers to designate a driver before the evening starts.



Responsible Drinking ad campaigns

Supported by the country's brewers, the program has reached thousands through creative promotions. *Bob* has also inspired programs in 16 other European countries. In the Netherlands, we introduced *Blaas Bob* at the Jupiler League games—a fun promotion that features competition among designated drivers, while highlighting the importance of football fans getting a safe ride home.

Also in 2010, Labatt launched a two-pronged, responsible drinking campaign in Canada that leverages social media to actively engage young adults. Labatt's *Crash Bobbles* characters debuted on YouTube, where consumers were invited to share their favorite webisodes with friends, and link to the characters' Facebook page. Related contests encouraged young adults to share their responsible drinking experiences on YouTube and Facebook. This campaign built on Labatt's widely recognized *Know When to Draw the Line* and *Make a Plan* programs.

In the United States, two long-standing safe-ride-home programs continued to get adults home safely after a night out, including:

- *Alert Cab*, where bartenders receive a confidential phone number to request a free cab ride for customers. More than 713,200 safe rides home have been provided since 1989;
- *Tow To Go*, a partnership with AAA Auto Club South, operating in Florida, Georgia, Tennessee and Charlotte, NC, through which retailers and consumers arrange for vehicles to be towed home free of charge with the consumer riding in the tow truck. More than 13,500 rides have been provided since 1998.

### Designated Driver 2010 Survey Results

The 2010 Designated Driver Survey results by GfK Roper show how well the concept is understood and used around the world. The graph to the right highlights, by country, the percentage of adults who have been or used a designated driver in the past year.

### Underage-Drinking Prevention Programs

It's no secret: parents are a critical factor in preventing underage drinking. According to 2010 research by GfK Roper in 25 countries around the world, young people ages 15–19 cite their parents as the number one influence on their decisions about drinking, followed by peers. That's why we invest significant resources in programs that help parents talk with their children about alcohol.

One example is our *Family Talk About Drinking* program, which is now available in seven languages. Developed by an advisory panel of education, family counseling, child psychology and alcohol treatment professionals, *Family Talk* encourages open and honest communication between parents and children. More than seven million copies have been distributed to parents and educators since it was introduced in 1990. In 2010, *Family Talk* expanded into the social media world in the United States, with a new [Facebook page](#) that features the program and other AB InBev underage-drinking prevention initiatives.

In Ukraine, we expanded our parent program by partnering with the National Center of Practical Psychology and Social Work of the Ministry of Education Science, as well as the National Academy of Pedagogical Sciences. The *Family Talk* program began in September and will continue through July 2011 in seven key cities, with



According to 2010 research by GfK Roper in 25 countries around the world, young people ages 15–19 cite their parents as the number one influence on their decisions about drinking.



Visit our new  
Family Talk  
Facebook page



## Responsible Drinking

**\$1.4**  
million

**Investment in 2010 toward  
*Vivamos Responsablemente***



Our “*Vivamos Responsablemente*” (Live Responsibly) campaign has been implemented throughout the Latin America South Zone through school-based education programs, as well as community events. The initiative reminds young people of the importance of making smart choices and provides strategies that reinforce values like responsibility, tolerance, self-improvement and community support.





expansion being planned for the future. The focus of this initiative is on children ages 12–13, their parents and teachers, and the general public. The goal is to increase awareness among students on the dangers of underage drinking.

In Latin America, we also have a long-time commitment to encouraging dialogue with youth about drinking. In 2010, we launched a new project, *Jovens de Resposta* (Responsible Youth), in Brazil that focuses on young people, their mothers and bar owners in low-income communities. Partners in the initiative include several community-based NGOs in Rio de Janeiro and São Paulo that help prevent alcohol abuse and discourage consumption by minors. The program is also designed to gain barkeepers' support for not selling alcohol beverages to minors, or to adults who might already be intoxicated. As part of the program, we offered several educational, cultural and sporting activities to youth aged 14–24. In 2010, more than 10,000 young people, 407 women and 247 retailers participated in the effort.

Since its introduction in 2004, the *Vivamos Responsavelmente* program has taken the “Let’s Live Responsibly” message to tens of thousands of young Argentinians in major cities. Devised in conjunction with leading educators, the program addresses common adolescent challenges, such as relationships, self-awareness, tolerance and responsibility, through a series of free talks in their schools. In 2010, the company invested 1.4 million USD in *Vivamos Responsavelmente*, including advertising expenditures. In addition to the talks with teens, other key programs include *Talks for Parents* (including an 18-page parent guide) and *Talks for Teachers*, in partnership with the Conciencia Association, a non-profit women’s organization.

**Social Norms Education and High-Risk Drinking**

Addressing high-risk drinking is another focus area for AB InBev. In this area, we have embraced social norms education, a data-driven

approach that corrects the misperception that abusive drinking is the norm, to drive positive behavior change. Social norms educates consumers on the actual drinking behaviors of their peers by focusing on the facts.

Using campus-specific research, social norms education tracks drinking behaviors such as number of drinks consumed on a night out, use of designated drivers, and average blood alcohol content (BAC) level. Based on the research findings, marketing is then used to provide the “social norm” information to students. For example, “Tigers have 0–4 drinks on a night out.” When learning the actual behaviors versus the perceived abusive drinking behaviors, students then modify their behavior to be in line with the social norm.

In 2010, we sponsored a social norms conference in London, following similar conferences in Dublin, Edinburgh and Brussels in previous years. These conferences brought together social norms experts from academia, public health, law enforcement and the late-night economy (bars and nightclubs) to discuss alcohol abuse issues and ways to reduce risky drinking behaviors. We also brought together experts from the University of Virginia’s National Social Norms Institute with interested government officials from China and Uruguay to learn more about this approach to reducing risky drinking behaviors.

The social norms approach has reduced irresponsible consumption by up to 40 percent with comparable reductions in injuries. Here’s a sample of program successes:

- **University of Virginia** 2,741 fewer students suffered injuries related to alcohol in 2010 compared to 2001; 2,883 fewer students drove under the influence of alcohol in 2010 vs. 2001; 2,473 more students had none of 10 serious alcohol-related consequences in 2010 vs. 2001;



**Number of young people impacted by Brazil’s Responsible Youth program to help prevent underage drinking**

## Responsible Drinking



Latin America North Zone President Joao Castro Neves was one of more than 16,000 employees who participated in *Global Be(er) Responsible Day*. In Brazil, employees distributed to bars and restaurants posters that featured popular Brazilian footballer Cafu reminding consumers to drink responsibly.

- **Florida State University** 25 percent reduction in heavy drinking (BAC less than .08) over four years (2007–2010);
- **Michigan State University** 38 percent reduction in heavy drinking over eight years;
- While the median BAC on a night out for university students overall did not change from 2000 to 2010, maintaining at .05, the six schools currently being supported by our social norms programs saw significant decreases in BAC.

### Commercial Communications Code

AB InBev employs a global, single company code to make sure our commercial communications are responsible and directed to those of legal drinking age, no matter the country.

This voluntary code covers all forms of brand marketing and commercial communications, including sponsorships, outdoor events, promotions, website content, relationship marketing, consumer public relations, and packaging and labeling claims for all Anheuser-Busch InBev beers and any other alcohol products we manufacture or market. Each year, all our marketing and key agency personnel around the world are trained in the code, either online or in person.

Updated and strengthened regularly, the code is the minimum standard we apply wherever we do business. If local rules are less strict than the code, then the code prevails. If local rules are more precise, then those are applied. In many cases, our code goes beyond existing legal frameworks. To view the code, please visit our [website](#).

### Sports Sponsorships

A major new investigation into the effects of sporting involvement and alcohol sponsorship on underage drinking has concluded that a ban on the sponsorship of sporting events would have little effect on youth alcohol consumption. The report, conducted by Dr. Fiona Davies at the University of Cardiff, adds further weight to the arguments made by The European Sponsorship Association (ESA) (of which AB InBev is a member) over recent months, in response to attacks on the rights of alcohol brands to sponsor sporting events.

Commenting on the report's findings, ESA Chairman, Karen Earl, said, "We are not at all surprised by the findings of this report; indeed there was a similar set of results from research completed in 2008 in New Zealand." While ESA recognizes that the issue of alcohol-related harm is significant, there is no evidence to support a causal link between alcohol sponsorship and alcohol-related harm. ESA strongly believes that education, sales and availability are the key issues, rather than sponsorship.



[View our Code on our website](#)

9,000  
people

**Server Training at  
2010 FIFA World Cup™**

AB InBev partnered with our Budweiser and Sports & Entertainment marketing teams to provide server training in Johannesburg to concessionaires at the 2010 FIFA World Cup™. A longtime partner, Health Communications Inc., provided its Training for Intervention ProcedureS (TIPS) program to the staff of Match Hospitality, FIFA's exclusive hospitality provider, stadium general managers and concessionaires, and hotel and area on-premise staff. Approximately 9,000 people received the training, which addressed concerns specific to large stadiums and sporting events.





