



# Global Citizenship Report

## What's Interesting?

Reduced water consumption – 14.4% less water used per hectoliter brewed in 2004 compared to 2002.

Joined the UN Global Compact in 2004.

Accident and lost-work-day rates steadily improved since 2002.

Reduced the amount of energy needed to produce a hectoliter of product by almost 7% since 2002.

Normalized EBITDA increased from 1,498 million euro in 2003 to 2,112 million euro in 2004.

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## Go Online

[www.inbev.com/citizenship](http://www.inbev.com/citizenship)





Welcome to InBev's first  
**Global Citizenship Report,**  
or GCR – a living, online  
document which details how  
we are doing in our role as  
a responsible corporate citizen.

**John F. Brock**  
Chief Executive Officer

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Let me begin by telling you that this company is unequivocally committed to moving from being the biggest brewer in the world, as measured by volume, to being the best. This is our vision. The most important piece of the puzzle in meeting this challenge is the way in which we do it. That is one of the reasons why, for the first time, we are publishing the GCR – to demonstrate that yes, we are going from “Biggest to Best”, but, at the same time, recognizing that we cannot be the best unless we do it in a manner which is responsible and transparent.

InBev is an exciting, new company, built on a long and rich heritage of more than 600 years. Heritage and roots are certainly important, especially in brewing, where craftsmanship and the purity of our ingredients are essential for ensuring uncompromised quality. Our concern for quality, however, extends beyond our products, to include how consumers savor them, our stewardship of the environment, and how we interact with the communities where we do business.

Early in my career, I had a manager who shared with me one of the keys to success in business, and it has served me well. His philosophy is one which I often share at InBev, and I think that it has special relevance for how we approach corporate responsibility and this report. The philosophy is simple: We tell you what we are going to do. Then, we go out and do it. And along the way we provide you with some positive surprises.

In our 2003 Annual Report, we committed to keeping all stakeholders informed of our progress concerning corporate responsibility. With the publication of the GCR, we are delivering on that commitment. We hope that you will find some positive surprises.

Our report is a transparent, balanced account of our business. It identifies our positive contributions, as well as specific gaps the company has in terms of global citizenship. It also highlights the challenges which lie ahead, for our business, for our sector and for InBev in particular. We will, however, continue to rely on your ideas with regards to what you liked about the report, and where we could improve.

Interbrew and AmBev only came together on 27 August 2004. The resulting combination, however, has already accomplished much. In the area of Corporate Responsibility we have staffed our Corporate Responsibility Department, endorsed the UN Global Compact, surveyed our key stakeholders, and we have written our first GCR, a very valuable learning experience.

Just a brief word more on the UN Global Compact. We are proud to be one of the first beer companies to endorse the Compact, which is a set of principles offering guidance in the areas of human rights, labor, the environment, and anti-corruption. These principles complement our corporate values, and will play an increasingly important role in how we measure our performance as a citizen, both globally and locally.

Because InBev has been successful in integrating numerous business operations around the world, it is in a strong position to leverage its breadth and scope of operations in raising both living standards and business standards.

Achieving these objectives is a daunting challenge, but one which I, as CEO of this company, readily welcome. I wouldn't have it any other way.

I hope you enjoy reading this Report, and I look forward to your feedback.



**John F. Brock**  
Chief Executive Officer

## InBev Key Performance Indicators

InBev is committed to continuous improvement in our performance. The following table presents a series of key performance indicators (KPIs) for Corporate Responsibility.

These indicators relate to information provided in this report. We will develop further KPIs in the future to give a more complete picture of our Corporate Responsibility performance. We will also provide year-on-year data for comparison in future reports.

For more detail on a specific indicator please follow the links in the table.

