

# Conversation. Action. Results.



# Contents

ON THE COVER:  
Ricardo Tadeu (left), Brazil Business Unit President, and Hamilton Picolotti, National Confederation of Resellers and Companies of Logistics and Distribution President, distribute our "+ID" age-check reminder poster to a retailer in São Paulo on Global Be(er) Responsible Day, Sept. 21.



Letter from our CEO



Dream, People, Culture



Brewing a Better World



Value Chain



Goals and Progress



Responsible Drinking



Environment



Community



Our People



About AB InBev



GRI Index

Welcome to our

# 2012 Global Citizenship Report

**Carlos Brito**

*Chief Executive Officer*



*Bernie Williams Jr., right, former New York Yankees player and five-time Major League Baseball All-Star, poses with CEO Carlos Brito on Global Be(er) Responsible Day, Sept. 21, 2012, in Times Square after taking the pledge to be a designated driver.*

At Anheuser-Busch InBev, we constantly challenge ourselves to dream bigger and achieve more.

Becoming the Best Beer Company in a Better World is an ambitious dream. But it is one we believe is worth pursuing. It starts with a culture that fosters the right conversations with the right stakeholders, both inside and outside our company. From there, it is all about turning that dialogue into meaningful actions that drive real results.

I am pleased to report that Anheuser-Busch InBev is achieving these results, as evidenced by the progress we have made toward our Better World goals. We focus on three areas that are important both to our business and to our world: responsible drinking, the environment and our communities.

In 2012, we achieved the three-year global environmental goals that we set on water, energy, carbon emissions and recycling. In keeping with our culture of employee engagement and continuous improvement, we reached some of these goals ahead of schedule and beat most of our original targets. A key was our constant sharing of environmental best practices throughout all our breweries around the world. While we are pleased with these accomplishments, we also realize a lot more remains to be done. That is why we plan to announce a challenging new set of global environmental goals later in 2013.

As the world's leading brewer, we know we also must take the lead in promoting responsible drinking – encouraging consumers of legal drinking age to enjoy our products responsibly and encouraging those who are underage to respect the law. In 2011, we announced a set of six Global Responsible Drinking Goals that we have committed to achieve by the end of 2014. These goals guide our efforts to prevent the harmful use of alcohol, including drunk driving and underage drinking. We will announce the sum of our two years of progress later in the year. As an important part of this effort, we devote considerable resources to educational programs that encourage positive behavior by partnering with families, educators, law enforcement and our commercial and retail partners.

In the communities where we live and work, our impact goes far beyond the jobs we create and the wages and taxes we contribute to the local economies. Through our business operations and our foundations, we provide charitable donations, engage employees in volunteer programs, form unique community partnerships and mobilize our resources to support victims and relief workers during disaster

and emergency situations. In 2012, for example, we donated more than 1.4 million cans of drinking water to support disaster relief efforts in the United States, 1 million of which went to help those affected by Superstorm Sandy. More than 21,000 of our colleagues around the world also volunteered in their communities during the year.

Of course, none of the results you will see in the following pages would be possible without our people. Our 118,000 colleagues are the foundation of everything we do. They are at the heart of our culture of collaboration and ownership, and conversations that drive actions and results. And, around the world, we all are guided by a strong Code of Business Conduct that helps ensure that our company honors its commitment to the highest standards of integrity in all that we do. One of the key components of the Code is our Anti-Corruption Policy and Compliance Program, which includes an annual online training and certification program for employees. This commitment, of course, starts at the top. In 2012, our Board of Directors received in-person anti-corruption and compliance training, which is also now done annually.

Our dream is an ongoing journey. We know that there are many more conversations to be had, more actions to be taken and, most important, more results to achieve. Thank you for being part of the conversation as we strive to be the Best Beer Company in a Better World.



Carlos Brito, Chief Executive Officer

## **Dream, People, Culture:**

Our dream is to be the Best Beer Company in a Better World. And the keys to bringing that dream to life are our People and our Culture.

Becoming the best is both our commitment and our ongoing challenge. We constantly raise the bar to build a company that will generate sustainable long-term growth and results. Ten principles guide us in that effort:

## Dream

**01** Our shared dream energizes everyone to work in the same direction: to be the Best Beer Company in a Better World.

## People

**02** Great people, allowed to grow at the pace of their talent and compensated accordingly, are the most valuable assets of our company.

**03** We must select people who, with the right development, challenges and encouragement, can be better than ourselves.



## Culture

**04** We are never completely satisfied with our results, which are the fuel of our company. Focus and zero-complacency guarantee lasting competitive advantage.

**05** The consumer is the Boss. We connect with our consumers through meaningful brand experiences, balancing heritage and innovation, and always in a responsible way.

**06** We are a company of owners. Owners take results personally.

**07** We believe common sense and simplicity are usually better guidelines than unnecessary sophistication and complexity.

**08** We manage our costs tightly, to free up resources that will support top-line growth.

**09** Leadership by personal example is the best guide to our culture. We do what we say.

**10** We don't take shortcuts. Integrity, hard work, quality and consistency are keys to building our company.

# Brewing a Better World



## Conversation, Action, Results

We know our dream is ambitious. But any dream worth pursuing should be. As we work to be the Best Beer Company in a Better World, we are in constant conversation with our stakeholders – and taking actions – according to the three pillars that define our Better World focus: Responsible Drinking, Environment and Community. And most importantly, we are seeing results.

# Better World Pillars



## Responsible Drinking

We promote responsible enjoyment of our products around the world and help educate communities through consumer campaigns on topics such as drunk-driving and underage-drinking prevention.



## Environment

Brewing the best beer in a better world requires that we look for every opportunity to do more with less. We set ambitious environmental targets in water conservation, energy use/greenhouse gas emissions and recycling, and we share responsibility for meeting these goals throughout the entire company.



## Community

We take pride in being a responsible corporate citizen and giving back to the communities where we live and work across the 23 countries in which we operate. Whether it's by creating jobs, paying wages and taxes or encouraging our employees to volunteer, we continually look for new ways to make a sustained impact.

## Our People:

Underlying and supporting these three pillars are our people – the very engine that drives us forward and keeps the conversations going. We know that in order to be the Best Beer Company in a Better World, we need to continue to attract and retain the best and brightest people, further our efforts to be a better workplace and enhance the Better World programs that have a measurable impact on our customers around the globe. Together, holding one another to the highest standards of ethics and integrity, we will continue Brewing a Better World and keep alive the rich, empowering conversations our predecessors began in 1366 with the founding of the Den Hoorn brewery in Leuven, Belgium.



# Making Beer the Right Way

Learn more about our value chain by clicking on boxes of interest.



## CROP CULTIVATION

## POWERHOUSE

## BREWING

## PACKAGING

## DISTRIBUTION

## RETAIL & CONSUMER

### Renewable Energy

In addition to using less energy overall, we also use renewable energy sources in parts of our operations where they are available and financially viable. About 6 percent of our 2012 global energy use was from renewable sources, helping us reduce our emissions and our energy costs.

### Water Use

We keep a steady focus on conservation and quality control as water moves throughout our production processes. In the past three years, we reduced our water use 18.6 percent, meeting the goal we set in 2009. We also conduct an annual water risk assessment to analyze physical, regulatory and reputation risk related to water use.

### Water Treatment and Return

About 73 percent of water drawn for production was returned, maintaining quality standards, to local watersheds for other users or to the atmosphere through evaporation.

### Packaging Innovation

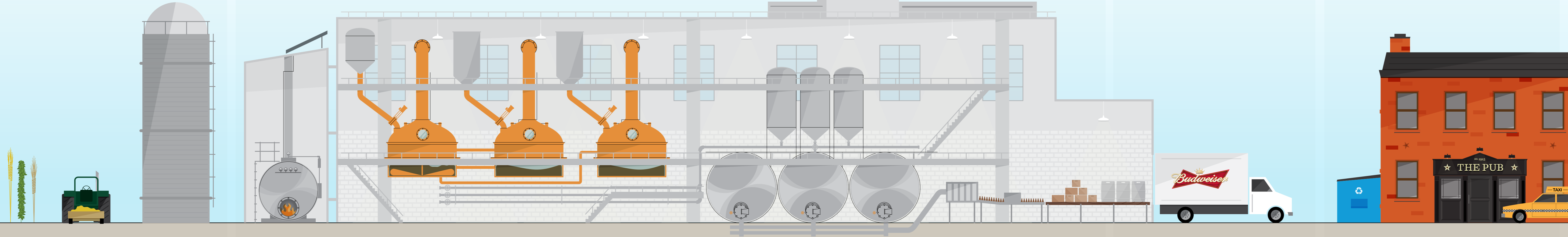
We continue to work with a number of partners – including suppliers, wholesalers, procurement companies and packaging experts – to identify new ways to minimize the environmental impact and cost of our packaging, while meeting quality standards and consumer expectations.

### Distribution Efficiencies

We continue to evaluate ways to distribute our products in the most efficient manner. In Brazil, our fleet-sharing program with other companies like Sara Lee, Unilever and BRF Brasil Foods has saved more than 6 million liters of diesel fuel and avoided more than 660 metric tons of carbon emissions since its inception.

### Reuse & Recycling

On a global basis, about 40 percent of our glass packaging is returnable. For packaging that isn't returnable, we support consumer recycling initiatives around the globe including, The Recycling Solidarity project in Brazil and America Recycles Day and Keep America Beautiful in the United States.



### Growers Program

Through our barley growers' program we're conducting barley seed research to create higher-quality varieties that produce better yields, while using less water and tolerating extreme weather conditions. More than 10,000 growers in the U.S., Brazil, Uruguay, Argentina, China and Russia receive support during the growing season to help them get the best results, and we purchase all of their crops that meet our quality standards.

### Energy Use

Our Voyager Plant Optimization provides strong management practices that lead our resource conservation efforts around the world. While production increased, our energy use has dropped 12 percent in the past three years, exceeding the goal we set in 2009.

### Brewmaster

Our Brewmaster Program uses virtual classroom software, in combination with hands on training, that allows us to share our highest quality, most efficient brewing practices from zone to zone and consistently train the best brewmasters in the world.

### Spent Grains

At the end of the brewing cycle, spent grain is reused once again, providing feed for cattle. Worldwide, we exceeded our solid waste recycling goal set in 2009, achieving a 99.2 percent recycling rate, with 135 of our 137 plants worldwide achieving zero-waste-to-landfill status.

### Packaging

Our product packaging includes recyclable materials such as glass, cardboard and aluminum, and we're working to minimize packaging materials overall. In our Latin-America North Zone, we have introduced the first PET bottle made from 100 percent post-consumer recycled material.

### Community

In addition to providing economic benefits such as jobs and paying taxes, we support our communities where we live and work through charitable donations and volunteering. In 2012, more than 21,000 employees worldwide volunteered in their communities.

### Responsible Drinking

We're the global leader in encouraging consumers to enjoy our products responsibly. Through responsible drinking advertising and programs like our annual Global Be(er) Responsible Day, Family Talk About Drinking, and promoting designated drivers, we reach distributors, retailers and consumers around the world.

# 2012 Goals & Progress

Our “at-a-glance” summary of the formal sustainability goals we have set, along with highlights of our progress.

## Responsible Drinking

Formal goals were announced in September 2011 and intended to be met by the end of 2014. Due to the timing of when the original Responsible Drinking goals were established, 2012 progress will not be shared until the fall of 2013.

Reach adults with tools to help parents talk with their children about underage drinking



Provide ID-checking materials to alcohol retailers to help them prevent sales to minors



Provide responsible alcohol beverage sales training to people who serve and sell alcohol



Reach legal-age consumers to increase awareness of the importance of using a designated driver or a safe-ride home



Invest in advertising and responsible drinking programs



## Environment

### AB InBev Achieves 2012 Global Environmental Goals

Using 2009 as our baseline, we set and achieved (or surpassed) ambitious three-year environmental goals.

Key Performance Indicator	2009 Actual	2012 Goal	2012 Actual
Water Use	4.30 hl/hl	3.5 hl/hl	3.5 hl/hl (18.6% reduction)
Greenhouse Gas Emissions	10.57 Kg CO <sub>2</sub> e/hl	9.51 Kg CO <sub>2</sub> e/hl (10% reduction)	8.91 Kg CO <sub>2</sub> e/hl (15.7% reduction)
Energy Use	133.6 mj/hl	120.2 mj/hl (10% reduction)	117.5 mj/hl (12.0% reduction)
Recycling Rate	98%	99%	99.2%

New environmental goals will be announced later in 2013.