**Environment**

# Environment



Beer is a product of natural ingredients, and the stewardship of our natural environment — land, water and air — is fundamental to the quality of our brands in the long term. To be a responsible and resource-efficient global brewer, we must continually look for ways to incorporate practices that help us make the most of our raw materials, while also reducing the impact of our packaging and transportation on the environment.

## 2010 Highlights

**4.04**  
hl/hl

Reduced water per hectoliter of production to 4.04 hl/hl

**567**  
projects

For World Environment Day, we developed and executed 567 environmental and volunteer projects

**3%**

Cut CO<sub>2</sub> emissions per hectoliter of production by 3 percent

**3.7%**

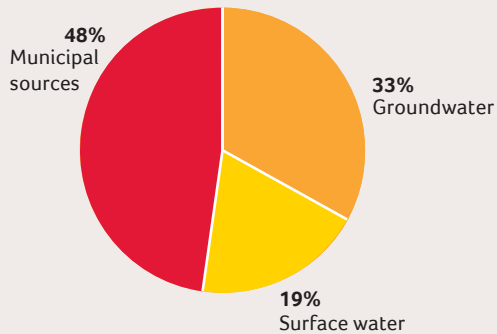
Reduced energy use per hectoliter of production by 3.7 percent

## 2012 Global Environmental Targets

Last year, we announced global, companywide targets on measures such as water and energy use, as well as carbon emission reductions that we will strive to achieve by the end of 2012. Our targets are:

- ↑ **Increase** our waste and by-product recycling to 99 percent
- ↓ **Reduce** water use for beer and soft drinks facilities to an industry-leading 3.5 hectoliters of water per hectoliter of product (hl/hl)
- ↓ **Reduce** energy use per hectoliter by 10 percent
- ↓ **Reduce** CO<sub>2</sub> emissions per hectoliter by 10 percent

**AB InBev Water Sources**



“Doing more with less” is an essential part of the AB InBev culture, and it underscores our firm commitment to environmental sustainability. Environmental key performance indicators and targets are fully integrated into our *Voyager Plant Optimization (VPO)* global management system. It is designed to bring greater efficiency to our brewery operations, generate cost savings and improve environmental management, in accordance with our Environmental Policy and Strategy.

Beyond operations management, we are also engaged with the international community and local groups to support key environmental initiatives. In February, AB InBev became a signatory to the CEO Water Mandate, a public-private initiative of the United Nations Global Compact, which focuses on developing corporate strategies to address global water issues. We were also active participants in the United Nations Environment Program’s annual World Environment Day, through which we engaged many more stakeholders on environmental issues than ever before.

On an industry basis, we work closely with groups such as the Beverage Industry Environmental Roundtable (BIER), a group of global industry peers that shares best practices in our sector, and addresses common environmental sustainability concerns.

**Scope of Our Environmental Performance Data**

We are reporting data from 130 breweries and soft drink facilities\*, which reflect our company as of December 31, 2010. In 2010, one brewery in China was relocated, one in Canada closed and two facilities in Bolivia were opened. These are all small facilities that have minimal impact on our overall environmental performance. Therefore, these changes are reflected in 2010 data only.

Non-beverage environmental performance at facilities, such as packaging and malt plants, is not included in the environmental performance data, except where noted. Environmental impacts

from these operations are managed using the same *VPO* management system, which includes setting targets for key performance indicators, benchmarking, best practice sharing, and monthly reporting.

**Water Use**

High-quality water is fundamental to our business. It is the principal ingredient in our beers and soft drinks and is also used in the brewing process for cleaning, cooling and steam production. The majority of water not used in our products is then returned to watersheds through bio-treatment systems that meet local water-quality standards. We are acutely aware that efficient water use is essential to the continued, sustainable growth of our business around the world and an important part of water conservation globally. We recognize that water savings also contribute to energy savings.

Over the past year, we have steadily reduced our global water usage rate by employing a mix of low-tech fixes, operational innovations and employee-driven actions to optimize efficiency in every facility. In 2010, the company’s average water use was 4.04 hectoliters per hectoliter of production (hl/hl). This represents a 6 percent reduction compared to 2009, and a savings of more than 16,000 Olympic-sized swimming pools compared to 2007. This puts the company on track to reach the 3.5 hl/hl goal we committed to achieve by the end of 2012, which will be an 18.6 percent savings from our 2009 base. Currently, we have 14 breweries below the 3.5 hl/hl target.

To ensure continued progress, we also undertook a global water risk assessment this year, which identified higher-risk operations and developed action plans to help them address water use issues. The company’s conservation-minded approach to water is embodied in our Environmental Policy, which is put into practice every day through our *VPO* management program at the facilities.

We again partnered with the United Nations Environment Program on World Environment Day to focus on water conservation and

\*Last year we reported 146 breweries and soft drink facilities, which represented the total number of facilities, including malt and packaging operations.



**16K**

Our water reductions in 2010 compared to 2007 resulted in savings equivalent to 16,000 Olympic-sized swimming pools.



Asia Pacific Zone employees engaged college students at seven universities in World Environment Day activities such as “Water Fingerprints” to raise awareness of the importance of water conservation.



Employees, including Jennifer Kromm (l) and Carol Christian (r), from our New York City offices provided cleanup support to the Passaic River Coalition in Lyndhurst, NJ, as part of World Environment Day activities.

## AB InBev Water Use

Year	Water Use Ratio (hl/h)	Total Water Use (billion hl)
07	5.03	1,903
08	4.70	1,789
09	4.30	1,626
10	4.04	1,578

watershed protection. These efforts involved a variety of stakeholders—governments, NGOs, employees and communities—around the world. AB InBev employees developed and executed 567 environmental and volunteer projects—more than double the number in 2009—in 21 countries, and implemented numerous best practices to help conserve natural resources within our brewery operations. Employees also participated in community activities such as river cleanups, environmental fairs, vegetation plantings and awareness programs.

In addition to World Environment Day activities, we also work regularly within the communities where we do business to help improve local water conditions. This includes watershed initiatives, which help maintain water quality and supply, and programs that monitor and improve water availability, such as cleanups, tree and other native vegetation planting, invasive species removal and awareness initiatives. The company also supports various non-profits working on water issues around the world.

For example, we support the River Network in the United States by providing grants to the network’s national water programs and to local water/watershed groups in our brewery communities. We also created the *Labatt Fresh Water Alliance* to support the Canadian Land Trust Alliance (CLTA), a non-governmental organization established to preserve land and water resources for the benefit of the public.

In Brazil in 2010, we launched the *CYAN Movement*, a broad campaign involving a variety of partners and awareness-raising initiatives, to draw attention to the importance of water conservation. In partnership with the World Wildlife Fund (WWF), we began a project to help conserve fresh water in the Corumbá-Paranoá Basin, which serves our Brasilia plant. The objective is to use industry best practices in our water use, and to collaborate with local communities to preserve and recover springs, aquifer headwater and replenishment areas. More information is available at [www.movimentocyan.com.br](http://www.movimentocyan.com.br).



### Global Water Performance

As part of VPO, global energy and water targets become key performance indicators and are cascaded to geographic zones and facilities. Management teams engage workers to achieve the goals, often through a structured benchmarking program within VPO that allows the company to communicate best practices across sites.

Overall, we used 6 percent less water per hectoliter of production than in 2009 and have reduced our water use per hectoliter of production by 19.7 percent since 2007. Several facilities throughout our key geographies are leading the way with best practices:

- Our Cartersville, GA, facility achieved an annual water-use metric of 3.04 hl/hl, making it the most water-efficient brewery in the country;
- Our breweries in Belgium reduced 2010 water usage by 12 percent compared to 2009, primarily through optimization of brewing, packaging and utilities processes;
- In Germany, our Wernigerode brewery achieved a water use metric of 3.2 hl/hl, and is planning even further reductions in 2011. Our Bremen brewery reduced water usage by 3.5 percent in 2010, well ahead of the 2012 goal;
- In China, we reduced our water usage by 17 percent from 2009 levels. Our Ningbo brewery borrowed many of the lessons learned in our annual energy and water global conference from high-performing breweries, such as Cartersville, and is on track to achieve the 2012 water usage target one year ahead of schedule. Additionally, our Wuhan brewery reduced its water usage by 35 percent from 2009 levels, reaching a 3.6 hl/hl rate by December, and achieved the largest improvement in water usage from 2009 levels of any of our breweries;
- In Russia and Ukraine, our breweries have collectively reduced water use by 8 percent in 2010, and by more than 12 percent since January 2009. The process has been accelerated through the work in all breweries of “water sheriffs,” who are tasked with

finding and fixing water leakages, deploying best practices learned from other facilities, and helping employees work together to achieve their aggressive water savings targets;

- In our Latin America South Zone, several facilities achieved double-digit reductions in water usage in 2010. In Argentina, our Corrientes brewery conducted a careful analysis and reformulation of the standard process for the shutdown and restart of equipment. These processes contributed to a water usage rate in the Corrientes brewery of 3.4 hl/hl in 2010, a 14 percent reduction over 2009;
- In Brazil, our Jacarei and Cuiaba breweries delivered their all-time best annual performance, and joined the group of breweries already performing close to or below our 2012 global goal of 3.5 hl/hl.