KPI	2004	Units	Notes
<b>Economic</b>			
Production	233.5 million	hl	Figure is pro-forma full 12 month volume figure for InBev and Ambev
Turnover	8,568 million	euro (€)	Turnover (after excise taxes and discounts)
Normalized EBITDA	2,112 million	euro (€)	Earnings Before Interest Taxes Depreciation and Amortization adjusted for non-recurring items
<b>Environmental</b>			
Energy use*	75,392	000 Gj	thousands of gigajoules
Water use	887,405	000 hectoliters	thousands of hectoliters
Wastewater	630,929	000 hectoliters	thousands of hectoliters
Greenhouse gas emissions**	1,746	000 tons	thousands of tons of carbon dioxide
<b>People</b>			
Fatalities	5	number	
Number of employees	77,000	number	

\* Not including AmBev malting plants

\*\* Only includes AmBev Brazilian data



## InBev Profile



“InBev is the largest brewer in the world, and although newly formed, we have a **rich and extensive history**. This unique combination makes for an **exciting journey** shaping InBev into a leader in Corporate Responsibility. We will achieve this by being true to InBev’s values, and allowing them to guide us in making **the best and most responsible decisions**.”

**Sabine Chalmers**  
Chief Legal Officer

## Introduction to InBev

### Company Overview and Formation

InBev is a publicly traded company (Euronext: INB) based in Leuven, Belgium. The company’s origins date back to 1366, and today it is the leading global brewer by volume.

InBev is uniquely positioned to lead the industry and achieve superior performance, with strong brand positions in both fast-growing, emerging markets and in core markets.

The coming together of Interbrew and AmBev, based in São Paulo, Brazil (listed separately on the NYSE), to create InBev, was an unprecedented event in the brewing industry, as well as the single-most significant event in

the history of our company. Completed on August 27<sup>th</sup> 2004, the combination brought together the world’s third-largest brewer and the world’s fifth-largest brewer:

- Interbrew, with sales in over 140 countries, had a ten-year track record of delivering one of the best compounded EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) growths in the industry.
- AmBev had been one of the most profitable, with a 68.1 % share of the Brazilian market at the end of 2004, and leadership positions in both beer and carbonated soft drinks throughout Latin America.

- The combination of these two companies has resulted in making InBev, the world's largest brewer by volume. Number one or two in 20 key markets, with the global branding strength of Interbrew, and marketing and efficiency strength on AmBev.

InBev is committed to becoming the most consumer-focused company in the beverage industry, consistently delivering superior, sustainable and profitable organic growth.

Our integrated strategy, which is called SuperVoyager, comprises four pillars – a Winning Brand Portfolio, Winning at the Point of Connection, World-Class Efficiency, and Targeted External Growth – underpinned by innovation and enabled by culture, world-class people and superior financial discipline.

InBev's strategy is based on its mission, "creating enduring bonds with consumers by providing brands and experiences that bring people together," and its vision, "Going from Biggest to Best!"

### Company Highlights

- The world's biggest brewer by volume
- In 2004, InBev realized a net turnover of 8.57 billion euro (including four months of AmBev sales) selling a volume of 233.5 million hectoliters of beverages
- Sales of 202 million hectoliters of beer in 2004, close to 14% of the world beer market
- Portfolio of 200 brands, including Skol® – the third-largest selling beer brand in the world – Leffe®, Hoegaarden®, Staropramen® and Bass®
- Three global flagship brands: Stella Artois® and BRAHMA®, one of the world's top-10 brands, and Beck's®, the world's fastest-growing international brands
- Number 1 or 2 positions in more than 20 key markets – more than any other brewer
- 77,000 employees worldwide
- Operations in over 30 countries in the Americas, Europe and Asia Pacific

## Introduction to the InBev Brand

The formation of our new company required a new name, which combined elements of both Interbrew and AmBev. The red exclamation point in our logo symbolizes the passion everyone in the company feels for connecting with consumers, and for winning.

InBev is more than the sum of its parts, and with our people and brands, our new corporate identity conveys the sense of excitement we have for the future. This excitement even extends to our corporate headquarters, which has been specifically designed and furnished according to what we strive for as the "InBev Way." The building itself combines aspects of our proud history and heritage, as well as the excitement and passion that we have for the future, to reflect in every way possible our corporate identity.