## Community and People in 2012

Number of employees globally who volunteered their time and talents to our communities:

More than

21k (a more than 10 percent increase over 2011)

Hours of training received per employee on average:

32

Reduction in lost-time injuries since 2009:

54%



# Responsible Drinking



As the world's largest brewer, we are committed to promoting the responsible enjoyment of our products worldwide by adults of legal drinking age. We adamantly oppose the harmful use of alcohol, including excessive drinking, drunk driving and underage drinking.

## For more than 30 years we have invested in efforts around the world to promote responsible drinking and discourage the harmful use of alcohol.

A key part of these efforts is our annual Global Be(er) Responsible Day, which celebrated its third year in 2012. This annual, worldwide event is an opportunity to coordinate our efforts to promote responsible drinking with our partners, distributors, bars, retailers, law enforcement and community groups. In 2012, nearly 25,000 employees, as well as more than 500 partner organizations, participated around the world to help promote messages about the importance of checking IDs when selling our beers and using a designated driver when consuming alcohol.

*(Read about our progress toward the Global Responsible Drinking Goals we set in 2011, and challenged ourselves to reach by the end of 2014, on page 9)*

### Taking Our Commitment to a New Level

As we continue to look for new ways to promote the responsible use of our products, we joined with other leading producers of beer, wine and spirits, and pledged our support to the implementation of the World Health Organization's (WHO) Global Strategy to Reduce the Harmful Use of Alcohol. Over the next five years, starting in 2013, these companies will work together on the Global Actions Commitments to address the following:

- » Reducing underage drinking
- » Strengthening and expanding marketing codes of practice
- » Providing consumer information and responsible product innovation
- » Reducing drinking and driving
- » Enlisting the support of retailers to reduce harmful drinking

This commitment is part of our support of the International Center for Alcohol Policies' (ICAP) mission of promoting understanding of the role of alcohol in society and helping to reduce alcohol abuse worldwide, while encouraging dialogue among the industry, governments and the public health community. It is consistent with our long-standing actions to help prevent the harmful use of alcohol through our Global Be(er) Responsible Day and other responsible drinking programs.

In addition, in 2012, we launched a new company website, [www.tapintoyourbeer.com](http://www.tapintoyourbeer.com), to provide consumers with an additional resource for information about our beers around the world. The website provides information on the alcohol content, calories, ingredients and nutritional value for our global and Focus Brands in our key markets. It also includes responsible drinking tips, as well as beer and food pairing ideas. In 2013, we will be adding additional brands to the site and making the information available in our key country languages.



## Keeping Conversations Going

*In 2012, our country-specific efforts included:*

### **Belgium**

Our team participated in Global Be(er) Responsible Day by organizing a “Feet on the Street” initiative where about 75 colleagues distributed flyers on responsible drinking in several Belgian cities, while also providing samples of our Jupiler Force and Hoegaarden 0.0 non-alcohol beverages. We also launched our Family Talk website ([www.familytalkonline.be](http://www.familytalkonline.be)). Throughout the year, we continued to support responsible drinking programs such as “BOB,” a designated driver effort, and “Respect 16,” which reminds retailers to sell only to those of legal drinking age. In addition, we launched major “Don’t Drink and Drive” advertising campaigns using our Jupiler NA and Hoegaarden 0.0 non-alcohol brands.

### **Germany**

Our team in Germany kept the conversation going among one of our key target audiences, 18- to 25-year-olds. Building on an already successful program foundation, we expanded the groundbreaking peer-to-peer ambassador program “Geklärt, wer Fährt!” (Check Who’s Driving) with the goal of making this the best-known and most-used don’t drink and drive message campaign in Germany.

With a strategic nine-step process, the team kicked off its 2012 campaign with an integrated approach that included one-on-one and small-group interaction, a robust Facebook presence and traditional media outreach.

After encouraging young people to apply to become ambassadors in the fight against drunk driving, the team selected 100 people from a pool of more than 500 applicants and put them through simulated activities that helped them understand what it's really like to drive drunk. This prepared them to take the message and experience back to their peers in locally organized workshops. We provided our ambassadors with fliers, posters and training materials, as well as with specially designed "fatal vision" goggles that simulate intoxication – all designed to help convey the dangers of drunk driving. The most active and successful ambassador was rewarded with a smart car donated by Mercedes.

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***“Responsible use of alcohol is needed by novice drivers. Education and preventive measures, such as “Geklärt, wer Fährt!” help to make young people aware of the dangers, so it is a matter of course to only drive sober.”***

Mechthild Heil,  
Consumer Protection Officer in the German Bundestag

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### **Russia and Ukraine**

In our Central and Eastern Europe Zone, more than 7,500 employees from our sales teams, breweries, and offices participated in Global Be(er) Responsible Day. They provided ID-checking materials to retailers to remind them to sell our beers only to consumers of legal drinking age in compliance with the law.



## China

AB InBev China took its conversation online in 2012 and is the latest country to implement Family Talk, a program created by parenting, education and family-counseling experts to help parents talk with young people about underage drinking. We started the program in the U.S. in 1990 and continue to customize it to local cultures in each of our Zones. When we launched Family Talk in Beijing in September 2012, it was the first public education campaign to prevent underage drinking in China. To spread the word, we partnered with the China Youth Development Foundation and psychologist Zhang Yiyun, as well as with the Southern Weekly newspaper and the China Alcoholic Drinks Association's Beer Branch.

Our team of 2,000 employees in 50 cities supported the launch by distributing China's first-ever parents' guide on underage-drinking prevention. We also launched a social media app, "No Worries for Mums & Dads," that provides parenting tips. The public was encouraged to make the commitment to help prevent underage drinking, share the guide and discuss the topic on social media using hashtags.

In addition to Family Talk, AB InBev China premiered a short film – "True Love Needs a Designated Driver" – with the tagline "I Do," as a continuation of our 2011 campaign. The story showed that choosing to use a designated driver is an expression of true love and caring. The cast included a celebrity couple, AB InBev's APAC Zone President, Miguel Patricio, and local traffic police. Once the film was released on TuDou.com, YouKu.com, Sina.com and other video sites, we issued a challenge: If the video was shared 500,000 times from Budweiser's Sina Weibo webpage, we would make a donation to build another Hope School (schools that give children from underprivileged families a chance at an education). The film received 6 million views in just one day and the sharing goal was achieved in only six weeks. By August, we had reached over 55 million views and announced our support for the construction of Suqian Hope Primary School in Jiangsu province.





## United States

In 2012, our U.S. operations celebrated the 30th anniversary of the company's first responsible drinking campaign, "Know When to Say When." To recognize this accomplishment, we unveiled a new online and social media campaign – "[Nation of Responsible Drinkers](#)" – which asks adults to pledge their commitment to drink responsibly and then encourage their Facebook friends to do the same. In the past three decades, the company and its wholesalers have committed more than \$980 million in national advertising campaigns and community-based programs to encourage responsible drinking and prevent underage drinking and drunk driving.

## Canada

In 2012, we launched our Budweiser "Good Sport" fan management program in partnership with the Toronto Blue Jays Major League Baseball team to encourage the use of designated drivers and responsible behavior at the games. About 14,000 fans pledged to be designated drivers. We added our hometown hockey team, the London Knights, in November to the "Good Sport" family.

We also enhanced our Family Talk About Drinking program through partnerships with parenting experts and health professionals, and expanded LabattFamilyTalk.ca with videos and other content to help parents prevent underage drinking. In partnership with provincial regulators and local police, hundreds of employees brought Global Be(er) Responsible Day and the "We I.D." programme to retailers and licensees across Canada. In addition to providing tips on effectively checking IDs to help prevent underage drinking, employees directly encouraged consumers to Take the Pledge on iPads to not drink and drive.



## Brazil

In partnership with the Government of the State of São Paulo, our Brazil team launched a project to educate and train professionals on responsible alcohol beverage sales and consumption. We created and adapted, with the collaboration of professors from the Centro Paula Souza, learning material that includes video, a student textbook and classroom guide. The content addresses the history and culture of alcohol beverages, as well as alcohol's impacts on health and well-being, and the importance of selling and serving alcohol responsibly. This project will be part of the Via Rápida Emprego (Fast Way Employment) program in qualification courses for waiters, barmen, bartenders, hotel reception and services, baristas, and doormen.

In addition, the company continued its strong support for helping prevent drunk driving by donating 2,000 breathalyzers to law enforcement authorities in Curitiba, State of Paraná, and Recife, State of Pernambuco. We have now donated more than 92,000 breathalyzers in the past decade.

In addition, on Global Be(er) Responsible Day, we also enlisted the support of nine of the country's football clubs sponsored by Brahma to remind consumers that "the combination of minors and alcohol is like kicking the ball out of play" and should not be allowed.



## Argentina

In 2012, we launched a new “POC Code” campaign to educate and raise awareness of store owners on the importance of selling our products only to those of legal drinking age by promoting examples and best practices in order to encourage positive behaviors. Argentine law prohibits the sale of alcohol beverages to anyone under age 18. To support this law, we created a voluntary “code,” which we asked retailers to sign that encouraged them to:

- » Communicate through materials in store that alcohol beverages are intended only for those of legal drinking age;
- » Request an ID; and
- » Not sell our products to anyone under legal drinking age.

We set up a control group of 458 stores that did not receive the POC Code program and a group of 453 stores that did sign-on to the campaign across the cities of Charcas, Neuquen, Pompaya and Rosario. Those who agreed to use the campaign received the Code materials to display in their stores, and we uploaded their image to a special Facebook app for the campaign. There, customers could locate the responsible retailers within their neighborhood and congratulate them with “virtual applause” via the app for being true to the Code and not selling alcohol to those under the legal drinking age.

We then carried out an audit using “mystery shoppers” with a representative sample of the control group of retailers who had no intervention and a representative sample of the retailers who participated in the campaign to determine if they would sell to individuals under the legal drinking age. Results showed that retailers participating in the Code campaign were 2.8 times more likely to sell responsibly than those in the control group that did not participate. The research showed that retailers, such as grocery stores, bars and restaurants, were more likely to comply with the Code than self-service/convenience retailers. In addition, the retailer that got the most applause via the Facebook app and passed the audit won a trip to Cataratas del Iguazú, and the rest of the retailers that passed the audit received bags and campaign T-shirts to help spread the message.

We will now work with local authorities to share this best practice and broaden the POC Code to more retailers across Argentina, while continuing to evaluate and demonstrate the results obtained to recognize and reward responsible retailers.





# Environment



Think big and definitely sweat the small stuff. That's the AB InBev mindset, as we set and achieve ambitious environmental goals, launch bold partnerships and strive to conserve and protect every last drop of water we can.

The stakes have never been higher. The two greatest environmental challenges of our time, the scarcity of fresh water and global climate change, have far-reaching implications – for our company, our communities and our planet.

In response, we are looking inside our walls for solutions, as well as taking part in such collaborative initiatives as the United Nations (UN) Global Compact, the UN Environmental Programme, the UN CEO Water Mandate, and the Beverage Industry Environmental Roundtable.

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### **In Every Challenge, an Opportunity**

As the world's largest brewer, we recognize that AB InBev's environmental footprint extends far and wide. That same scale, however, offers unprecedented opportunities for doing more with less, developing and sharing best practices and mobilizing actions that make a genuine, lasting difference.

The availability of high-quality water, a core ingredient in all of our products, is under mounting pressure due to both human activities and extreme weather events. So the task of identifying and managing water risk increasingly reaches beyond our company. It requires a comprehensive program that includes improving the efficiency of our own operations, working with suppliers on better agricultural processes, and partnering with NGOs, local communities, governments and other companies to restore and preserve critical local watersheds.

Manufacturing, packaging and distributing beverages also requires energy- and materials-intensive processes that grow ever more complex as our product portfolio and geographic reach expand. To sustain and expand gains in environmental performance, we must push for continuous improvement, not only within our company, but throughout our entire supply chain. That's why we are working on many fronts to reduce our emissions, improve transportation logistics, use lighter-weight materials and, where possible, less materials.



# World Environment Day

For the fourth consecutive year, AB InBev employees took part in the United Nations Environmental Programme's World Environment Day (WED). Around the globe, nearly 70,000 AB InBev employees participated in more than 800 projects that focused on water and energy conservation, watershed protection and recycling. Many of these projects involved local communities, government and organizations.

WED is much more than a feel-good celebration – it's a forum for rallying our employees and other stakeholders around important natural resource issues. What's more, it creates healthy competition among our facilities to develop new best practices.