### Energy Use & Greenhouse Gas Emissions

Energy conservation has been a strategic focus at AB InBev for many years, especially with the unpredictable cost of energy and evolving climate change regulations. Our continued progress is based on the importance we place on sharing best technical and management practices across our operations.

By the end of 2010, more than 150 breweries, as well as raw material and packaging operations worldwide, had been certified according to our VPO efficiency and uniformity standards. This was a 50 percent increase over 2009. These efforts will continue with regular VPO self-assessments and audits, to ensure consistency and high standards. We will have 100 percent of facilities certified by 2011.

### Global Energy Performance

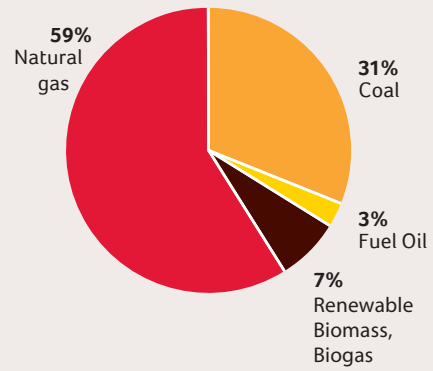
We reduced our energy use per hectoliter of production by 3.7 percent in 2010 and by more than 14 percent since 2007. In the Carbon Disclosure Project’s environmental rankings in 2010, AB InBev was the highest-rated brewer in point score and combined grade, which recognizes and validates our recent achievements in this area.

### AB InBev Energy Use

Year	Energy Use Ratio (MJ/hl)	Total Energy Use (billion hl)
07	150.7	57.02
08	143.7	54.69
09	133.6	50.52
10	128.7	50.29

## Environment

### Heat Generation



At our Newark, NJ, brewery, we completed the second phase of a rooftop solar installation, which now has more than 7,000 photovoltaic solar panels and covers 130,000 square feet. At peak production, the array will be capable of satisfying nearly 10 percent of the brewery's electricity demand.

### Renewable Energy

In order to continually trim our carbon emissions, we employ a variety of renewable energy alternatives. These include the use of bio-energy recovery systems to obtain biogas from industrial by-products, solar energy, wind and the use of other biomass sources as alternatives to fossil fuel whenever possible. Globally, energy generated from renewable sources accounted for about 7 percent of the company's fuel use in 2010.

Bio-energy recovery systems (BERS) turn water left over from the brewing process into methane at 25 facilities around the world. We built or upgraded 12 biotreatment systems in 2010, and will construct or upgrade an additional 20 facilities by the end of 2012.

These biotechnologies provide us with a new form of energy. For example, 75 percent of the thermal needs at our Houston, TX, brewery are met with methane gas from a nearby landfill and methane captured in the BERS process. In our Latin America North operations, we meet 26 percent of thermal energy needs with renewable biomass.

We use solar photovoltaic systems at our breweries in Newark, NJ, and Fairfield, CA. In Newark, the company has completed the second phase of a rooftop installation, which now has more than 7,000 photovoltaic solar panels and covers 130,000 square feet. In total, more than 1.1 million kWh could be produced annually, and at peak production, the array will be capable of satisfying nearly 10 percent of the brewery's electricity demand. When combined with the solar array at our Fairfield, CA, brewery, Anheuser-Busch is now one of the largest users of solar power in the United States brewing industry. In 2011, we plan to begin using wind power at our Fairfield brewery.

### Reducing Emissions with Carbon Credits

Carbon markets, such as the Clean Development Mechanism (CDM), have provided an opportunity for the company to reduce emissions and improve energy efficiency in a cost-effective way. In Latin America and Brazil, we generate carbon credits and capitalize on

emissions reductions. Carbon and renewable energy markets might also present an opportunity to reduce the cost of capital investment, and the company is currently exploring markets related to carbon, renewable energy credits and energy efficiency credits.

In Latin America North, the company trades carbon credits generated by good carbon management practices. In Brazil, the Viamão facility launched the first beverage company CDM project to be approved by the Brazilian government. The project has now been successfully registered by the United Nations Framework Convention on Climate Change and, along with other renewable energy projects in South America, is expected to yield emission reductions that will both reduce regulatory risks and provide economic benefits from the sale of the reductions.

### Greenhouse Gas Emissions

Reducing greenhouse gas (GHG) emissions is a major goal that is directly tied to fuel and electricity conservation. In 2010, we cut our CO<sub>2</sub> emissions per hectoliter of production by 3 percent. We calculate GHG from our production facilities using the widely accepted WBCSD/WRI GHG protocol. For 2010, we have reported our direct and indirect emissions based on scopes one and two of the protocol. We measure CO<sub>2</sub> emissions from fuel use in our boilers and use of purchased electricity. Where possible, we have included company-owned transport-related emissions. In 2010, AB InBev emitted 4.35 million metric tons of CO<sub>2</sub> equivalent, of which 68.5 percent were direct emissions and 31.5 percent were indirect.

While breweries across our global operations face different sets of circumstances related to energy usage, our approach to reaching energy reduction goals is a combination of low-tech and high-tech solutions, which require the full engagement of our employees at all levels.

Our breweries in China have focused the last few years on investments in conservation and maintenance by implementing our VPO management system. This includes benchmarking with our

### Total Greenhouse Gas Emissions Million metric tons (CO<sub>2</sub>e)



Data includes all beverage facilities, packaging and malt facilities. In 2008 the company began using a new greenhouse gas reporting tool.

### Greenhouse Gas Emissions per Hectoliter Production

Kilograms CO<sub>2</sub>e per hectoliter (kg/hl)



Data for beverage facilities only. Last year's per hectoliter data included emissions from non-beverage operations. The figures for 2008, 2009 and the 2012 target have been adjusted to represent emissions for beverage operations only.

## Results from the Solidarity Recycling Project in Brazil:

2,500

tons of recyclable materials collected

345,000

kg of plastic materials collected in a 10-month period

Total income generated by the collection of recyclable materials during the period:

R\$802 500

(483 300 USD), which has directly benefited 20 cooperatives and 395 people

breweries around the world and implementing best management and technical practices. In 2010, China breweries reduced energy consumption by 13 percent on a per hectoliter basis.

In 2010, our operations in Bolivia reduced electricity and fuel consumption by more than 7.3 percent per hectoliter of production. Operations in Germany cut CO<sub>2</sub> emissions per hectoliter of production by 6.4 percent versus 2009. In the Netherlands, fuel use was reduced by 8.5 percent over the past two years, and CO<sub>2</sub> emissions were reduced by 5 percent in 2010.

### Materials Management

#### Recycling

Our goal is to reach a 99 percent recycle rate by the end of 2012. In this effort, we work throughout our facilities to eliminate material losses, improve packaging efficiencies and find cost-effective alternative uses for raw materials and by-products.

In 2010, we recycled 98.27 percent of our waste, up from 98.02 percent in 2009. The primary reasons for increases in waste recycled and disposed include improved accounting methods that took into account reporting from some China breweries for the first time. In addition, there was an increased focus on recycling throughout the company. Organic waste increased in part due to product mix changes, and waste disposed increased in part due to increased sludge production from new biotreatment systems. We're exploring beneficial uses for this material.

In Brazil, for example, we reconstitute spent kieselguhr—a naturally occurring soft rock used in filtration—and sell it to local companies to produce bricks. We are also engaged in a variety of activities to encourage recycling at the consumer level, and work with NGOs and local officials to strengthen the recycling infrastructure in communities.

In one of the Brazil initiatives, we developed the *Solidarity Recycling Project*, in partnership with the NGO Ecomarapendi. The project promotes increases in income for all cooperatives participating in the

program, increases the volume of recyclable materials collected in the states of Rio de Janeiro and Paraná, and minimizes environmental problems caused by garbage in the communities.

Meanwhile, in the United States, AB InBev has continued its long-standing participation in America Recycles Day. To mark the occasion, the company provided 500 000 USD from the Anheuser-Busch Foundation to support Keep America Beautiful's national recycling programs. These programs educate the public on the importance of recycling and litter prevention, and provide approximately 3,000 recycling bins to local communities across the country.