## History and Heritage

InBev's heritage can be traced back through a mosaic of many leading brewers, each bringing with it a long tradition of brewing excellence. InBev is the only global brewing company that can trace its roots to a longstanding legacy of brewery activities in Europe, North and South America, and, more recently, in Asia. This legacy ties into the rich history of beer, which has refreshed the thirst of millions of people throughout the world for thousands of years.



Ancient Sumerian clay tablets, which date back to 4000 B.C., provide us with brewing's earliest official record, though it is likely that it was first enjoyed in Neolithic times, when cereal harvesting first began.

Beer was called "liquid bread" by these early civilizations, as it was both nutritious and thirst-quenching; and, because it contained alcohol, it did not easily deteriorate. In Egypt, at least 3,000 years before the Christian era, an intoxicating liquor manufactured from grains was also known to have existed. It was called "zythum", which means "beer", and it was used to honor the dead.

At the same time, in China, people fermented millet to make “tsiou,” which was often used as an ancestral offering. In Italy, Pliny, the Roman historian, notes that a fermented drink made from corn and water was consumed regularly across Europe. Most likely this, too, was what we call “beer.”

Later, during the first millennium A.D., beer was considered sacred to the Celts, Germans and Scandinavians. It was the Celts who made great strides in understanding how cereal germinates, a process which we now call malting; “braces,” the Celt word for “malting,” is, in fact, the stem of the French word “brasserie.”

What is clear is that beer has a long and illustrious history, and it is worth noting that for nearly two thousand years monks in Europe have also been brewing this drink for the ages, believing that it is more wholesome than the water which represents ninety per cent of its volume.

### Early Beginning in Europe

InBev’s European history is closely ingrained in the history of the City of Leuven, just outside Brussels, where InBev (previously Interbrew) is headquartered. We can trace our origins in Leuven to a brewery called Den Hoorn (“The Horn”) that operated as far back as 1366. From that point on, Leuven enjoyed not just flourishing trade and commerce, but also a booming beer business. By the mid-1500s, Den Hoorn developed into the most important enterprise in Leuven. In 1708, Sebastian Artois, who had served as an apprentice at Den Hoorn, was appointed master brewer, and nine years later, took sole ownership of the brewery.

Around the same time that the Artois brewery began operations, William Bass purchased a brewery in Burton-on-Trent, England, and brewed the first pint of Bass Ale. About one hundred years after the Bass brewery was founded, Kaiserbrauerei Beck & May was established in Bremen. Nestled along the River Weser in northwest Germany, Bremen has a rich legacy of brewing beer.

In 2002 and 2001 respectively, Bass and Beck’s joined the Interbrew family, which had been formed in 1987

from the merger of Brasseries Artois, then the second-largest brewer in Belgium, and Brasseries Piedboeuf, then the largest brewer in Belgium and the brewer of Jupiler. Interbrew soon grew its European base by acquiring, among others, Belgian specialty brewers including Hoegaarden in 1989 and Belle-Vue in 1990, followed by key brewers in Western and Eastern Europe, such as Whitbread in the United Kingdom, Diebels and Beck & Co. in Germany and SUN in Russia and Ukraine.

### Our Heritage in Brazil

Our Brazilian origins date back to 1885, when the first Antarctica plant was built in the Água Branca district in São Paulo. After a period producing ice and food, the plant started brewing beer, thus marking the beginning of a rapid entry into the beer market which was solidified over the years by numerous acquisitions, including ‘Cervejaria Bavária’ in 1904 and ‘Cervejaria Bohemia’ (the oldest brewer in Brazil) in 1961.

BRAHMA, was first brewed in Brazil in 1888, when Swiss brew master Joseph Villiger established the brewery Manufatura de Cerveja BRAHMA Villiger & Companhia in Rio de Janeiro. The plant started with a daily production of 12,000 liters of beer and 32 employees. By 1934, bottled BRAHMA beer had become Brazil’s most popular beer, with 30 million liters produced per year. By 2004, BRAHMA production had increased to approximately 90 million liters.