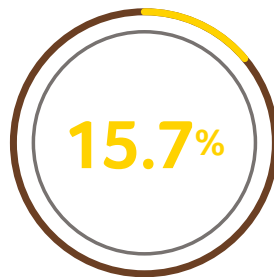
The global winner in 2012 was our brewery in Wuhan, China, which won for its success in engaging employees to take part in numerous initiatives, including continued water conservation actions that have contributed to a 10-percent reduction in water use per hectoliter of product during 2012. The brewery also has developed a best-practice water reclamation project that uses treated water inside the facility for cooling, as well as to support community gardens and fire suppression efforts.

## Setting and Reaching Environmental Goals

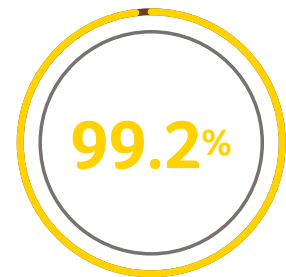
AB InBev’s dream of being the Best Beer Company in a Better World depends upon our ability to see deep within our global operations and collaborate across all of them. In the past three years alone, this approach has led to an 18.6-percent reduction in water use, a 15.7-percent decrease in carbon emissions and an increase in our recycling rate from 98.2 percent to 99.2 percent for solid waste and byproducts – all reaching or surpassing targets set in 2009. And this same approach will guide us as we set and pursue a fresh set of goals, which we will announce later in 2013.



Reduction in water use



Decrease in carbon emissions



Our recycling rate, solid waste and byproducts

We develop our global environmental goals with input from key internal stakeholders, including our Board of Directors, as well as key external stakeholders, such as leading environmental and social responsibility NGOs. From there, each of our six geographically based operational Zones sets its zone- and facility-level targets in coordination with global Supply (brewing) and Better World teams. Responsibility for reaching these goals goes from the senior management level to employees at facility-level operations, and compensation for many of our employees is tied to their achievement.



Accurate and timely information is the key to setting and managing our targets. At the heart of our ability to gather and act on that information is our global management system, known as Voyager Plant Optimization (VPO). This system is used to manage every aspect of our brewery operations, including environmental performance. It incorporates standards drawn from – and in many cases, more stringent than – widely accepted general and environmental management protocols such as ISO standards. VPO is the centralized framework AB InBev uses to benchmark our water and energy use, quantify performance gaps, identify and disseminate best practices and monitor our progress.

Accountability also is a big part of the VPO framework. By the end of 2012, about 95 percent of our beverage plants throughout the world had been certified in accordance with our VPO requirements. Most of the plants that have not yet been certified are newly acquired or commissioned, and activities are underway to reach full compliance.

In 2012, AB InBev also began researching life cycle analysis (LCA) tools to help us understand the environmental and economic opportunities and impacts of our products throughout the entire value chain. We plan to pilot one of these tools in 2013, taking into account everything from raw materials, value-added manufacturing processes and end-of-life disposition. We expect that, once implemented, LCA tools will play an important role in helping us shape and achieve future environmental and cost-savings goals.

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***“I applaud Anheuser-Busch InBev’s holistic approach to water management by investing at three critical levels: operations, supply chain and watersheds. At the watershed level, AB InBev’s activities in Brazil with the CYAN Movement and pilot programs that incent landowners to protect water quality are examples of leading practices. I look forward to seeing how AB InBev addresses the challenges of promoting sustainable water management in its supply chain and working collaboratively with a variety of water users who have different priorities and interests.”***

Ryan Flaherty, Manager, Advisory Services,  
Business for Social Responsibility



## Water Use

High-quality water is critical to our products and central to many of the processes we use to produce them – from steam production to cooling and cleaning. Yet, rapid population growth and economic development are creating more demand for water than at any time in history.

In less than the span of one human lifetime, freshwater consumption has more than doubled – and is expected to jump another 25 percent by 2030. Today, one-third of the world's population resides in water-stressed regions. Without appropriate action, that proportion may also double in just over a decade.

Because AB InBev has some production facilities in water-stressed regions, we are taking action now to conserve this precious resource and restore and preserve the ecosystems that support it. We are doing it inside our own facilities and as a signatory to the UN CEO Water Mandate, a unique public-private initiative designed to advance solutions in partnership with the United Nations, NGOs, governments, suppliers and other stakeholders.



## Internal Efficiencies and Comprehensive Risk Assessments

In 2012, AB InBev reached a leading-edge milestone: We now use an average of 3.5 hectoliters of water for each hectoliter of product produced (hl/hl) – a more than 18-percent reduction in water use in just three years and a savings of 10 million USD. To put that in perspective, the amount of water we saved by improving efficiency since 2009 totals more than 300 million hectoliters, or the amount of water needed to produce about 25 billion cans of AB InBev products. That’s about 20 percent of our yearly production.<sup>1</sup>

Because water is so critical to our business and to our communities, AB InBev performs annual water risk assessments at our beverage and other manufacturing facilities throughout the world. It’s a two-step process. First we apply a high-level screen, using a globally recognized water-risk assessment tool and an internal survey that covers physical, regulatory and reputation risk areas. If this screen indicates that a particular facility may be at risk, then we look much deeper into that facility, using our own custom-designed assessment tool that also requires action plans to manage and reduce risks. To enhance our water risk assessment process even further, we have integrated it into our VPO management system and regularly engage our experts throughout the company through technical meetings and quarterly conference calls. In 2012, less than 8 percent of our breweries were assessed as high-risk through this process. We currently have high-risk locations in North and South America and China.

### AB InBev Water Use Year-Over-Year

	2009	2010	2011	2012
Water Use Ratio (hl/hl)	4.30	4.04	3.71	3.50
Total Water Use (billion hl)	1.626	1.578	1.450	1.377

Total and per-hectoliter water use data encompass beverage facilities only.

<sup>1</sup> The cans-of-beer equivalency was calculated by totaling the three-year water savings, which equaled 312,330,230 hectoliters, or 87.9 billion 335-mL cans. That number was then divided by the company’s current usage rate of 3.5 hectoliters of water per hectoliter of production, which equals 25 billion cans.

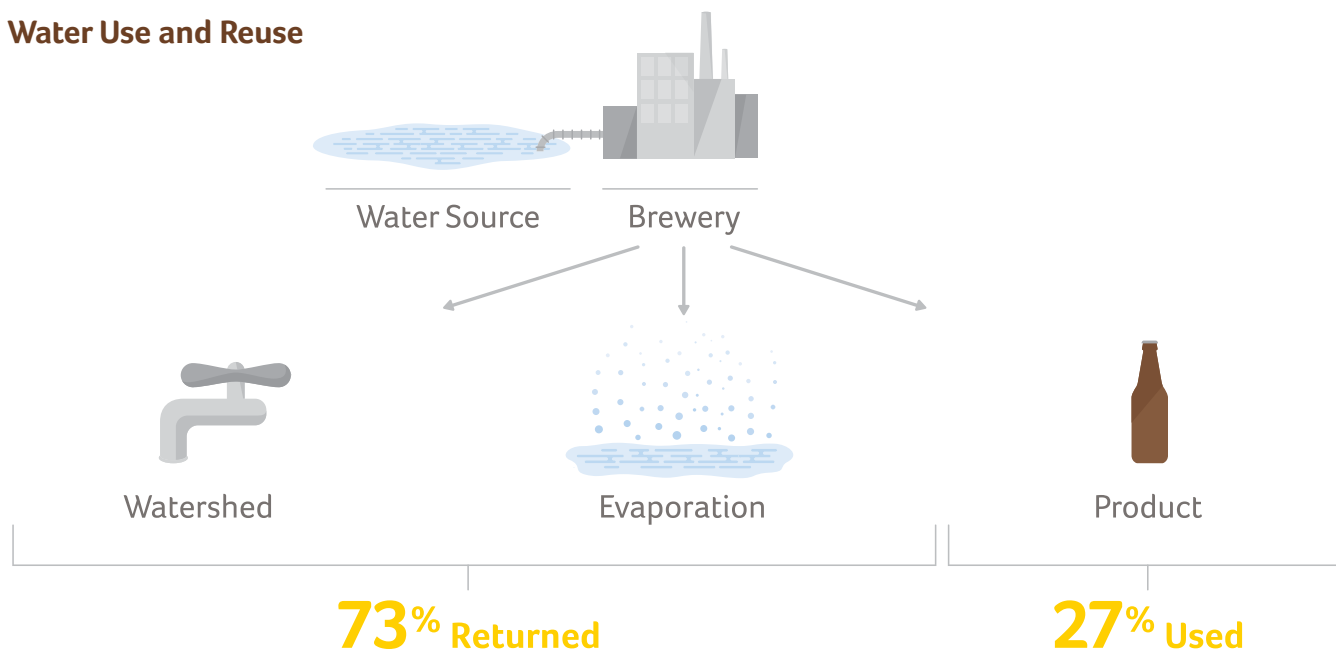


## Effluent Treatment and Beneficial Reuse Applications

Effluent, or water recovered from our production processes, is refined through our bio-treatment systems to meet regulatory quality standards before being returned directly back to the watershed, or to a municipal treatment system and then back to the watershed. Since 2009, we have built or upgraded 123 bio-treatment systems throughout our worldwide operations – 31 in 2012 alone – to make our refinement process more efficient and cost-effective. To help minimize our impacts on local watersheds, all new greenfield projects and plant expansions include new bio-treatment systems or upgrades of existing systems. Recovering bio-gas fuel from these systems is a company requirement.

About 73 percent of the water not used in our product was returned to local watersheds, maintaining strict water quality standards – 62 percent was treated and released, while about 11 percent was returned to the atmosphere through evaporation.

### Water Use and Reuse

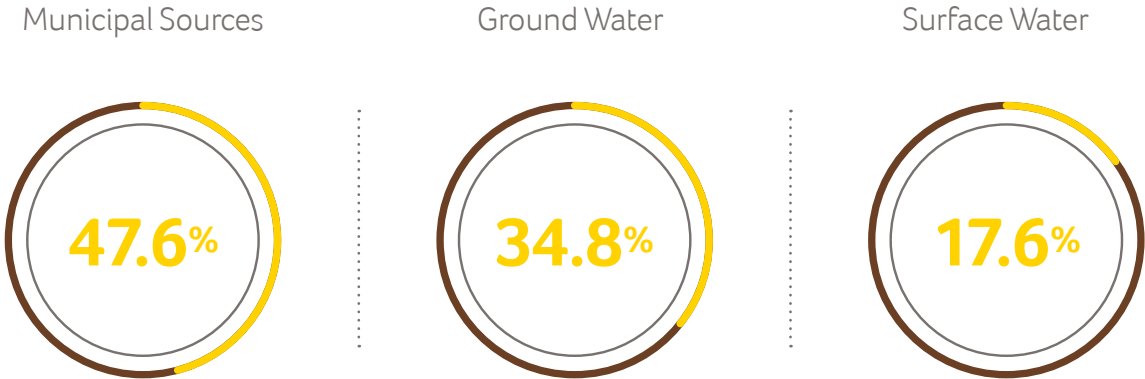


In 2012, we enhanced our bio-treatment system at our Planta Sur facility near Buenos Aires, in our Latin America South Zone, by installing a state-of-the-art technology system known as a membrane bioreactor (MBR). The MBR system is much more compact than the previous bio-treatment system and discharges essentially drinking-quality water. Given that our facility is one of many industrial operations that discharge into the heavily polluted, politically sensitive Riachuelo River, we believe that our effluent quality will become the benchmark for other companies in the area. The Planta Sur installation will also help us gauge when to consider this emerging technology for future projects. The process also allows Planta Sur to reuse a portion of the high-quality treated effluent internally for cleaning and other non-product processes.

### Water Reuse Partnership with Alumar

In 2012, our brewery in Maranhão, Brazil, in our Latin America North Zone, doubled its production output and significantly increased the capacity and efficiency of its bio-treatment system. This increased capacity created a unique opportunity for reducing stress on the local watershed. Traditionally, our effluent would be treated to regulatory standards and then released into area waterways. Instead, more than 3 million liters of treated water per day is now being pumped into a nearby settling pond for reuse by a neighboring company – Alumar, one of the world’s largest producers of alumina and primary aluminum. This process, which was analyzed and approved by the Department of Environment of the State of Maranhão, dramatically offsets the need for Alumar to draw freshwater from local sources, thus conserving this critical natural resource.

### 2012 AB InBev Water Sources



## External Multistakeholder Partnerships – The CYAN Movement

The need for collective action on water issues has never been greater. While the concept of shared water risks is relatively new and the realities of collaborating with multiple stakeholders are complex, AB InBev is finding ways to make it work. The CYAN Movement, a project AB InBev launched in Brazil on World Water Day in 2010, is an excellent example. The project was named for the cyan blue color of water that symbolized the movement and the belief that those who truly “see” water, see its value.