#### Packaging

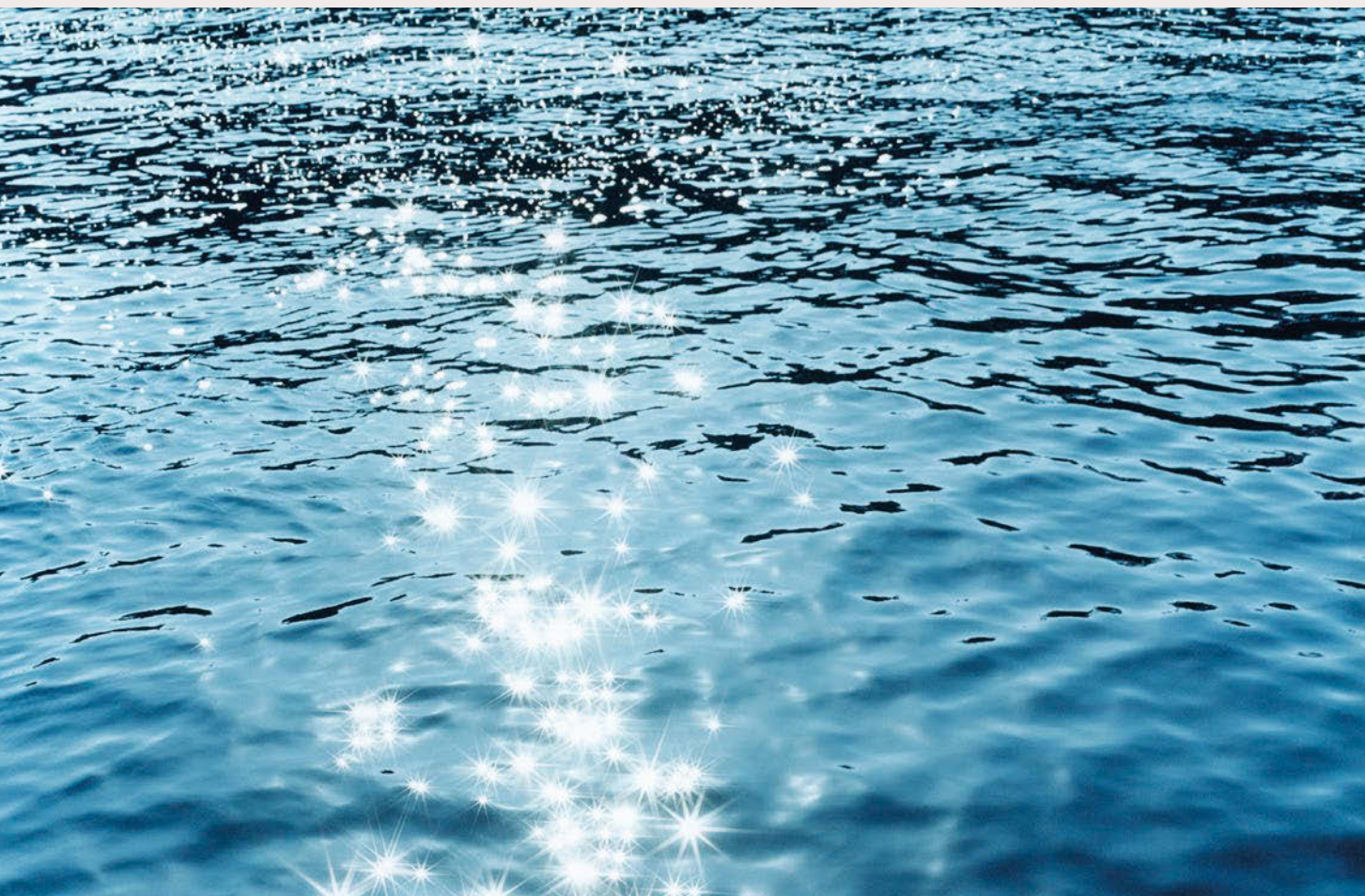
AB InBev works with suppliers, wholesalers and procurement companies, as well as packaging experts, to help make decisions that minimize the cost and environmental impact of packaging materials. We use many types of product packaging, from bulk packaging (e.g., beer kegs, crates and pallets), which is almost always returnable and reusable, to cardboard boxes, glass bottles, aluminum cans and polyethylene terephthalate (PET) bottles, which are recyclable.

We also continue the light-weighting of packaging to reduce material costs, minimize the use of natural resources, reduce waste and lessen our transportation fuel consumption.

AB InBev is continually exploring new forms of packaging that meet consumer needs with fewer resources. In 2010, we initiated a research questionnaire in the packaging development process to help our teams consider, early in the process, sustainability issues, such as light-weighting, recycled content, reuse, recyclability, water and energy use, environmental claims, regulations and the impact of new packaging.

### Supply Chain & Responsible Sourcing

We recognize that our brewing operations have an environmental impact across the entire supply chain, so we are working to identify further efficiencies and environmental improvements for high-



**356**

**Our Best Idea Water Saving Contest in Western Europe generated 356 employee ideas to conserve water**

## Waste and By-products Recycled

Waste Type (metric tons)	08	09	10
By-products and Organic	5,188,854	4,904,425	5,859,016
Packaging <sup>1</sup>	200,067	197,414	333,917
Other recycled <sup>2</sup>	245,045	226,413	258,916
Waste Disposed	101,790	106,569	111,447
Hazardous	1,188	1,163	2,465
<b>Total</b>	<b>5,736,944</b>	<b>5,435,984</b>	<b>6,565,762</b>
<b>Total Recycled</b>	<b>5,633,966</b>	<b>5,328,252</b>	<b>6,451,850</b>
<b>Recycling Rate</b>	<b>98.21%</b>	<b>98.02%</b>	<b>98.27%</b>

<sup>1</sup> Packaging waste collected in production plants.

<sup>2</sup> Other recycled waste is non-ferrous and ferrous scrap, tires, wood and construction waste.

priority areas, establish efficiency and improvement goals, and work with suppliers and others to facilitate appropriate changes.

The company is actively engaged in barley seed research, for example, to create higher-quality varieties with better yields that use less water and tolerate drought and other extreme weather conditions. AB InBev has established barley farmer programs in our major markets around the world (the United States, Brazil, Uruguay, Argentina, China and Russia), involving about 10,000 farmers from whom we purchase all production that meets quality parameters. Additionally, a group of agronomists in each zone supports the farmers with technical assistance during the barley season, to help them get the best results from their fields.

Another example is the company's Navegantes Malt plant in Brazil. In June 2009, the plant began working with local farmers and community groups to help implement more sustainable agricultural practices in the production of barley and malt. The project, which continues, included the donation of tree saplings to barley growers to help create a green belt in the fields and in unexplored areas. The plantings help to increase biodiversity, reduce CO<sub>2</sub> emissions and buffer crops from wind damage.

Operating ethically is also part of our environmental mission. In January, AB InBev adopted a Responsible Sourcing Policy that includes standards on labor issues and business conduct. We are committed to operating ethically and with high integrity, maintaining our commitment to quality, and encouraging similar conduct for our business partners. We are now conducting internal training on the policy, and providing it to our suppliers, as we initiate new contracts or renew existing ones. This policy includes:

- No use of child labor, as defined under the United Nations Global Compact and International Labour Organization guidelines;
- No discriminating on the basis of race, religion, gender, sexual orientation, age, political opinion, national extraction or social origin;

→ Recognizing workers' rights to join a trade union and engage in collective bargaining;

→ Health and safety programs.

Additionally, AB InBev is a member of AIM-Progress, a global forum of consumer goods companies that is sponsored by the European Brands Association and the Grocery Manufacturers Association. The group's purpose is to promote and share data and best practices for common supply chain standards of responsible sourcing—the process of purchasing goods and services without causing harm to, or exploiting, humans or the natural environment. These standards cover labor practices, health and safety, environmental management and business integrity.

The environmental impact of transporting our products is another important consideration. In this regard, we have begun to work in some countries to quantify the benefits of efficiency initiatives. For example, in the United States, the company implemented strategic, network-wide changes in its transportation and logistics infrastructure, which reduced the total miles required to distribute products. As part of this initiative, we coordinated payload-weight increases across multiple modes of transportation, which also further reduced total miles traveled. We yielded additional benefits by converting shipments from truck to intermodal, which requires significantly less diesel fuel because the majority of the distance traveled is by rail.

According to our estimates, all these initiatives resulted in a nearly 5 percent reduction in greenhouse gas emissions from 2008 to 2009. This is roughly the equivalent of removing 4,400 cars from the road for an entire year.

In 2009, our Brazil operations started a Shared Fleet Logistics Project with six routes, and we ended last year with 600 trips per month. After delivering beer and soft drinks to our Ambev distribution centers, trucks that would have returned empty to the company facilities now carry loads back from partner companies such as Sadia,

Sara Lee, PepsiCo and Unilever. The Shared Fleet Project provides environmental and financial gains: in 2010, Ambev saved 1,428,371 liters of fuel and avoided the emission of 3,922 tons of CO<sub>2</sub> through the program. The success of the project is also due to the use of the software Transportation Management System, which identifies synergies with other companies to make our fleet more efficient.

We are making significant progress on reducing the environmental impacts of refrigeration units we provide to retailers, where legal, by switching to lower greenhouse gas potential refrigerants and using LED lighting and energy management devices to lower energy use. Our Western Europe Zone is leading this effort and expects to have 7,000 units in place in 2011. Other zones are exploring similar opportunities where the technology is available and feasible depending on market needs.

### Partnerships & Stakeholder Engagement

As a leading international corporation, we believe it's important to work in collaboration with various stakeholders to advance best environmental practices, support our communities and contribute to initiatives that help to preserve our natural resources.