CYAN is a broad-based initiative designed to promote water conservation in water-stressed areas. An important component of CYAN is the Basins Project, which focuses specifically on the recovery and conservation of important water basins in Brazil. The first Basins Project effort was conducted in partnership with the World Wildlife Fund, local communities and governments to study and drive conservation efforts in the Corumbá-Paranoá Basin, which provides the water used by our Brasilia brewery.

In 2012, we began planning a new stage in the Basins Project in the Jaguariúna region of Brazil, in conjunction with The Nature Conservancy (TNC), the world’s largest environmental organization. The aim is to conserve the water basin that supplies a portion of the water to the greater São Paulo region and our beverage facility in Jaguariúna. The initial phase of the work, which we launched on World Water Day, March 22, 2013, involves creating a group of local partners and identifying the most critical areas needing restoration. It is centered on the idea that natural areas provide a range of services for society, with the supply and quality of water being one of the most important.

This project is part of TNC’s efforts to mobilize the public and private sectors, and civil society in rolling out economically viable solutions focused on the conservation and restoration of natural capital to ensure the supply and quality of water in large urban centers.

Another important aspect of the CYAN initiative is the CYAN Bank, a partnership we have established with local water utilities to engage consumers online, educate them about sound water management practices and reward them for their positive efforts. The incentives? A lower water bill and points awarded to participants for reducing or maintaining water consumption levels in their homes. The points can be applied toward discounts on products from online retailers. By the end of 2012, this aspect of CYAN was rolled out in three cities – São Paulo, Rio de Janeiro and Uberaba-Minas Gerais – and has saved more than 188 million liters of water.



## Grow One, Save A Million

In 2012, AB InBev employees throughout the globe participated in a light-hearted initiative to promote the importance of water conservation, both at work and at home. Grow One, Save A Million, launched in conjunction with World Environment Day, encouraged employees to stop shaving their faces for a set period of time. Nearly 8,000 employees participated worldwide. In 2012, our employees, their families and our consumers in the United States pledged to save more than 3.6 million liters of water by shortening their showers, turning off the water while they brushed their teeth, and/or growing beards. Most of this was achieved through pledges made by our employees and their family members. Pledges made on our Budweiser brand Facebook page accounted for more than 144,000 liters of the savings.

## Greenhouse Gas Emissions and Energy

Rising energy prices and the threat of global climate change associated with greenhouse gas (GHG) emissions have made energy a strategic focus at AB InBev for many years. We take a comprehensive approach to reducing both costs and emissions by continuously improving efficiency, switching to lower emission and more cost-effective fuels, using renewables when feasible, and participating in carbon markets when it makes business sense.

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## Surpassing Global Reduction Goals

AB InBev's efforts to do more with less have paid excellent dividends. While production increased, our GHG emissions and energy use dropped significantly. Our goal was to cut each by 10 percent per hectoliter of product by the end of 2012, using 2009 as a baseline. We are pleased to report that we surpassed both those targets, cutting GHGs by nearly 16 percent and energy use by 12 percent. Our China breweries led this effort by reducing GHGs and energy use by nearly 30 percent since 2009.

Our reduced energy consumption has saved the company approximately 82 million USD since 2009. What's more, our ability to lower our GHG emissions positions us to better adapt to potential carbon taxes and regulations in the future, while reducing our impact on the environment today.

We calculate our GHG emissions using the Scope 1 (direct) and Scope 2 (indirect) emissions that result from our production facilities, based on the widely accepted World Business Council for Sustainable Development World Resources Institute GHG protocol. Scope 1 accounts for almost 61 percent of our emissions and includes CO<sub>2</sub> equivalent (CO<sub>2</sub>e) from fuel used in our manufacturing processes and in cogeneration plants that generate on-site electricity. Scope 2 accounts for about 39 percent and represents emissions from purchased electricity. We have also begun to document some Scope 3 emissions from our suppliers' transportation and logistics activities (see page 40).

## 2012 GHG Emissions and Energy Use

	2009	2010	2011	2012
Total Direct and Indirect GHG Emissions (million metric tons of CO <sub>2</sub> e)	4.69	4.50	4.33	4.04
GHG Emissions per Hectoliter of Product (kilograms of CO <sub>2</sub> e per hectoliter [kg/hl])	10.57	9.98	9.36	8.91
Energy Consumption (million gigajoules of energy)	50.5	50.3	47.6	46.1
Energy Consumption per Hectoliter of Product (megajoules per hectoliter [mj/hl])	133.6	128.7	122.0	117.5

Total GHG emissions data encompass beverage facilities and most vertical operations, including malt plants and packaging facilities. Total energy consumption, per-hectoliter GHG emissions and per-hectoliter energy consumption data encompass beverage facilities only. Energy consumption includes fuel used in our boilers and our co-generation plants to generate on-site electricity and purchased electricity.

## Renewable Energy

Using renewable energy at many of our plants throughout the world helps us to reduce both costs and GHG emissions. In 2012, renewables made up nearly 6 percent of our global energy mix.

AB InBev relies upon a variety of renewable energy sources, including solar, wind, bio-mass and bio-energy recovery systems that generate bio-gas fuel from industrial byproducts of our operations. We are one of the largest users of solar power in the U.S. brewing industry, and our operations in Brazil obtain nearly 30 percent of their thermal energy needs from renewable bio-mass and bio-gas.



## Bio-energy Recovery

One of the main byproducts of our operations is organic material in the water that's left behind by the brewing process. In a number of our operations, leftover water is run through bio-treatment systems to remove this material before the water is returned to local watersheds or municipal treatment plants. This process produces bio-gas, a gas with high fuel value. Increasingly, we are capturing this bio-gas through bio-energy recovery systems and using it to help power our operations. Burning bio-gas lowers our fuel costs and reduces the GHG emissions associated with burning fossil fuels. By the end of 2012, 38 of our bio-treatment installations had this bio-gas recovery and reuse capability, up from 27 in 2011.

We have also been able to cost-effectively reduce emissions by participating in carbon markets. By developing renewable energy projects that create excess generation capacity, we are able to secure certified carbon credits that may be sold to other companies to help them meet their emissions reduction goals. Our renewable energy installations in Viamao, Brazil, and other parts of South America have been registered by the United Nations Framework Convention on Climate Change to produce these certified carbon credits, which we expect to sell in the future.



*Chernigiv, Ukraine, brewery – new bio-treatment system in 2012*

## Materials and Recycling

From the grain used to brew our beer, to the filtering medium used to polish our beers, to the glass, aluminum, plastic and paper that comprise our packaging, beverage manufacturing is a materials-intensive business.

At AB InBev, our focus is on keeping as much of these materials as possible from going into landfills. We start by doing more with less, so that we create less waste in the first place. Through our VPO management system, value engineering, innovative design and procurement initiatives, we are able to use fewer and lighter-weight materials in our packaging. Whenever possible, we use recycled materials and work to ensure that our packaging is, in turn, recyclable. We also strive to find the highest-value, most beneficial use for our byproducts with the goal of supplying valuable inputs for other industries. Virtually all of our spent grain left over from the brewing process, for example, is sold as cattle feed.

### Surpassing Global Recycling and Reuse Rates

Three years ago we made a commitment to achieve a 99 percent recycle rate of our solid waste by the end of 2012. Our actual rate in 2012 was 99.2 percent, with 135 of our 137 plants worldwide achieving zero-waste-to-landfill status (which is defined by the Zero Waste International Alliance as diverting at least 90 percent of all solid waste from landfills). Our efforts in pursuit of this goal cut the amount of waste we sent to landfills by nearly 55 percent from 2011 to 2012, even though our overall materials use increased slightly.

### Using Recycled, Returnable and Recyclable Packaging

Our products are sold in a variety of recyclable package types – from bulk packaging such as beer kegs that are usually returnable and reusable – to cardboard boxes, aluminum cans, and glass and polyethylene terephthalate (PET) bottles. We strive to use high recycled content in our packaging to strengthen recycling markets and reduce packaging input costs. We have also made progress in using returnable packaging for our packaging materials. For example, we are using returnable metal cages for PET molding tubes, returnable board containers for metal crowns, and returnable plastic pallets for cans and lids from our Metal Container Corporation facilities in the U.S.

### Thinking Bigger About Packaging

We have established global packaging best practices and benchmarks, and continuously challenge our Zones to implement best in class, more sustainable packaging solutions. In addition, we value the input from our consumers and other stakeholders and have created an [open innovation portal](#) to collect ideas. Our Research and Development team is working with universities and institutes in order to increase packaging strength while also light weighting.

# AB InBev Introduces First 100 Percent Recycled PET Packaging

In 2012, our Brazil operations developed the first 100 percent recycled PET bottle for our Guaraná Antarctica soft drink. To date, we have introduced about 50 million of these two-liter bottles to the Brazilian market, enough to package 1 million hectoliters of product. By the end of 2013, we expect that number to nearly double to about 94 million recycled PET bottles across the country.



Compared with manufacturing new plastic bottles, these 100-percent recycled bottles have numerous environmental and economic benefits. At our current production scale, these include:

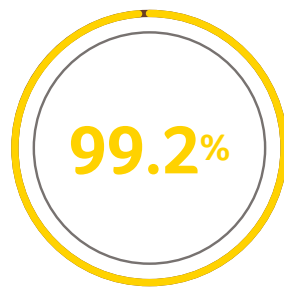
- » Using 2,100 fewer tons of packaging materials;
- » Saving 9.2 cubic meters of landfill for every ton of PET bottles recycled;
- » Emitting 70 percent less carbon by using 70 percent less energy; and
- » Using 20 percent less water.

The introduction of these new bottles was made possible by an innovative, multistakeholder initiative that encouraged and enabled the recycling of beverage bottles. For years, a myriad of local recycling and packaging policies in Brazil had made it difficult for our local brewery to use post-consumer recyclables in our packaging. But by working closely with the recycling industry, consumers, NGOs and government officials, we were able to develop a recycling system for bottles made of PET, which we then reuse in our packaging.

We also partner with BrasilPet, a recycling company that collects and recycles 900 tons of PET bottles each month, and with the NGO Ecomarapendi on The Recycling Solidarity project. This project trains collectors and encourages the sustainable development of recycling associations and cooperatives.

**Materials Recycled and Waste Disposed (metric tons)**

	2011	2012
Materials recycled and composted	5,937,251	6,102,819
Materials used as fuel	6,038	7,648
Incinerated waste	0	22
Landfilled waste	104,946	47,341
Hazardous waste	4,970	4,019
<b>Total</b>	<b>6,053,205</b>	<b>6,161,849</b>



**2012 Recycling Rate**

**Using Less Packaging Material**

At AB InBev, we constantly look for ways to use less, lighter-weight and recycled materials in our packaging, which reduces costs, cuts waste and minimizes the consumption of natural resources and transportation fuel. Several initiatives in 2012 underscore our approach.

In the United Kingdom, we redesigned our 275ml Beck's and Beck's Blue bottles to use less glass, while maintaining strict quality standards. The new bottles are 11 percent lighter and require less energy to manufacture. We expect this change to impact more than 130 million bottles in 2013, saving a total of 2,642 metric tons of glass and avoiding nearly 2,000 metric tons of CO<sub>2</sub>e emissions from the manufacturing process – roughly equivalent to the amount of GHGs released by 380 U.K. households to power their homes each year. The lighter-weight bottles will also help cut transportation-related GHG emissions.

Other examples of our efforts to reduce material use in packaging around the world include:

### **China**

A small change to our beer can lids resulted in cost savings and big environmental benefits. By slightly reducing our can lid diameter, we saved 562 metric tons of aluminum in 2012. AB InBev has led the way in convincing suppliers in the Chinese market to use the same type of can lid, expanding the environmental benefits even further.

### **Latin America South**

We reduced the amount of PET plastic that goes into manufacturing the bottles for our soft drink products, saving 44 metric tons of material.

### **Western Europe**

We began reducing the thickness of the metal in our bottle crowns in 2011 at our Jupille, Belgium, brewery. By early 2012, the brewery had reduced the thickness of 95 percent of its metal crowns by more than 21 percent. The initiative has since been expanded to other Western Europe locations and our Central and Eastern Europe, Latin America North and North America Zones. In addition to using fewer materials, the thinner crowns cut transport weight, saving fuel and cutting GHG emissions.