The company's engagement with policy makers on possible responses to climate change occurs primarily through industry and trade associations. We're also involved with several NGOs to support specific initiatives and raise awareness on water issues, including partnerships with such leading organizations as River Network, Great Lakes Forever, The Canadian Land Trust and WWF.

For example, our Western Europe (WE) Zone held *WE Run for Water* events, where 681 employees from across the zone ran 4,025 km to generate 10 000 EUR (14 000 USD) for Wateraid, a United Kingdom-based NGO that supports the installation of wells in areas around the world where fresh water is scarce. They also conducted a Best Idea Water Saving Contest that generated 356 employee ideas.

AB InBev is a member of the Beverage Industry Environmental Roundtable (BIER), a partnership of leading global beverage companies.

BIER has created guidance for determining a beverage company's carbon footprint and is developing a similar tool for water use. This tool will provide clarification and consistency in the quantification of a beverage-water footprint and introduces a screening methodology to identify and prioritize water impacts from a business perspective. In another partnership, AB InBev joined with the United Nations Global Compact-Belgium and Inter Press Service, in February 2011, to sponsor a day-long conference in Brussels titled "Solutions for Sustainable Water Use." With attendance at nearly 100, the conference featured European Union officials, academics, NGOs and beverage industry companies coming together to discuss water issues and share best practices.

### Managing Biodiversity

Our support of environmental organizations and work to improve watersheds also positively affects biodiversity. In addition, we have eight Wildlife Habitat Council-certified facilities in the United States, and do work at many other facilities to improve local habitats, which promotes biodiversity. These facilities have active employee teams that enhance local habitats and often involve communities in on-site education and awareness projects.

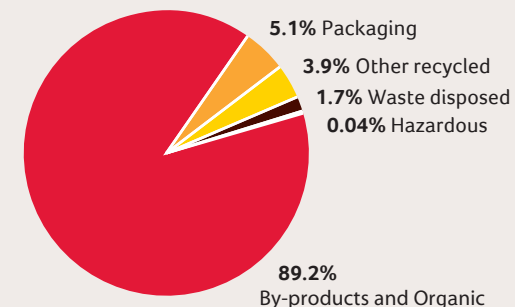
Our Guarulhos brewery in Brazil received the "Environmental Seal," an environmental award granted by the local municipality for its project, "Field of Preservation and Tracking Wild Animals." The brewery is located in an area near eight million square meters of the Atlantic Forest. Developed in partnership with the municipality's Department of Environment, the project catalogs wild animals and rehabilitates certain species in nurseries built inside the plant, in order to reintegrate them into the forest.

There are 274 species registered, including 52 reptiles, 54 mammals and 168 birds. The list includes snakes, castors, sloths, lynx, toucans, orangutans and roe deer. The brewery has also been approved as an "Area of Preservation and Tracking Wild Animals" by Ibama, the National Environmental Agency.

**Waste and By-products Recycled per Hectoliter Production**  
Kilograms per hectoliter (kg/hl)



**Waste and By-products by Type 2010**



Note: Other recycled waste is non-ferrous and ferrous scrap, tires, wood and construction waste.



# Community



# Community



AB InBev makes significant contributions to the well-being of the communities where we do business, around the world. This occurs through the jobs we provide, the salaries and wages we pay, the taxes we contribute to local and national governments, and the community support we provide in the form of donations and volunteer activities.

## Economic Contributions

**\$2.9**  
billion

Wages and salaries paid to our approximately 114,000 employees worldwide

**\$2.1**  
billion

Capital expenditures around the globe with investments in our facilities, distribution networks and systems generating jobs and local economic growth

**\$11**  
billion

Excise and income taxes paid, which help to support government programs



Our employees in Russia support the *We All Live Here!* initiative that helps improve industrial areas, streets, gardens and parks in our brewery cities.

We can be counted on to help our communities directly. The following community initiatives are just a small sample of our global efforts.



Latin America South Zone President Bernardo Pavia participated in the zone's first *Volunteer Day* in Villa Argentina. In partnership with the Conscience Association, more than 70 employees volunteered to plant trees and flowers, paint the indoor and outdoor yards, refurbish signs and build learning games for School No. 30 Manuel Belgrano near our Quilmes brewery.

#### Volunteerism and Support

Volunteering is a way our employees help those in need and personalize our company to the communities where they live and work. Through our Better World three-year plan, we have committed to providing structure for our volunteer efforts and charitable support around the world.

In 2011, we will formalize our volunteer program by providing a global volunteer policy that our operating zones may then adapt and implement in their respective markets. We will focus our volunteer efforts on those areas, such as education and economic development, that support our strategic business objectives. We will also formalize our volunteer tracking and reporting structure, with the goal to have nearly one in five employees volunteer during 2011.

#### Here are a few examples of our volunteer efforts in 2010:

**China AB InBev Hope School** In November, *Jinping AB InBev Hope School*, the first *Hope School* sponsored by our company, was officially opened in Laomeng Village in China's southern Yunnan Province. The Hope School, which currently serves 114 students, is located in a remote, mountainous area that is an eight-hour drive from Kunming. Over the years, the area has been supported by various poverty relief and national development programs. AB InBev donated 250 000 RMB (38 000 USD) to rebuild the school, including a new library, computer room and playground. The company also

established a 50 000 RMB (7 600 USD) scholarship for students from the most financially distressed families. Computers, books, stationery, chairs, desks and other teaching aids were also donated by AB InBev.

**Un Techo para mi País** For the second year in a row in Uruguay, we partnered with Un Techo para mi País (A Roof for My Country), a Latin American organization that builds temporary housing and advances community development. The NGO has won a United Nations award for its work around the world. Since 2003, it has enrolled more than 8,000 young college volunteers in programs to eradicate extreme poverty in the country. As part of the program, about 40 AB InBev volunteers constructed five houses, which helped to increase employee engagement with the community.

**Teach for America** This national corps commits recent college graduates to two years of teaching in urban and rural public schools. We have provided funding support to Teach for America since it came to St. Louis in 2002. In 2010, company executives, including North America Zone President Luiz Edmond, volunteered as guest teachers in St. Louis public schools, visiting classrooms to impart lessons that drew on their experiences in business and beyond.

**Supporting Our Rivers** Employees and their families were among more than 250 volunteers helping the organization Living Lands & Waters in their annual cleanup of the St. Louis riverfront. This year's cleanup brought in more than 10 tons of trash and debris from the islands and shorelines of the Mississippi River near downtown.

Employees from our Newark brewery and offices in New York City also provided cleanup support to the Passaic River Coalition in Lyndhurst, NJ, as part of World Environment Day activities.

**Futuro Posible** In 2010, our operations in Argentina invested more than 2 380 000 ARS (590 000 USD) to Futuro Posible (The Future Is Possible), an array of community development and education programs. This support included:

- National scholarships for high school students;
- Fee payments for a neonatology course (in partnership with Quilmes National University and Iriarte Hospital) for healthcare professionals;
- National gardens in schools (in partnership with Huerta Niño Foundation);
- Funding for hospitals, healthcare units and day-care centers;
- Donations of books, learning materials, furniture and equipment for schools;
- A recycling program, in partnership with the Habitat & Desarrollo Foundation;
- Hundreds of hours of employee volunteer activities, including the cleanup of lakes and public gardens.

**“We All Live Here!”** Many of our colleagues in Russia participate in the long-term social program We All Live Here!, which aims to make life more pleasant and comfortable for residents of our brewery communities. Each year, employees and local citizens work together to improve industrial areas, streets, gardens and parks in the cities of Ivanovo, Volzhsky, Angarsk, Omsk, Perm, Kursk, Klin, Saransk, Novocheboksarsk and St. Petersburg. In 2010, more than 2,000 employees took part in Subbotnik (a Saturday voluntary public works initiative), which is supported by local authorities and NGOs. All together, our employees invested more than 10,000 hours of volunteer time during the year.

**Habitat for Humanity** More than 250 employees and wholesalers partnered with the New Orleans Area Habitat for Humanity to help clean up neighborhoods and build homes in conjunction with the company’s annual sales convention. A donation of 50 000 USD helped support the effort. In Florida, the Anheuser-Busch Foundation donated 65 000 USD to the Jacksonville Habitat for Humanity, and our brewery employees spent five Saturdays building a home. Since 1999, the company has contributed a total of nearly 600 000 USD to this organization.

#### Charitable Foundations

Through our charitable foundations, we have reached out to groups in need, contributing to community organizations and touching countless individual lives, with a focus on supporting education, the environment, economic development, disaster preparedness/relief and the brave men and women who serve in the military.