### **Central and Eastern Europe**

Our operations in Central and Eastern Europe saved 325 metric tons of aluminum by reducing the weight of the beer cans they produce.

### **United States**

By reducing the thickness and amount of our primary and secondary packaging, such as aluminum cans, boxes, partitions and cartons, our U.S. operations saved nearly 30,000 metric tons of forest products and more than 300 metric tons of aluminum.

### **Making Bricks from Brewery Byproducts**

One of the finishing touches in our brewing process is to make our beer visually bright by filtering out yeast and protein products. Among the most efficient filtering media available is a naturally occurring sedimentary rock, known as kieselguhr, or diatomaceous earth, which has been crumbled into a fine powder. As the yeast and solids accumulate in the kieselguhr, it eventually reaches the end of its useful life as a filtering medium. That's when its new life begins as the primary material for manufacturing high-quality building bricks.

In 2012, as part of AB InBev's aggressive efforts to minimize the amount of waste we send to landfills, our Agudos, Teresina and Aquiraz breweries in Brazil recycled 2,450 tons of spent kieselguhr, from which 525,000 bricks were made. That's enough to build nearly 1,000 typical Brazilian homes. This is another example of our commitment to capture the value of as many of our byproducts as possible.

## Responsible Supply Chain Sourcing

AB InBev, like many large companies, increasingly looks at our entire value chain for opportunities to reduce costs, reduce environmental impacts and foster economic stability among our many suppliers. We know that a significant portion of our water and GHG footprints are associated with the activities of those suppliers. Understanding these impacts is highly complex, but it's something we are working hard to do. At the same time, we want to ensure that the companies from which we purchase products and services are operating in an ethical and responsible manner.

In pursuit of our responsible sourcing goals, we take part in industry and NGO initiatives that seek to improve supply chain performance. We are a member of AIM-Progress, a global forum of consumer goods companies sponsored by the European Brands Association and the Grocery Manufacturers Association. The group's purpose is to promote responsible supply chain and sourcing standards covering labor practices, health and safety, environmental management and business integrity. As a member, we report audits of our suppliers to AIM-Progress.

In 2012, we joined SEDEX, a not-for-profit organization dedicated to driving visibility in ethical and responsible business practices in global supply chains. As the largest collaborative platform for sharing ethical supply chain data, SEDEX is an innovative and effective management solution that will help AB InBev reduce risk, protect our reputation and improve our supply chain practices. In 2013, we plan to include more than 1,000 of our suppliers in a SEDEX engagement process and use the data they provide on social compliance to help identify areas of vulnerability in our supply chain. This will help us develop a more focused and effective approach moving forward.

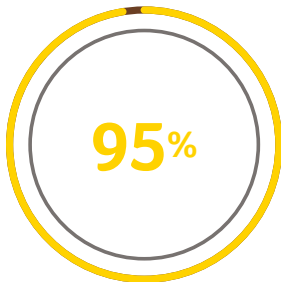


In 2010, we adopted a responsible sourcing policy that includes standards for labor issues and business conduct to help ensure integrity and quality throughout our supply chain. We piloted the policy with a number of existing suppliers in 2012, and we are rolling it out to our full supplier base in 2013. A clause referencing the policy is embedded in all our standard procurement documentation. In our 2012 pilot audits, we did not identify any human rights violations.

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## Engaging Agricultural Suppliers

While water is the main ingredient common to all of our products, the most significant amount of water related to our product is what is used by our suppliers to grow the barley and other raw materials for our brewing processes. This is similar for food and beverage companies that rely on agricultural inputs. In fact, agriculture accounts for roughly 95 percent of the total water used in the production of AB InBev's beers. To this end, in 2012 we conducted a water risk assessment of our global barley supply chain, which will provide a prioritized list of areas on which to focus. Our aim is to develop a long-term water strategy for our supply chain.

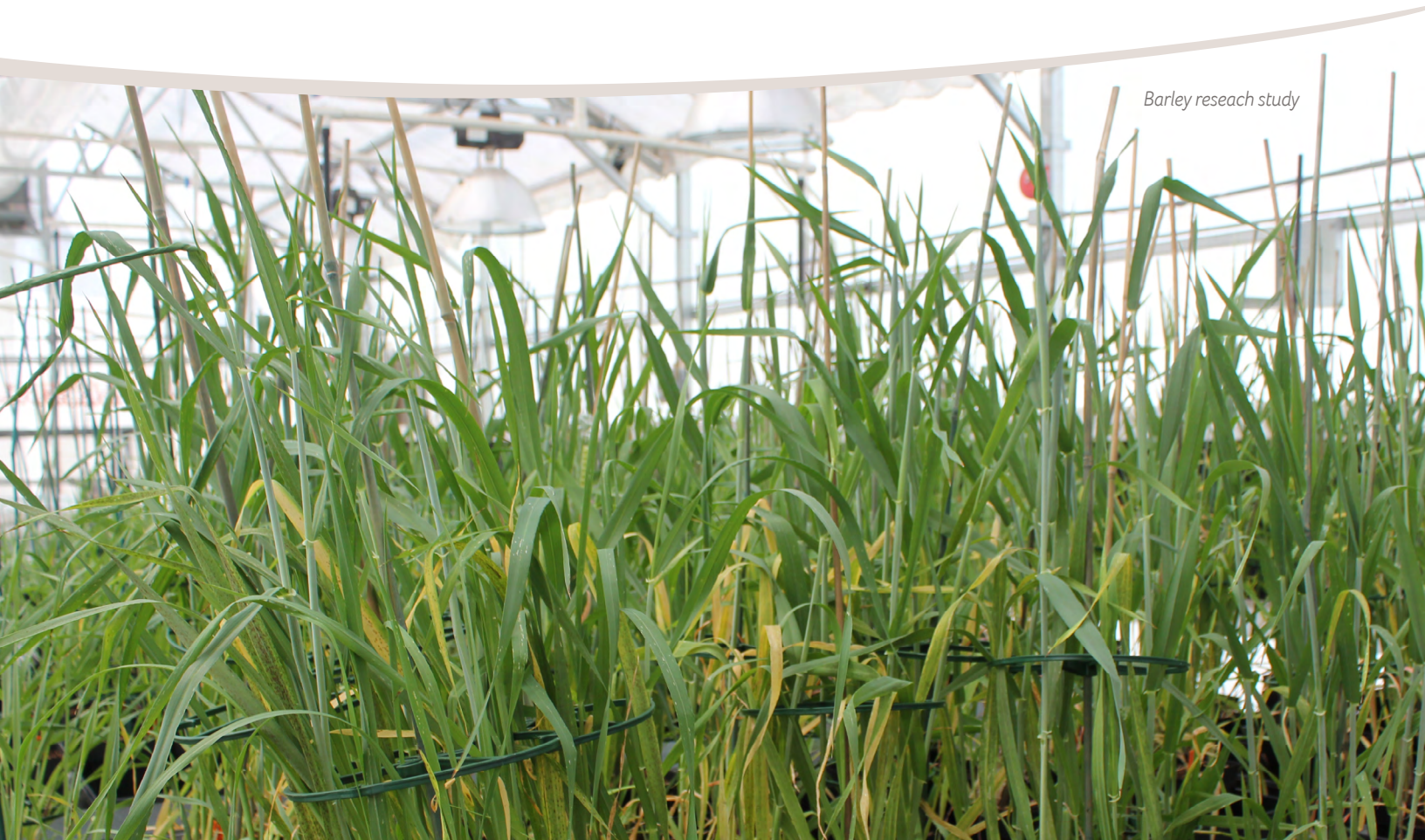


Approximate percentage of total water used due to agriculture in the production of AB InBev's beers

Our team of barley experts provides technical assistance to growers through an extensive Barley Growers Program. They help farmers achieve the highest quality barley with the best yields and lowest costs. The optimum use of natural resources is an important component of this, providing not only environmental benefits, but also economic and social advancements. Helping our growers achieve greater yields with less water, fertilizer and pesticide reduces our supply chain risk, creates economic opportunity for independent, local farmers and helps to reduce the overall environmental impact of our products.

More than 10,000 growers participate in our Barley Growers Program. Some of the more notable initiatives include:

- » Researching winter barley varieties that take better advantage of available moisture and spring varieties that are more drought resistant, enabling larger harvests using the same or less chemicals, water and fertilizer. In the United States, in southern Idaho, we introduced specially adapted winter barley varieties that require 20 percent less water than regular varieties, saving more than 1.5 billion liters of water during one growing season.
- » Introducing barley varieties from our own breeding program or partnerships with other breeders that have yield capacities five to 15 percent higher than existing varieties.
- » Studying barley varieties that are disease resistant, reducing the need for pesticides.
- » Engaging stakeholders through technical meetings and partnerships with growers, agricultural research organizations, government agriculture ministries, and agro-chemical companies, to explore opportunities to reduce impacts.
- » In Brazil, we are exploring the benefits of crop rotation of barley and maize and donating tree saplings to barley growers to create green belts around fields to help protect crops from wind damage, increase biodiversity and help sequester CO<sub>2</sub>.



*Barley research study*



In 2012, AB InBev joined the Sustainable Agriculture Initiative (SAI) Platform, a global food industry initiative. We are participating in two SAI Platform Working Groups: Water and Agriculture, which focus on improving water management practices at the farm level; and Arable Crops, a group dedicated to advancing sustainable agriculture practices in the production of cereals. We will work with other SAI Platform members and our stakeholders to identify and address water risks and opportunities and strengthen sustainable practices within our agricultural supply chain.

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## Partnering with Transportation and Logistics Providers

AB InBev is engaged in a number of unique initiatives designed to reduce the Scope 3 greenhouse gas emissions associated with the transportation of our products, a service provided primarily by third-party companies. We have been tracking this in Brazil and the United States for a number of years, and recently became involved in a unique initiative in our Western Europe Zone sponsored by the Flemish Institute for Logistics.

In Brazil, for example, we introduced a shared logistics program in 2009. Rather than returning empty after delivering products to our distribution centers, trucks now carry loads back from partner companies such as Sara Lee, Unilever and BRF Brazil Foods. Since its inception, this initiative has saved 6.3 million liters of diesel and avoided 663 tons of carbon emissions. In 2012, the program was expanded to two more states for a total of 12, and it continues to grow in 2013.

In the United States, we have worked with our suppliers to reduce the weight of the fleets that they dedicate to the transportation of our products, which enables them to transport more products per shipment. Also by increasing intermodal transportation in 2012, our United States operations saved 6.4 million liters of diesel fuel and emitted 17,000 fewer metric tons of GHG.

# AB InBev Earns Lean and Green Certification

Lean and Green is a government-funded program that was developed by the Dutch company Connekt and launched in the Netherlands in 2007. The program expanded in 2012 to Belgium and Italy. The program is designed to encourage supply chain partners and their logistics service providers to work in concert to reduce their CO<sub>2</sub>e emissions. AB InBev was invited to join the inaugural group of Dutch participants by one of our large customers, Makro, which operates an international chain of warehouse club stores.



Participating in the Lean & Green program requires committing to at least a 20-percent reduction of CO<sub>2</sub>e emissions within five years and submitting a detailed plan of action for achieving that target. As part of our dream to be the Best Beer Company in a Better World, AB InBev chose to stretch that goal a bit and commit to a 25-percent reduction. AB InBev is pleased to be among the first companies in Belgium to earn the Lean & Green certification, a designation presented to us and other program participants by the Flemish minister-president.

In 2012, in association with our Lean & Green commitment, we reduced our CO<sub>2</sub>e emissions by 9,905 metric tons through a variety of collaborative efforts. These included working with both suppliers and customers to optimize transportation route efficiencies and capacities for finished goods and returnable items such as bottles, kegs and crates. These initiatives have greatly reduced the amount of overall miles traveled on our roads, conserving fuel and avoiding emissions in the process. Additionally, we introduced a sustainable lighting and heating policy to reduce energy use in the warehouses that store our goods and supplies.

AB InBev expects to apply the techniques deployed and lessons learned from our Lean & Green participation to other parts of the world. Not only has it helped us reduce our overall CO<sub>2</sub>e footprint, but it has cut our logistics costs significantly.

## Providing Greener Refrigeration Options

We are making significant progress on reducing the environmental impacts of refrigeration units we provide to retailers and other outlets, 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 now has more than 10,000 units in place. Other Zones are exploring similar opportunities where the technology is available and meets the specific needs of the market.

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## Managing Biodiversity

Our environmental efforts – especially our work to protect and improve watersheds – have a positive impact on biodiversity. Several of our facilities maintain a portion of their property to benefit native plants and animals, improve their local environments and promote biodiversity through on-site education, awareness, research and conservation projects. Our operations in Brazil have a number of notable examples:

### Guarulhos Brewery

Surrounded by 2,100 acres of protected forestland, our brewery in Guarulhos (São Paulo) Brazil, works with the local Department of Environment to catalog wild animals and rehabilitate various animal species within our boundaries before re-integrating them into the forest. Nurseries used for accommodating wild animals that are returned to nature were constructed at the brewery in partnership with the Guarulhos zoo. To date, the brewery’s “Field of Preservation and Tracking Wild Animals” program has registered 346 species, including three reptiles, 12 mammals and 331 birds.

In 2012, the Guarulhos brewery entered into a partnership with the Environmental Secretary of Guarulhos and the Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (IBAMA) to study the puma concolor. The puma is classified as “vulnerable” by the Ministry of Environment, Water Resources and the Legal Amazon. The goal of the project is to record habitat use and feeding habits, estimate the density and life span of pumas in urbanized areas, and identify where they cross well-traveled highways.



### **Santa Helena Farm**

Near the city of Maués, State of Amazonas, our 2,644-acre Santa Helena Farm features the largest genetic database of guaraná fruit in the world, with more than 70,000 cultivated plants. Half of this area is used to study improvements in the fruit and half is set aside as an environmental reserve.

### **Brahma Tree-Planting Partnership**

In 2012, our Brahma soft drink unit developed the project Alegria no pé é floresta de pé (Joy is standing in the forest). In connection with this project, Brahma will plant 100 trees for every goal scored in Brasileirão, a Brazilian soccer championship, as well as make other environmental investments. During the 2012 Brasileirão, 25 goals were scored, inspiring Brahma to commit to planting 2,500 trees. Additionally, in partnership with the Institute of Ecological Research, Brahma will invest 3 million USD in tree planting, conservation, education and job creation leading up to the World Cup 2014.

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## **Compliance**

Any deficiencies in Anheuser-Busch InBev operations identified by regulators are promptly corrected, and, if necessary, changes are made to our management system to avoid recurrence. In 2012, we paid 39,400 USD in environmental fines.



## Community



Strengthening and improving communities is a fundamental part of who we are as a company. Recognizing that AB InBev's success is directly tied to the success of our communities, we know the places where we live and work are the keys to becoming the Best Beer Company in a Better World.

Through our charitable foundations, volunteer programs, unique community partnerships and other efforts, we provide support for individuals and families around the world. We also mobilize resources to support our communities during disaster and emergency situations, providing assistance to both victims and relief workers. And that's in addition to the worldwide positive impact of the jobs we create and the wages and taxes we pay.

## Economic Contributions

**3.2B** (USD) in wages and salaries paid to employees

**3.1B** (USD) in capital expenditures on our facilities, distribution network and systems around the world – investments that generate jobs and local economic growth

**12B** (USD) in excise and income taxes paid

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## Volunteerism and Support

As a key component of our Better World vision, we are committed to helping our employees make personal connections to people and causes by providing a formal volunteerism structure.

In 2012, more than 21,000<sup>2</sup> employees volunteered their time to support a wide variety of community activities around the world. That was an increase of more than 10 percent over our 2011 employee volunteer efforts, and included employees who may have volunteered more than once. By offering a global volunteer policy to guide and track employees' volunteer efforts, we are confident we can maintain and expand the scope of our employees' volunteerism around the globe.

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<sup>2</sup> Number includes employees who may have volunteered more than one time.

***“Cervecería y Maltería Quilmes, together with Asociación Conciencia, promotes and develops actions focused on communities nearby their production plants. Participants donate their time to carry out the activities proposed for the volunteer work day. The goal is to foster social work, strengthen the link with the community and achieve a better involvement of its employees with the community needs.”***

Soledad Gomez, Manager Inclusión Social, Asociación Conciencia NGO

### China's Hope Schools

AB InBev China is committed to partnering with the Ministry of Foreign Affairs to develop schools that give all children a chance at an education. We work with the government to support its “Hope Schools” program in rural areas of the country that are underserved. It’s an important way to show our support for education and the local communities where we operate. More than 40 employees and their families participated in the “Challenging 8 Hours” Charity Walkathon organized by the China Youth Development Foundation in 2012. Each participant was required to walk at least 25 kilometers (approximately 15.5 miles) in eight hours, raising RMB 12 (approximately 2 USD) per kilometer – the price of one book. Through AB InBev employees’ efforts and other charitable initiatives, a total of 4,000 books were donated to rural children.

In addition, the Suqian Hope School in Jiangsu Province opened in 2012, the seventh such school we have supported in China. In addition to books, supplies, physical education equipment and a library, we also provided office equipment and worked with a uniform company to design and provide new school uniforms.



### Gente Que Ayuda (People Who Help) Volunteering Program

Our Cervecería y Maltería Quilmes colleagues in Argentina created an ambitious action plan to increase employee volunteerism in local communities, offering employees a diverse range of projects to support.

In partnership with the NGO Asociación Conciencia, our Gente Que Ayuda (People Who Help) volunteering program offered nine volunteering days for employees and community members in Zárate, Tres Arroyos, Córdoba, Corrientes, Mendoza, Trelew, Tucumán, Pompeya and Quilmes. The volunteers' work included supporting a local school, nursery and educational center by decorating and repairing the facility, painting toys and other activities.

As a result of the program, 622 volunteers – 394 employees and 228 parents, teachers and school heads – volunteered more than 3,015 hours in their local communities, nearly double the number of volunteer hours tracked in 2011.







### **Germany Day of Caring**

AB InBev employees in Germany celebrated our commitment to communities by holding a “Day of Caring,” in which we partnered with community agencies to create volunteer projects specifically for AB InBev employees.

More than 50 employees volunteered for seven different projects, which included renovating and decorating classrooms, landscaping community spaces and distributing food at a food bank, among other activities. Counting all projects together, we donated approximately 400 volunteer hours. Employee feedback on the event was overwhelmingly positive. All volunteers responded that they’d like to participate again, saying it not only brought them closer to their communities, but also to their colleagues.

## Budweiser Invests in Grassroots Football

As part of Budweiser's sponsorship of The Football Association (FA) Cup, Budweiser will invest £1 million (1.5 million USD) directly into grassroots football in the United Kingdom during the next two seasons.

A long-standing supporter of football around the world, including the FIFA World Cup, Copa América and The FA Cup, we understand the vital role football plays in bringing together communities around the world, as well as the importance of grassroots football in developing future football heroes.

Through the Budweiser Club Futures initiative, eight grants will be made during the 2012-13 season, with an additional eight grants being made during the 2013-14 season. Within each season, one of the eight clubs chosen will win an additional £100,000 (150,000 USD) grant, as determined by fan voting on [The FA Cup](#) and [Budweiser UK](#) Facebook pages.

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## Disaster Relief

Since 1988, our U.S. operations have packaged and donated more than 71 million cans of fresh drinking water to emergency relief organizations following natural disasters. In 2012, we donated more than 1.4 million cans of drinking water to support disaster relief in 27 communities following tornadoes, storms, wildfires and floods.

This included support in the wake of Superstorm Sandy, when we swiftly deployed more than 1 million cans of drinking water to affected residents. The Anheuser-Busch Foundation also announced a 100,000 USD donation to the American Red Cross to assist with on-the-ground support for disaster relief workers and victims of the storm.





### Can Tabs with a Purpose

AB InBev's can lid plant in Oklahoma City, Okla., is working with Pros for Africa to support Sister Rosemary Nyirumbe's St. Monica's Girls' Tailoring Center, a school for young women in Uganda who have been impacted by the decades-long civil war, poverty and natural disaster. Sister Rosemary created the school in 1999 and has been honored as a CNN Hero, among other awards, for her humanitarian efforts.

The plant takes scrap can lids and provides them to Pros for Africa. The organization then works with local community groups that volunteer to pull the tabs from the lids. Pros for Africa transports the tabs to Sister Rosemary in Uganda. Then the women from the tailoring center use the tabs to create trendy, environmentally friendly handbags, which are then brought back to the United States and sold. The profit from the purses is given back to the Ugandan women, providing a way for them to help support themselves. The plant has been working with the organization since 2010 and has donated approximately 700,000 lid tabs. The purses are available for [online purchase](#).

## Charitable Foundations

Through charitable foundations associated directly or indirectly with AB InBev, we reach out to our employees and groups in need. We contribute to community organizations and touch countless individual lives, with a focus on supporting education, the environment, economic development and disaster preparedness.

**Anheuser-Busch and its Foundation** have contributed more than 510 million USD since 1997 to communities across the United States. In 2012, organizations supported by the Foundation included the United Way, Red Cross, Habitat for Humanity, the Hispanic Scholarship Fund, United Negro College Fund, Teach For America, College Bound, Saint Louis University and the University of Missouri-St. Louis.

**The InBev-Baillet Latour Fund**, an independent philanthropic association in Belgium created by Alfred de Baillet Latour in 1974, donated nearly 3.5 million EUR (4.7 million USD) in 2012. The Fund awards prizes, study grants or gifts that encourage accomplishments in the fields of science, education and the arts. Since 2006, the Fund has also supported activities and individuals who advance the spirit of the Olympic Games.

**The Verhelst Foundation in Belgium** provided 1.69 million EUR (2.25 million USD) in 2012 to help AB InBev employees in Western Europe deal with hardships and extraordinary health expenses, as well as to operate a confidential counseling service and provide scholarships for employees' children. The Verhelst Foundation is an independent organization that was created in 1949 to support company employees.

**The Zerrenner Foundation** provides support for our Brazil employees and their dependents, as well as members of the community. In 2012, the Foundation invested 200 million Brazilian real (102 million USD) that benefited some 79,130 people throughout the country. This investment includes funding a hospital and dental plan; 1,087 scholarships; 16,986 school supplies; and the distribution of 32,524 food baskets and 18,028 Christmas toys.



# Our People



Great people are the foundation, not only of our business, but of our three pillars of corporate citizenship. Recognizing this, we strive to attract and retain the best talent available.

## Ownership and Performance

Aligned with our Better World vision, our ownership culture is based on the principle that our people must be responsible and accountable for results. Having the right people in the right roles at the right time enables us to improve productivity and continue to invest in our business, which in turn ultimately strengthens our social responsibility initiatives.

We support this culture with performance targets and a compensation model that are based on that same accountability. Employees have the opportunity to earn significant variable compensation (in addition to their base compensation) when they achieve clearly defined stretch targets.

It's an approach that attracts motivated people who relish a challenge and who thrive in a merit-based environment. We believe that when people are encouraged to do their best work, every person within our organization can succeed.

### Career Advancement and Engagement

Because we believe in clearly defined performance goals, we know that effective performance measurement and tracking are critical to driving results within our company. 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 more than 26,000 managers across the company.

In addition to recording the results of performance evaluations, the OPR allows us to identify employees with the skills necessary for various jobs and assignments, including key functional skills, educational backgrounds and language proficiency.

This capability not only serves the company's needs, but also establishes more clearly defined career opportunities for our people, enabling us to promote people to more challenging roles of increasing responsibility. All of our employees receive regular reviews and feedback on their performance. Approximately 30 percent of our total employee population completes a formal "360/180" competency appraisal based on their leadership level.

As part of our commitment to engage each employee in accomplishing our company's goals, we conduct an annual cycle of team meetings. These gatherings not only help to ensure team alignment with our goals, but also give us an opportunity to gather employee feedback on ways we can improve.

### **Anheuser-Busch InBev University (ABIU)**

In 2012, 46,996 employees across all Zones participated in a combined total of more than 1.4 million hours of training – an average of about 32 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 (ABIU). ABIU is built upon three key areas of learning:

#### **Leadership and Culture**

We empower our employees to pursue both personal and professional growth. These programs serve to cultivate strong roots in leadership and encourage them to go above and beyond to advance their careers. Initiatives include our Executive Board of Management Education; the Senior Leadership Convention; Leadership, Performance and Change; and Business, Leading and Managing@ABI.

#### **Method**

We provide our people with the fundamental tools they need to manage and support their teams and solve problems effectively. These programs include our White Belt, Green Belt, Black Belt and Master Black Belt, Lean Foundation, Lean Facilitator and Master Train-the-Trainer programs. There are currently nine Master Black Belts and more than 60 Master Trainers across all six Zones.

#### **Functional**

We provide employees with technical skill development essential to job performance. These programs include our Procurement School and our Supply School, which are targeted training programs for brewery managers, brewery operations employees, brewmasters and supply chain and logistics personnel. Our Marketing School covers consumer connections, brand building and innovation. In 2012, we launched our Sales School with the Trade Marketing Program. In 2013, we will launch Information and Business Services and Corporate Affairs programs.