- Anheuser-Busch Companies and its Foundation have contributed nearly 475 million USD since 1997 to communities across the United States. Educational institutions receiving financial support in 2010 from the Foundation included the University of Missouri–St. Louis, Saint Louis University, Washington University, Fontbonne University, Harris Stowe State University, Ranken Technical College and Missouri University of Science & Technology in Rolla, and George Herbert Walker School of Business and Technology at Webster University;
- The Antônio and Helena Zerrenner Foundation (FAHZ) invested 154 million Brazilian real (92 million USD) in the company’s employees and dependents, totaling some 69,368 people throughout Brazil. This investment includes funding a hospital and dental plan, 1,355 scholarships, 15,091 supplies of school materials for students, and the distribution of 28,914 hampers and 16,183 Christmas toys;



10K

Our employees in Russia volunteered  
10,000 hours in 2010



For the second year in a row in Uruguay, as part of our *Futuro Posible* community initiatives, we partnered with Un Techo para mi País (A Roof for My Country), a Latin American organization that builds temporary housing and advances community development. As part of the program, about 40 AB InBev volunteers constructed five houses.

- The *InBev–Baillet Latour Fund* in Belgium provided nearly 2.5 million EUR (3.6 million USD) to encourage accomplishments in the scientific, educational and artistic fields by rewarding prizes, study grants, trips or gifts in cash or goods;
- In 2010, the Verhelst Foundation in Belgium provided 2.08 million EUR (3.0 million USD), helping AB InBev employees with extraordinary medical costs, operating a confidential counseling service and providing scholarships. The Verhelst Foundation is an independent organization created in 1949 to support company employees.

#### Disaster Relief

Since 1988, our United States operations have packaged and donated nearly 70 million cans of fresh drinking water to emergency relief organizations following natural disasters.

In the U.S. over the last three years, the company and its distributors have provided nearly 6 million cans of packaged drinking water to victims of natural disasters.

In 2010, we donated approximately 850,000 cans of drinking water for U.S. disaster relief, including support to help people affected by water-main breaks in Kentucky, winter storms in South Dakota, an oil spill in Michigan, forest fires in Colorado, and flooding in Tennessee, Iowa, Nebraska, Kentucky and Wyoming.

To assist in relief efforts following the February earthquake in Chile, our operations there contributed fresh drinking water as well as Maltin, a high-protein non-alcoholic beverage from a facility in Bolivia. We also provided fresh drinking water to workers battling drought-caused wildfires in Russia in August, and our people collected clothing for victims who had lost their homes and possessions.

In addition to our water projects, we've had a long-standing partnership with the Red Cross, providing millions of dollars in

support for such programs as the first-of-its-kind emergency preparedness initiative designed to help schools, businesses and communities with their planning.

In China, when a once-in-a-century drought swept across the southwestern Yunnan Province in 2010, the company funded the construction of 150 wells to provide a sustainable water supply for 10,000 local residents, as well as support for industrial and agricultural production. Meanwhile, the heaviest rainstorm in half a century caused flooding in the Jiangxi, Fujian, Jilin and other provinces of China, and more than 800,000 people were forced from their homes. The company made a significant donation to help rebuild damaged areas in Jiangxi Province, and raised funds by matching donations to beer sales of our Sedrin and Harbin brands, to help support communities in the disaster area.

114  
children

**Number of students served by the Laoming Village Hope School, which was rebuilt with support from our Asia Pacific Zone. Our funding helped rebuild the school, including a new library, computer room and playground, as well as establish a scholarship for students from the most financially distressed families.**



A circular photograph showing a group of people at an event. In the center, a brown circle contains the word "People" in white. The background shows several people wearing red baseball caps and lanyards, suggesting a conference or trade show setting. The lighting is warm and indoor.

# People

# People

It takes great people to build a great company. That's why we focus on attracting and retaining the best talent. Our approach is to enhance our people's skills and potential through education and training, competitive compensation and a culture of ownership that rewards people for taking responsibility and producing results. Our ownership culture unites our people, providing the energy, commitment and alignment needed to pursue our dream — to be the Best Beer Company in a Better World.

Having the right people in the right roles at the right time — aligned through a clear goal-setting and rewards process — improves productivity and enables us to continue to invest in our business and strengthen our social responsibility initiatives.

## 2010 Highlights

**114**  
thousand

Number of full-time, seasonal and temporary employees worldwide

**8.8**  
years

Average tenure of AB InBev employees

**1.6**  
million

Total hours of employee training, up from 1 million hours in 2009



Promoting learning and talent development, providing a safe work environment, and helping to ensure that our business is conducted with integrity fuel our social responsibility work.



Employees participated in our “Consumer Connections” advanced marketing program at Stanford University.

### Diversity

Keys to our continued success include the unique backgrounds, perspectives and experiences of our employees. Our commitment to equal employment opportunity, diversity and inclusion both helps make our company a great place to work and is a defining value that guides our relationships with customers and the communities we serve. By treating all people with respect and valuing our differences, we can reach our fullest potential.

As a leading international business, we are committed to ensuring that employment and career development opportunities are made available to people without regard to race, color, religion, disability, sexual orientation or creed—a commitment that is highlighted in our employment regulations, Code of Business Conduct and our commitment to the United Nations Global Compact.

At the end of 2010, we employed 114,000 full-time, seasonal and temporary employees worldwide. Of the full-time employees, 25.5 percent were female and 74.5 percent male. The average employee age was 39.9 years old. The average length of service was 8.8 years. About 70 percent of employees worked in blue-collar jobs, while 30 percent worked in white-collar jobs.

To further our commitment to diversity and support the company’s business objectives in the United States, we established Employee Resource Groups (ERGs), which provide education, awareness, and professional growth and development opportunities for employees. The groups include:

- Creating Real Opportunities for Women’s Networking (CROWN)—Women’s ERG;
- Hispanic and Latino (HoLa)—Hispanic and Latino ERG;
- Black Leaders Achieving Diversity through Engagement (BLADE)—African American ERG;

- Asian Pacific Islander (PAC-ASIA)—Asian and Pacific Islander ERG;
- Employee Alliance Group of Leadership and Engagement (EAGLE)—Gay, Lesbian, Bisexual, Transgender and Friends ERG;
- Home Brewers ERG—Employees who enjoy making their own beer;
- Community Action Project (CAP)—Community Service ERG.

### Training and Opportunities

To attract the best talent, we recruit graduates through our Global Management Trainee program from top universities around the world, for a demanding 10-month paid training program that exposes participants to a wide range of company operations. In 2010, the program attracted applications from more than 100,000 students. After the training, candidates go on to full-time positions within our global organization. Since its inception in Brazil in 1990, nearly 1,200 trainees around the world have come through the program, many of whom are now senior AB InBev executives.

To foster excellence and professionalism in our people, we have established “branches” of AB InBev University in each of our geographic zones. The program focuses on leadership, method and functional learning.

Members of our executive team also participate in programs developed in partnership with leading academic institutions, including Harvard University, Stanford University and Northwestern University, to hone their abilities. Because of the programs’ global reach, we have been acknowledged externally. AB InBev was recognized in China as “Best Employer” and “Best Company for Developing Talent” by *Training Magazine*, and we received the 2010 China Talent Management Award from the *Magazine of Human Capital Management*.



In Brazil, more than 32,000 people have received training through 654 courses—adding almost 39,000 hours in both classroom and online modules. More than 1,500 people went through leadership training. For 2010, investment in Brazil’s training programs was 25 percent greater than in 2009. For this and other reasons, our business in Brazil was ranked among the best companies in talent management by the *Você S/A—Exame*: the fourth year in a row the company placed within the survey’s top ranking.

**Career Advancement and Engagement**

To deliver superior results, it is necessary to measure and track performance effectively. One of our most important tools is the Organization and People Review (OPR), which is supported by an automated system that maintains data on the skills, credentials and achievements of some 25,000 managers across the company.

While OPR is used to record the results of performance evaluations, its greater value is the ability to identify employees with the specific skills required for various jobs and assignments, including key functional skills, educational backgrounds or language proficiency. With this capability, we can promote people to increasingly responsible positions globally. This not only serves the company’s needs, but also establishes clearly defined career opportunities for our people. Of our total full-time equivalent employees, 30 percent receive regular performance and career development reviews, with 100 percent of white-collar employees receiving reviews.

To sustain our culture and progress, we conduct an annual cycle of team meetings to make sure all our colleagues understand our goals and are fully engaged in meeting them. The meetings give management the opportunity to hear employee suggestions about ways we can improve.

**Ownership and Performance**

Our ownership culture is based on the principle that our people must be responsible and accountable for our results. To support this culture, we set performance targets and have a compensation model based on accountability. Employees have the opportunity to earn significant variable compensation (in addition to base compensation), when they achieve clearly defined stretch targets.

With a clear road map for the success of each person within the organization, and a system that rewards great performance, we tend to attract ambitious people who relish a challenging and merit-based environment.

**Anheuser-Busch InBev University**

In 2010, our employees across all zones participated in a combined total of more than 1.6 million hours of training, up from 1 million hours of training in the previous year. This was an average of about five hours per employee.