In addition, our global ABIU Learning Management System became available across all six Zones in 2012. This powerful online learning platform provides easily accessible education and development resources to employees across the globe. Training modules focus on building their knowledge and capabilities, improving job performance and developing skill sets to take on new challenges. In 2012, 26,034 employees participated in 341,668 hours of online training.

To complement our in-house programs, we partner with world-class educational institutions to provide our people with the very best education and professional development resources. Our global partner schools include: Northwestern University Kellogg School of Management; Michigan State University; Massachusetts Institute of Technology; Stanford Graduate School of Business, and Yale University Graduate School of Management. In addition, we partner with: Washington University's Olin School of Business, North America Zone; Instituto de Ensino e Pesquisa, Latin America North Zone; Universidad de San Andres, Latin America South Zone; INSEAD, Central & Eastern Europe and Western Europe Zones; Dalian Polytechnic University and China Europe International Business School, Asia Pacific Zone.

### **Global Management Trainee (GMT) Program**

To attract the best talent, our Global Management Trainee (GMT) program recruits graduates of top universities around the world for a demanding 10-month paid training program that exposes participants to a wide range of company operations.

In 2012, we selected 136 trainees for the program from more than 129,000 applicants worldwide. After the training, candidates are placed into full-time positions within our global organization. Since its inception in Brazil in 1990, about 1,400 trainees around the world have come through the program, many of whom are now senior AB InBev leaders.





## Diversity

### The unique backgrounds, perspectives and experiences of our employees are among the most important keys to our success.

Our commitment to equal employment opportunity, diversity and inclusion is a defining value that helps make our company a great place to work, while also guiding and enriching our relationships with customers and the communities we serve. It's only by treating all people with respect and valuing our differences, that we can all reach our fullest potential.

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

At the end of 2012, we employed approximately 118,000 full-time, seasonal and temporary employees worldwide. Of our full-time employees, approximately 20 percent were female and 80 percent male. The average employee age was approximately 36 years old. The average length of service was approximately eight years. About 62 percent of employees worked in blue-collar jobs, while 38 percent worked in white-collar jobs.

To further our commitment to diversity and support AB InBev's business objectives in the United States, we have Employee Resource Groups (ERGs) that provide education, awareness, and professional growth and development opportunities for our diverse family of employees.

#### These groups include:

- » Creating Real Opportunities for Women's Networking (CROWN) – Women employees;
- » Hispanic and Latino (HoLa) – Hispanic and Latino employees;
- » Porter-Brown Society (PBS) – African-American employees;
- » Asian Pacific Islander (PAC-ASIA) – Asian and Pacific Islander employees;
- » Employee Alliance Group of Leadership and Engagement (EAGLE) – Gay, lesbian, bisexual, transgender employees and friends;
- » Home Brewers ERG – Employees who enjoy making their own beer;
- » Community Action Project (CAP) – Community Service group;
- » Bud Employees Supporting Armed Forces & Veterans Everywhere (BUDESAVE) Employees supporting military personnel; and
- » AB Athletics ERG – Employee team sports group.

## Employee Engagement

Across our company, regardless of position, every person's work matters. We work hard to engage our people and show them how their contributions are critical to their success, as well as the success of their team and the company overall.

One of the ways we engage our employees is through an annual cycle of regular, formalized communication and feedback. This process helps us assess their understanding of the company's goals, and their engagement with meeting them. It's also a valuable opportunity for management to hear employee suggestions, so we can develop action plans that take into account the issues that matter most to them.

Our latest employee opinion survey, carried out in December 2012, shows an employee engagement index of 77.4 percent. This was an increase of 1.4 percent over 2011. The 2012 data is based on responses from 80,694 employees, composed of 32,717 white-collar employees and 47,977 blue-collar employees, across all Zones.

One important engagement metric we track is employees' views on whether the company acts in a socially responsible way. This metric was 80 percent in 2012.



## Health & Safety

Our employees and their families are at the heart of AB InBev's success. They are the reason we have built a safety culture focused on openness and effective reporting to encourage appropriate behavior, practices and procedures that avoid incidents and injuries. Led by our managers, every AB InBev employee has a personal responsibility to observe and promote our global health and safety policies.

### Safety Organization

Our Safety organization covers our entire worldwide operation, including our Supply brewing operations, as well as our Second-Tier Logistics and Sales groups. Teams are made up of Global Safety Directors and Zone-specific safety support personnel. The teams are responsible for supporting our facilities as they implement safety policies and play an important role in improving our overall safety performance.

Safety committees are mandatory in all our facilities to ensure compliance and formalize an ongoing dialogue between the company and employee representatives. These committees concentrate on eliminating unsafe conditions, identifying improvements, reviewing incidents and accidents and ensuring effective communication. Within each of our brewery/beverage facilities and main distribution centers, a designated safety manager works directly with the leadership to support the management and workforce in running operations safely.

### Safety Training

In 2012, the Supply safety managers met with the other Zone supply and technical teams at the brewery in Fort Collins, Colo., to further integrate safety in all aspects of our operations. The Second-Tier and Sales safety managers met in São Paulo, Brazil, to review the implementation of the Distribution Process Optimization (DPO) Safety Pillar and review best practices at the Diadema Direct Distribution Center and other Latin America North facilities.

In addition to the Zone Safety Team alignments and best practice sharing, there are extensive safety training efforts taking place in each Zone. Facilities develop and implement an annual training plan to cover all necessary safety training topics based on a needs matrix by job classification. Monthly, weekly and even daily safety talks are scheduled to fulfill this training and continue to raise awareness and drive our safety culture forward. Training efforts include practical training, as well as classroom sessions, to allow a hands-on focus that leads to better comprehension, retention and practice. Monthly safety videos are produced in multiple Zones and are aired on internal TV stations to address local issues such as: seatbelt use, defensive driving, safe driving in winter conditions, and warehouse and office safety. Poster campaigns on site remind our employees to follow safe practices at work so they may arrive home injury free and enjoy their families.

## Safety Systems

Using a rewards system based on annual safety targets, our global excellence programs and auditing systems link safety performance and program implementation to the annual performance evaluations of individual employees and departments. These safety requirements are also embedded within each of our excellence programs for the different functional areas.

Under our Voyager Plant Optimization (VPO) system, our safety pillar is composed of essential guidelines that help leadership establish a sustainable management system in their organizations. In 2012, we continued to implement and refine the safety pillar system at a global level. We worked to achieve higher levels of sustainability, with a special focus on ammonia systems and dust explosion prevention within the Supply organization. The Second Tier distribution centers continued a similar process to implement the guidelines of the DPO safety pillar. The focus within the Second Tier was separating vehicles and pedestrians, reporting/investigating all incidents, and providing the proper personal protective equipment.

## World Safety Day

Although safety is a year-round focus, we take extra time to celebrate safety during our Supply safety days and during the International Labor Organisation's World Safety Day on April 28. In 2012, we focused the celebration on internal transport and commuting safety under the theme "Drive Safely at Home and at Work." The emphasis on commuting safety extended throughout the year as part of our regular safety excellence programs and in special defensive driving courses offered to our employees in several Zones.



## Safety Performance

### Fatalities

#### Supply

We regret to report four fatal accidents by contractors working in our Supply area, including three fatalities from two truck crashes, in 2012. The fourth fatality occurred when a contractor fell from a roof while making repairs.

#### Second Tier/Sales

We regret to report 11 fatal accidents in our Second Tier/Sales areas. This includes six employees and five contractors. Eight of the fatalities were vehicle-related. Two employees died during armed robberies and one fatality occurred in a fall.

While we are guided daily by our safety pillar within our second tier/sales operations, we have taken additional steps to improve and maintain effective safety management — including the sharing of best practices with our contractors — to help prevent and avoid such tragic events.

#### Commuting

In 2011, we started to track employee injuries while commuting between work and home. In 2011, there were 16 fatalities reported. In 2012, we reported four fatalities while commuting – two in Asia Pacific, one in Latin America North and one in Latin America South. In several Zones, we provide the same safe-driver training for all other employees as we require for those who drive vehicles for their daily jobs. We believe these strong efforts to educate our employees on safe driving and seatbelt use are having a positive impact.

### Lost-Time Injuries (LTI)/Frequency Rate

#### Supply

Thanks to our VPO safety protocols and other initiatives, the number of LTIs has decreased 54 percent since 2009 and 18 percent from 2011 to 2012, including temporary and seasonal workers. Our target for 2012 was 21 percent. Taking into account facilities owned by Anheuser-Busch and InBev prior to the companies' 2009 combination, the number of LTIs has decreased 81 percent since 2007. During 2012, 111 of 175 AB InBev facilities recorded no LTIs, and 53 of these had gone three years or longer with no LTIs recorded.

In 2012, 40 contractors suffered LTIs at our facilities, a 48 percent decrease from 2011 and a 39 percent improvement from 2009. We significantly reduced the number of contractor LTIs in our Asia Pacific, Latin America North and Western Europe Zones.

#### Second Tier and Sales

Thanks to our efforts to focus on employee safety beyond our facilities, the number of employee LTIs globally in the Second Tier and Sales areas decreased 8 percent from 2011 to 2012, including temporary and seasonal workers. Contractor LTIs in Second Tier and Sales significantly declined by 41 percent from 2011 to 2012.

## Commuting

In 2011, we recorded 192 commuting LTIs. We are aware that the actual figure might even be higher because we started tracking commuting on a global level in 2011 for the first time, and not all Zones are able to report this data. This was reduced to 189 in 2012.

## Total Recordable Injuries

### Supply

In our journey to safety excellence, our focus is total recordable injuries (TRI), which is a sum of the LTIs, modified duty injuries (MDI) and medical treatment injuries (MTI). In 2012, we recorded 1,086 recordable injuries – 111 LTIs, 291 MDIs and 684 MTIs.

### Second Tier/Sales

Late in 2011, we started collecting MDI and MTI information across all Zones. We will continue this practice so that we can provide reliable Recordable Injury information. While some Zones report this information with some level of accuracy, we will strive for consistent reporting across all Zones.

## Lost Days/Severity Rate

### Supply

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 7 percent from 2011 to 2012, despite the reduction in lost-time injuries. This was due to injuries that required longer absences to recover.

## Hazard and Incident Reporting

### Supply

The facilities that implement the VPO safety initiatives focus on hazard and incident reporting and risk assessments, not just accident reporting. In 2012, our employees reported 248,757 potential hazards covering both conditions and behaviors. By eliminating these hazards, we are able to reduce the incidents and accidents.

## Safety Performance Results

<b>Lost Time Injuries (LTI)</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Supply Employees	111	135	172	244
Second Tier/Sales Employees	288	313	394	n/a
Contractors (Supply and Second Tier/Sales)	244	300	341	n/a

<b>Total Recordable Injuries (TRI)</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Supply Employees	1,086	1,388	1,325	n/a

<b>Days Lost due to Injury (Supply Only)</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Number of Lost Days	7,213	6,741	7,629	7,817
Global Severity Rate	57	54	63	60

<b>Fatalities</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Supply Employees	0	0	0	2
Second Tier/Sales Employees	6	2	2	1
Contractors (Supply and Second Tier/Sales)	9	10	1	6

### Key:

Lost Time Injuries

Total Recordable Injuries = LTI + modified duty injuries + medical treatment injuries

Global Severity Rate = Lost days per 1,000,000 hours worked

Supply Employees = Brewery and manufacturing facility employees, including first-tier logistics

Second Tier/Sales Employees = Second-tier logistics, sales, Zone and global corporate employees

## Corporate Governance

AB InBev's Corporate Governance rules, which were established by our Board of Directors and updated in June 2012, help us properly manage our business without limiting our vision or the speed and flexibility of our operations.

As a company 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 (published in March 2009), while recognizing our status as a multinational group.

Due 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 is published online and provides a comprehensive and transparent disclosure of the company's governance. A full report on our corporate governance activities in 2012 can also be found in our company's [online annual report](#).

### Code of Business Conduct & Compliance Program

As part of our Corporate Governance framework, we have a [Global Code of Business Conduct](#), an Anti-Corruption Policy and Compliance Program that establish guidelines, education, training and safeguards to remind our employees of the company's strong stance against corruption and non-compliant behavior and ensure that everyone in our company upholds high standards of integrity in all business-related activities.

The Code, Policy and our Compliance Program reinforce compliance with all laws, including competition, environmental and labor laws. Potential conflicts of interest, use of company assets, and honest and ethical conduct, including safeguards against bribery and corruption, are also covered. 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, the Anti-Corruption Policy and Compliance Program, including an annual online training and certification program for employees and global and Zone Compliance Committees, which include the participation of the most senior members of management. In 2012, our Board of Directors received anti-corruption and compliance training, which is now done on an annual basis. In addition, about 1,300 employees received in-person training last year.



Where legally permissible, an independent telephone help line is available to employees 24 hours a day, seven days per week. Employees can also register their concerns on an anonymous basis 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 regular reports to the Board's Audit Committee.

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***“As the leader in CSR, AB InBev has set up a positive brand and social image for the whole industry. We believe that under the leadership of such an advanced enterprise, the whole industry will march rapidly into a new era of ‘self-regulation and responsibility’.”***

Mr. Wang Yancai,  
Chairman of China Alcoholic Drinks Industry Association



## About Anheuser-Busch InBev

Anheuser-Busch InBev (Euronext: ABI; NYSE: BUD), based in Leuven, Belgium, is the world's leading brewer. We are also one of the top five consumer products companies and produce some of the world's most iconic beers.

Our history traces back to 1366 with the founding of the Den Hoorn brewery in Leuven and to 1852 when the first Anheuser-Busch brewery was built in St. Louis, Missouri. Over the years we have remained sharply focused on the ideals that set us apart then, and continue to live these ideals today as we have grown into a global company with operations in 23 countries. Living these ideals, our dedicated and passionate workforce of 118,000 employees is making innovative and meaningful progress as we work to achieve our goal of being the Best Beer Company in a Better World.

AB InBev manages a portfolio of more than 200 beer brands, including three global brands; Budweiser, Stella Artois and Beck's; fast-growing multi-country brands Leffe and Hoegaarden; and "local champions" Bud Light, Skol, Brahma, Antarctica, Quilmes, Michelob Ultra, Harbin, Sedrin, Klinskoye, Sibirskaia Korona, Chernigivske, Hasseröder and Jupiler, among others.

- » Headquarters location – Leuven, Belgium
- » Locations – 23 countries in six geographic Zones: North America, Latin America North, Latin America South, Western Europe, Central & Eastern Europe and Asia Pacific
- » Number of global employees – 118,000
- » Total 2012 revenues – 39.8 billion USD



## Recognition

We are proud of the recognition of our company and our Better World work, both globally and locally, in the past year. Here are a few examples:

### **FORTUNE World's Most Admired Companies 2013**

No. 1 Overall – Beverage Companies

No. 1 Alcohol Company in Social Responsibility – Beverage Companies

### **Century International Quality Era Award – Argentina**

Cervecería y Maltería Quilmes, our Argentina business unit, was awarded with the Platinum ranking in this annual program of the Business Initiative Directions Awards. It is given in recognition of corporate achievements in leadership, quality, innovation, excellence, technology, customer service and prestige.

### **Best 150 Companies to Work For – Brazil**

Ambev, our Brazil business unit, was selected by the Great Place to Work Institute in a partnership with Época magazine in this annual ranking. The survey –a reference regarding good management practices in the Brazilian market – evaluated, among other criteria, employee satisfaction and the trust relationship between employees and the company.

### **Outstanding Enterprise Award – China**

Presented by China Business News, a leading Chinese media group, this award was presented in recognition of our continued commitment to corporate social responsibility in China.

### **GreenLight Award 2013 – Europe**

Presented by the European Commission, the GreenLight Award is an initiative to annually recognize companies or organizations for their energy-saving efforts thanks to the installation of energy-efficient lighting technologies. Our Western Europe operations installed five eco-efficient lighting projects in our Hoegaarden and Leuven breweries. These projects resulted in an average annual energy savings for lighting of 73 percent.

### **“Top 100” for Environmental Management – Russia**

SUN InBev, our Russia business unit, was recognized as a leading company in the field of environmental management. The “Top 100” were chosen based on recommendations from Ministry of Environment regional representatives on how companies have managed environmental results in the past three years.

### **Environmental Excellence Award – United States**

Our Houston Brewery was honored with the 2012 Texas Environmental Excellence Award for Water Conservation. Over the past 15 years, the Houston Brewery has decreased its water use by more than 30 percent.

# GRI Index

GRI Reporting	Report Section	Page Number/Location
<b>Strategy and Analysis</b>		
1.1	Letter from our CEO	2-3
1.2	Better World Pillars, 2012 Goals and Progress	7, 9-10
<b>Organizational Profile</b>		
2.1		Anheuser-Busch InBev
2.2—2.10	About Anheuser-Busch InBev	65–66; Also learn more in our <a href="#">2012 Financial Report</a>
<b>Report Parameters</b>		
3.1—3.4	About this Report	71
3.5	About Anheuser-Busch InBev	Learn more in our online <a href="#">Materiality Assessment Summary</a>
3.6—3.8	About this Report	71
3.9	Environment	30
3.10—3.11	About this Report	71
3.12	About Anheuser-Busch InBev	67–68
<b>Governance, Commitments and Engagements</b>		
4.1—4.10		63; Also learn more on our <a href="#">Investor Relations website</a>
4.11	Environment	20, 25, 28, 38; Also learn more in our online <a href="#">Materiality Assessment Summary</a>
4.12		Anheuser-Busch InBev has membership in the following organizations and adheres to their codes of conduct: <a href="#">Foreign Corrupt Practices Act</a> <a href="#">International Center for Alcohol Policy</a> <a href="#">United Nations Global Compact</a> <a href="#">UN CEO Water Mandate</a> <a href="#">AIM Progress</a> <a href="#">World Federation of Advertisers</a>
4.14—4.17		Learn more in our online <a href="#">Materiality Assessment Summary</a>
<b>Management Disclosures</b>		
Economic		See our <a href="#">Annual Report</a>
Environmental		20, 22-23
Labor		53, 58-59; Also see our <a href="#">Responsible Sourcing Policy</a>
Human Rights		See our <a href="#">Responsible Sourcing Policy</a>
Society		See our <a href="#">Corporate Governance Charter</a>
Product Responsibility		11-12
<b>Indicators</b>		
EC1		65; Also see our <a href="#">Commercial Report</a>
EC3		See our <a href="#">2012 Financial Report</a> , pages 113-117
EC4		See our <a href="#">2012 Financial Report</a> , pages 94, 139
EN3, EN4	Environment	31
EN5	Environment	30
EN6	Environment	30, 32
EN7	Environment	40-41

EN8	Environment	10, 27
EN11, EN14	Environment	42-43
EN16	Environment	31
EN18	Environment	32, 40-42
EN22	Environment	35
EN26	Environment	19-43
EN28	Environment	43
LA1	People	56
LA7	People	60-62
LA10	People	53-55
LA11	People	53-55
LA12	People	53
PR6	Responsible Drinking	12; Also see our <a href="#">Code of Commercial Communications</a>
HR5, HR6, HR7		38; Also see our <a href="#">Responsible Sourcing Policy</a>
SO3	Code of Business Conduct & Compliance Program	63
SO5		See our <a href="#">Corporate Governance Charter</a>

# United Nations Global Compact Commitment

Anheuser-Busch InBev is a member of the United Nations Global Compact (UNGC). This report covers our practical actions and partnerships to implement the 10 UNGC principles and serves as our annual Communication on Progress. A summary of these efforts is provided in a table below. We are also a signatory of the UNGC CEO Water Mandate. The water section of this report, found on pages 24–29, reports our annual Communication on Progress. A summary of these efforts is provided in a table below.

We are also a signatory of the UNGC CEO Water Mandate. The water section of this report, found on pages 24–32, reports our annual Communication on Progress.

Support of the UN Global Compact 10 Principles	
Business should support and respect the protection of internationally proclaimed human rights.	Our <a href="#">Global Code of Business Conduct</a> prohibits human rights violations. In addition, we have a <a href="#">Responsible Sourcing Policy</a> that helps drive our values down the supply chain.
Business should make sure they are not complicit in human rights abuses.	Find out more at our <a href="#">website</a> .
Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	We continue to adhere to the collective bargaining agreements in place across our global operations.  Employee involvement in decision making (such as via Workers Councils) varies across the organization. In addition, our Responsible Sourcing Policy recognizes the rights of employees to engage in collective bargaining.  Find out more at our <a href="#">website</a> .
Business should support the elimination of all forms of forced and compulsory labor.	Our <a href="#">Global Code of Business Conduct</a> and our <a href="#">Responsible Sourcing Policy</a> prohibit these forms of labor in our own and our suppliers' operations.
Business should support the effective abolition of child labor.	Find out more at our <a href="#">website</a> .
Business should support the elimination of discrimination with respect to employment and occupation.	Our Legal and Corporate Audit departments monitor legal compliance and conformity with the principles of non-discrimination.  Our <a href="#">Responsible Sourcing Policy</a> addresses non-discrimination by our suppliers and their operations.  Find out more at our <a href="#">website</a> .

## United Nations Global Compact Commitment

(continued)

<p>Business should support a precautionary approach to environmental challenges.</p>	<p>We are working to assess and mitigate risk in water-stressed areas, as it relates to our own operations and in our agricultural supply chain.</p> <p>Additionally, our Voyager Plant Optimization (VPO) management system promotes best practices in brewery management.</p> <p>Find out more on pages 24—28 and 37.</p>
<p>Business should undertake initiatives to promote greater environmental responsibility.</p>	<p>Our VPO management system promotes environmental efficiency throughout our operations. In 2012, we reached or surpassed aggressive three-year environmental targets:</p> <ul style="list-style-type: none"> <li>» Used 3.5 hectoliters of water per hectoliter of production</li> <li>» Reduced greenhouse gas emissions by nearly 16 percent and energy use by 12 percent</li> <li>» Achieved a recycling rate of 99.2 percent of our solid waste</li> </ul> <p>We are also finding high-value, beneficial uses for our byproducts and collaborating with suppliers and other companies to reduce environmental impacts.</p> <p>Find out more on pages 22, 23, 25, 31 and 35.</p>
<p>Business should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>We aim to employ environmentally efficient brewing and packaging technologies, while maintaining our commitment to quality. Our VPO management system promotes the sharing of best practices throughout our operations.</p> <p>We also continue to deploy renewable fuel technologies. Thirty-eight of our facilities around the world operate bio-energy recovery systems (BERS), which turn the organic matter in the water left behind from the brewing process into biogas, a gas with high fuel value.</p> <p>Our Brazil operations obtain nearly 30 percent of their thermal energy needs from renewable biomass and biogas.</p> <p>In addition, we are striving to conserve water throughout our operations on a daily basis, and we constantly share best practices among our Zones worldwide.</p> <p>Find out more on pages 23 and 31.</p>
<p>Business should work against all forms of corruption, including extortion and bribery.</p>	<p>Our <a href="#">Global Code of Business Conduct</a> strictly prohibits the facilitation of payments, and this is reinforced through annual code training. In turn, our <a href="#">Responsible Sourcing Policy</a> addresses the business conduct of our suppliers.</p> <p>Find out more on our <a href="#">website</a>.</p>

## About this Report

This report presents Anheuser-Busch InBev's annual update on key performance data and information for calendar year 2012, and provides data on specific targets in our Better World Three-Year Plan approved by our Board of Directors in October 2009. The report structure parallels our Better World focus areas – Responsible Drinking, Environment, Community – three pillars of global citizenship defined in our materiality assessment that are supported by our People.

Information presented encompasses AB InBev's companywide operations, including 129 global breweries and soft drink facilities unless otherwise noted. Some newer and smaller beverage facilities are not yet included in our Voyager Plant Optimization management system. This report is intended to provide meaningful updates to our various stakeholder groups around the world. These include investors, employees, governments, NGOs, customers and consumers in the 23 countries where we operate.

The data and stories presented were gathered and verified with the assistance of content owners across all functions and geographic Zones. We have consulted the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines and are self-reporting at Level B. We do not plan to seek external assurance for this 2012 report.

As a publicly-traded, multi-national company, our business is subject to certain risks outside of our control. These risks include, but are not limited to the impact of water availability, climate change, economic recession, negative publicity, our ability to hire and retain the best talent, government regulations, the reputation of our brands, the ability to make acquisitions or divest divisions, access to capital, volatility in the stock market, exposure to litigation and other associated risks. A more detailed analysis of the risks our company faces is outlined in our annual U.S. Securities and Exchange Commission Form 20-F. Additional information about AB InBev's global greenhouse gas and water risks, management and performance is available through the Carbon Disclosure Project.

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