All training and development programs are designed to provide strategic direction, structure and consistency across the company as part of *Anheuser-Busch InBev University*, which is organized under three pillars of learning:

- **Leadership and Culture** programs that include *Executive Education*; *Senior Leadership Convention*; *Leadership, Performance and Change*; and *Owners@ABInBev* initiatives;
- **Functional** programs that provide know-how and technical skills for all critical roles, as well as ways to share and implement best practices. This training includes mapping critical competencies, enhancing on-the-job training, and benchmarking technical and operating abilities to guarantee that both collective and individual targets are achieved. Examples include our Supply Academy for brewery managers and our “Marketing Academy,” which includes an advanced marketing program;



Our Global Management Trainee program attracts talent from top universities around the world for a demanding 10-month paid training program that exposes participants to a wide range of company operations.

76%

Our latest employee survey showed an employee engagement index of 76 percent, up from 74 percent in 2009



Gustavo Troia, Vice President, Supply, of our Latin America South Zone, participated in the Stella Artois World Draught Masters competition among attendees at the 2010 Senior Leadership Convention in Shanghai.



Senior leaders attended our advanced marketing program at Northwestern University's Kellogg School of Management.

→ **Method** systematic training that instills and consolidates management practices and tools (routine management, target setting and problem solving), and provides our people with advanced skills in their functional areas, such as marketing, sales and brewery management.

**Employee Engagement**

According to employee studies, people's engagement with their work — and their assessment of the significance of their contribution — has great meaning to them, even above and beyond compensation.

We engage employees through an annual cycle of regular, formalized communication and feedback. This communication helps us assess

their understanding of the company's goals, and their engagement with meeting them. But perhaps most important, our management uses the opportunity to hear employee suggestions on these efforts, so we can develop action plans on the issues that matter to them.

Our latest employee opinion survey, carried out in December 2010, shows an employee engagement index of 76 percent, up from 74.07 percent in 2009. The 2010 data is based on responses from 73,827 employees, composed of 21,941 white-collar employees and 51,886 blue-collar employees, across all zones.

We hosted our 2010 class of global management trainees in St. Louis for their induction session into the company.

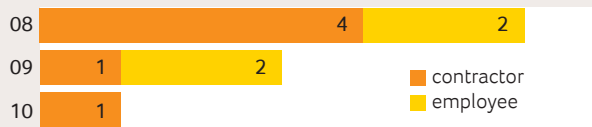
1,200

We have had 1,200 global management trainees since the program began in 1990.

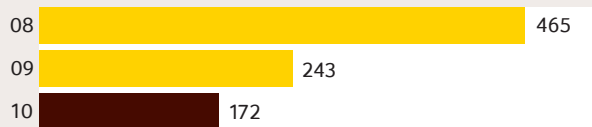


## People

### Supply Fatalities

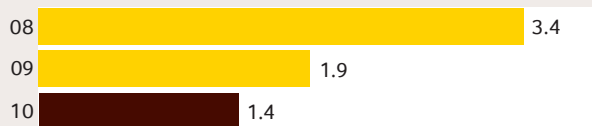


### Number of LTI Global



Note: 2009 data represents an adjustment due to LTIs late in the year that had not been accounted for in last year's reporting.

### Frequency Rate Global (LTI per 1,000,000 worked hours)



Note: 2008 data was previously reported incorrectly as 3.6.

## Health & Safety

### Safety — The Highest Priority

Our ability to avoid injuries and save lives is the most important thing we offer our employees and their families. To emphasize safety as our highest priority, in 2010, we reviewed and updated our Global Health and Safety Policy and reissued it to all zones and functions.

In 2010, lost-time injuries in the Supply function were reduced by 29 percent from 2009 and have declined 63 percent since 2008, and we expanded our health and safety focus beyond our brewery employees to include sales and distribution teams.

### Safety Systems and Organization

With a safety culture focused on openness and effective reporting, as well as appropriate behavior, practices and procedures, our sites are responsible for implementing our global Health & Safety policies as part of our Supply VPO management system. A similar global approach has been initiated to implement safety in the excellence programs of the other areas, such as Sales and Second Tier Logistics

On a global level, using a rewards system based on meeting specific safety targets set each year, our VPO global management and auditing system links safety performance and program implementation at our facilities to the annual site-performance evaluation.

In 2010, we enhanced our safety organization to strengthen ownership and focus. The global Safety Director reports to the Supply Technical vice president, and a zone safety organization is functional in every zone. These zone organizations are responsible for supporting the facilities to implement safety policies and play an important role in the overall improvement of our safety performance. At the facility level, a safety manager, reporting to the plant manager, supports the management and workforce in running the operations safely.

### Safety First Program

Quarterly, each zone focuses on a specific safety topic to help raise safety awareness and promote safe behaviors throughout our plants.

### Safety Committees

These committees are a legal requirement in many countries, and are mandatory in all our facilities, formalizing an ongoing dialogue between the company and employee representatives. The committees concentrate on eliminating unsafe conditions, identifying improvements, reviewing accidents and ensuring effective communication.

### Hazard and Incident Reporting

The facilities that implement the VPO safety initiatives focus on hazard and incident reporting and risk assessments, not just accident reporting. In 2010 our employees reported nearly 100,000 potential hazards covering both conditions and behaviors. By eliminating these hazards, we are able to reduce the incidents and accidents.

### Safety Alerts

To improve our overall response to safety problems, we share information on incidents and accidents through Safety Alerts that describe the event and the preventive measures that have been implemented. Other facilities must then apply the same preventive measures, if applicable.

### Safety Training

Safety training requirements for our employees and contractors are embedded in the VPO Safety Pillar, while the organizational aspects are covered in the VPO People Pillar.

One of the main tasks of the Global and Zone Safety functions is to provide the appropriate training to the different functions: safety is an integral part of our training programs for Brewery Operations Directors and Brewery Managers.

In June 2010, we held a global environmental and safety meeting at our Newark, NJ, brewery. Zone environment and safety managers attended, along with key groups from throughout the company. The gathering enabled the managers to discuss the safety performance of the zones and new developments in the safety field. This was the first time that the United States breweries participated, sharing such

things as their safety manual, handling programs, behavioral safety programs and training practices. In addition to the global conference, our six geographic zones organized Zone Safety Workshops, where they gathered plant Safety Engineers to brainstorm improvement opportunities and share good safety practices.

**Safety Days**

The first companywide *Safety Days*—initially launched in Western, Central and Eastern Europe in 2006—took place in 2010 in all our facilities. During *Safety Days*, production is stopped and all operators are involved in workshops and training focused on improving safety behavior and awareness.

**Safety Performance:**

**Fatalities**

No fatal accidents occurred in our facilities in 2010. We believe the significant steps we are taking to improve and maintain effective safety management—including the sharing of best practices—have helped prevent and avoid such tragic events this year.

Unfortunately, two work-related traffic accidents in Supply resulted in two fatalities, one employee in Russia, and one contracted truck driver in the United States. Outside of our Supply organization, two Sales representatives were involved in fatal traffic accidents in Russia and Brazil, and one contractor truck driver died in a traffic accident in Brazil.

**Lost-Time Injuries/Frequency Rate**

We use the number of lost-time injuries (LTI) as our key performance indicator (KPI) to measure the safety performance of our company and at the individual facilities. Thanks to our *VPO* safety protocols and other initiatives, the number of LTIs decreased 63 percent since 2008 and 29 percent from 2009 to 2010, including temporary and seasonal workers.

In the Asia Pacific Zone, the decline was 81 percent from 2008 to 2010 and 52 percent from 2009 to 2010. Similar dramatic LTI improvements were found in Western Europe (80 percent decline

since 2008, 61 percent decline from 2009) and Central & Eastern Europe (92 percent decline since 2008, 33 percent decline from 2009). In our Latin America South Zone, LTIs decreased 66 percent since 2008 and 24 percent from 2009 to 2010. While our North American facilities registered no change in LTIs between 2009 and 2010, LTIs have decreased 33 percent since 2008. In our Latin American North Zone, LTIs decreased 24 percent since 2008 and 2 percent from 2009 to 2010.

During 2010, we had 84 facilities that recorded no LTIs, 23 of which had gone three years or longer with no LTIs recorded.

Contractor LTIs are recorded separately, and in 2010, 53 contractors suffered LTIs at our plants, a 20 percent decline from 2009.

In 2011, we will roll out new elements in our Supply *VPO* Safety pillar and updated safety questionnaire, with a focus on safety monitoring, behavioral safety and workplace transport. We have set a 25 percent LTI reduction target for 2011.

In our journey to safety excellence, we are also putting more focus on Total Recordable Injuries (TRI). Our best zones are already using TRI as their main KPI, and we are rolling out this indicator to other zones. The goal is to have global TRI reporting in 2012.

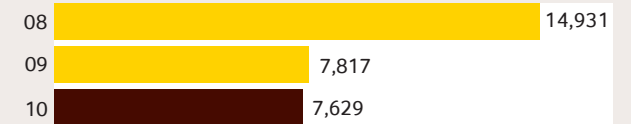
**Lost Days/Severity Rate**

The number of lost days is a measure of the severity of injuries. The number of days lost due to injuries and the severity rate (number of lost days per 1,000,000 hours worked) increased by 3 percent from 2009 to 2010. While there was an overall strong reduction in LTIs, the injuries suffered caused longer absences.

**Safety Outside Supply**

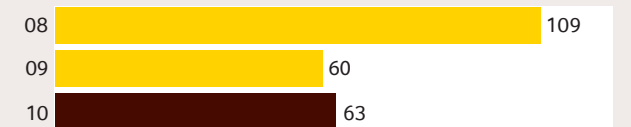
In previous years, our focus on safety was to install a sustainable management system in the Supply areas. We believe that our efforts are successful, although the journey to safety excellence in Supply has not yet finished.

**Number of Days Lost Global**



Note: 2009 data represents an adjustment due to lost days late in the year that had not been accounted for in last year's reporting.

**Severity Rate Global** Days lost per million hours worked





**An independent hotline is available to employees 24 hours a day, seven days a week, to report concerns regarding our Code of Business Conduct**

Though there exist good initiatives in the different zones with regard to safety management, in the non-Supply areas such as Sales and Second-Tier Logistics, we did not have a global approach nor reporting. We started to explore the different options in 2010 and have chosen to embed minimum safety requirements in the different excellence programs that exist for the different areas. To increase our focus on safety management in our non-Supply areas, the new position of Global Director Non-Supply has been created. This function reports to the Global Safety Director.

We have also aligned our safety support structures for the non-Supply areas in the zones in order to roll out these programs. We plan to report on our 2011 safety performance in the non-Supply area.

#### **Corporate Governance**

AB InBev's Corporate Governance rules ([www.abinbev.com/go/corporate\\_governance.cfm](http://www.abinbev.com/go/corporate_governance.cfm)), which were established by our Board of Directors and updated in January 2011, help us properly manage our business without limiting our vision or the speed and flexibility of our operations. Incorporated under Belgian law, and listed on the Euronext exchange in Brussels, AB InBev adheres to the principles and provisions of the 2009 Belgian Corporate Governance Code, while recognizing our status as a multinational group.

Further, to the New York Stock Exchange listing of American depositary shares representing ordinary shares of AB InBev, the New York Stock Exchange Corporate Governance rules for Foreign Private Issuers are applicable to the company. AB InBev has also registered under the U.S. Securities and Exchange Act of 1934, as amended. As a result, it is also subject to the U.S. Sarbanes-Oxley Act of 2002 and to certain U.S. securities laws and regulations relating to corporate governance.

Our Corporate Governance Charter published online provides a comprehensive and transparent disclosure of the company's

governance. A full report on our corporate governance activities in 2010 can also be found in our company's online annual reports ([www.abinbev.com/go/corporate\\_governance.cfm](http://www.abinbev.com/go/corporate_governance.cfm)).

#### **Code of Business Conduct & Compliance Program**

As part of our Corporate Governance framework, we have a Global Code of Business Conduct and Compliance Program that establishes guidelines, education, training and safeguards to ensure that everyone in our company upholds high standards of integrity in all business-related activities. The Code and our Compliance Program reinforce compliance with all laws, including competition, environmental and labor laws. It also deals with potential conflicts of interest, use of company assets, and honest and ethical conduct, including safeguards against bribery and corruption. The Executive Board of Management and Board of Directors and Audit Committee receive regular progress reports on matters related to the Compliance Program.

We have a number of platforms to support our Code of Business Conduct and Compliance Program, including an annual online training and certification program for employees; global and Zone Compliance Committees, which include the participation of the most senior members of management, and, where legally permissible, an independent telephone line that is available to employees 24 hours a day, seven days per week. Employees can also register their concerns through an independent website. Privacy and confidentiality reasons restrict us from publishing statistical details on active cases or calls, but we monitor the number and type of cases internally, and provide reports to the Board's Audit Committee.

## GRI Index (Level B)

Indicator	Descriptor	Reference
<b>Strategy and Analysis</b>		
1.1	Statement from the most senior decision-maker of the organization	8
<b>Organizational Profile</b>		
2.1	Name of the organization	1
2.1	Primary brands, products and services	3, 12–13
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	12–13
2.4	Location of organization's headquarters	60
2.5	Number of countries where the organization operates, has major operations, or that are specifically relevant to the sustainability issues covered in the report	3
2.6	Nature of ownership and legal form	13
2.7	Markets served, including geographic breakdown, sectors served, and types of customers and beneficiaries	12–13
2.8	Scale of the reporting organization	12–13
2.9	Significant changes during the reporting period regarding size, structure or ownership	N/A
2.10	Awards received in the reporting period	57
<b>Report Parameters</b>		
<b>Report Profile</b>		
3.1	Reporting period for information provided	16
3.2	Date of most recent previous report	16
3.3	Reporting cycle	16
3.4	Contact point for questions regarding the report	16
<b>Report Scope &amp; Boundary</b>		
3.5	Process for defining report content	30
3.6	Boundary of the report	30

Indicator	Descriptor	Reference
3.7	Specific limitations on the scope or boundary of the report	30
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period	30
3.10	Restatements of information provided in earlier reports	N/A
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods	30
<b>GRI Content Index</b>		
3.12	Table identifying the location of the Standard Disclosures	55
<b>Governance, Commitments and Engagement</b>		
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks	<a href="#">Board Committees</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	<a href="#">Board of Directors</a>
4.3	Number of members of the highest governance body that are independent and/or non-executive members	<a href="#">NYSE Corporate Governance</a>
4.4	Mechanisms for shareholders and employees to provide recommendations to the highest governance body	<a href="#">Corporate Governance Contact</a>
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization	21, 39
4.15	Basis for identification and selection of stakeholders with whom to engage	21, 39
<b>Environmental</b>		
DMA	Disclosure on management approach	30
<b>Energy</b>		
EN3	Energy consumption by primary energy source	33, 34
EN5	Energy saved due to conservation and efficiency improvements	33

## GRI Index (Level B)

Indicator	Descriptor	Reference
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	35
EN7	Initiatives to reduce indirect energy consumption	33, 35
<b>Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	39
EN13	Habitats protected or restored	39
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	39
<b>Emissions, Effluents and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight	35
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	35–36
EN22	Weight of waste by type of disposal method	38
<b>Products &amp; Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	30–39
<b>Social: Human Rights</b>		
DMA	Disclosure on management approach	<a href="#">Responsible Sourcing page</a>
<b>Freedom of Association &amp; Collective Bargaining</b>		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	<a href="#">Responsible Sourcing page</a>
<b>Child Labor</b>		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to eliminate these risks	<a href="#">Responsible Sourcing page</a>

Indicator	Descriptor	Reference
<b>Forced &amp; Compulsory Labor</b>		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to eliminate these risks	<a href="#">Responsible Sourcing page</a>
<b>Social: Labor Practices and Decent Work</b>		
DMA	Disclosure on management approach	47
<b>Employment</b>		
LA7	Rates and numbers by region for injuries, occupational diseases, lost days, absenteeism and work-related fatalities	52–53
<b>Training &amp; Education</b>		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees, and assist them in managing career endings	48–49
LA12	Percentage of employees receiving regular performance and career development reviews	39
<b>Corruption</b>		
SO3	Percentage of employees trained in anti-corruption practices	54
<b>Social: Society</b>		
DMA	Disclosure on management approach	<a href="#">Corporate Governance Charter, page 31</a>
<b>Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying	30, and page 31 of our <a href="#">Corporate Governance Charter</a>



## GRI Index (Level B)

Indicator	Descriptor	Reference
<b>Social: Product Responsibility</b>		
DMA	Disclosure on management approach	19
<b>Marketing &amp; Communications</b>		
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	19–26, 54 and page 32 of our <a href="#">Corporate Governance Charter</a>
<b>Economic</b>		
DMA	Disclosure on management approach	<a href="#">2010 Annual Report</a> , pages 14–15
<b>Economic Performance</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, payments to capital providers and payments to governments	<a href="#">2010 Annual Report</a>
EC3	Defined benefit plan obligations	<a href="#">2010 Annual Report</a> , pages 110–114
EC4	Significant financial assistance received from government	<a href="#">2010 Annual Report</a>

## Recognition Received in 2010

### Carbon Disclosure Project (CDP)

Received the highest combined point score and grade among brewers in the organization's environmental rankings

### Newsweek

Ranked the highest-rated brewer in the magazine's "World's Greenest Companies" list, and listed at #85 on their Global 100 list

### Barron's

The only brewer listed in the publication's "World's Most Respected Companies" (#34 out of 100), moving up three places since 2009

### Fortune

The #1 brewer and #2 beverage company on the magazine's "World's Most Admired Companies" list, and moved to #1 in social responsibility in the beverage industry ranking from #2 in 2009

### Social Responsibility in the Beverage Industry

Company	Industry Rank
<b>Anheuser-Busch InBev</b>	<b>1</b>
Coca-Cola Enterprises	2
Coca-Cola	3
Pernod Ricard	4
SABMiller	5
Heineken	6
Diageo	7
Asahi Breweries	8
Carlsberg	9
Kirin Holdings	10

Source: FORTUNE online