BRAHMA’s corporate growth continued through the years through acquisitions, such as of ‘Astra S.A.’ (1971), ‘Cervejarias Reunidas Skol Caracu S.A.’ (1981), as well as a number of strong production and distribution alliances. In 1977, this included venturing into the soft drink market, which by 1984 included an agreement with PepsiCo International to produce, sell and distribute Pepsi Cola products in Brazil. In 1999, Companhia de Bebidas das Américas (AmBev) was formed by the merger of BRAHMA and Antarctica.

### North American Ventures

The company's North American heritage can be traced back to 1847, when more than a decade after arriving in London, Ontario from Ireland, John Labatt purchased Simcoe Street Brewery, in partnership with Samuel Eccles. By 1853, Labatt had become the brewery's sole proprietor and later renamed it John Labatt's Brewery. Today, Labatt has operations in four Canadian regions and offers more choices than other Canadian-based brewers – over 60 brands.

In 1987, Labatt USA expanded operations to acquire the Latrobe Brewing Company, brewers of Rolling Rock. Rolling Rock boasts a proud brewing heritage that originates in the small town of Latrobe, located in Western Pennsylvania's Laurel Highlands. The Latrobe Brewing Company opened its doors in 1893 when the town of Latrobe was a growing center of industry and trade.

### Headed East: Asia-Pacific

In one of our first steps as a newly formed company in late 2004, InBev acquired the Chinese brewing activities of the Lion Group of Malaysia, providing us with leading market positions in the six provinces where we are currently present: Guangdong, Hebei, Hubei, Hunan, Jiangsu, Shandong and Zhejiang.

However, we have been active in China since 1984, when Interbrew provided the transfer of technical and brewing know-how to various Chinese brewing companies, including the Zhujiang Brewery in Guangzhou and the Five Star Brewery in Beijing. In 1997, Interbrew acquired the Nanjing and Jingling Breweries, which marked the beginning of our position as a brewing operator in the Chinese beer market. In 2002, Interbrew acquired shares in the Zhujiang Joint Stock Company, China's fifth-largest and most profitable brewer, as well as a considerable stake in the Zhejiang Shiliang brewery. In addition to our brewing operations in China, InBev also operates Oriental Breweries in South Korea.

InBev is proudly carrying on the tradition and expertise in crafting the world's best beer brands that we have inherited from our legacy companies. Our values and philosophy are based on longstanding traditions in the success of local markets around the globe, while still being aligned with our global vision.

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## Organization & Structure

The combination of Interbrew and AmBev created InBev, the No. 1 brewer in the world by volume, selling 202 million hectoliters (hl) of beer and 31.5 million hl of soft drinks in 2004\*. InBev has an unparalleled global platform and a global market share of close to 14%, in a balanced mix of developed and growth markets.

At InBev, we have a compelling and single-minded vision for our company: to go "From Biggest to Best." Our mission is to create enduring bonds with consumers by providing the brands and experiences that bring people together.

Our strategic plan, called SuperVoyager, has been put in place to achieve this vision and mission, and it is our Executive Board of Management who guide us in this journey.

To read more about any of these, please [click here](#).

\* Pro forma figure for InBev plus 4 months of AmBev 2004 volumes.

## InBev Today



■ Operations and license agreements

The global scale of our organization is reflected in the world map illustrating sales in over 140 countries.

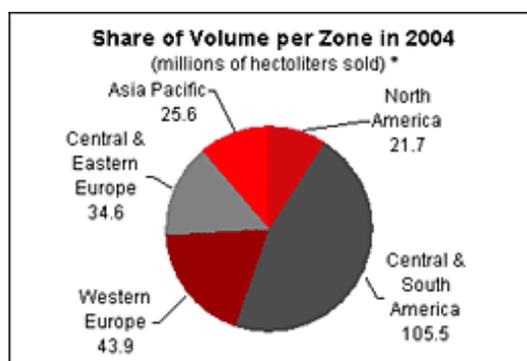
InBev holds the number one or number two position in 20 key markets across the globe, more than any other brewer. This includes a leading presence in the fastest-growing market worldwide, including Latin America, and other key high-growth markets, including China and Russia.

To supply these markets we operate 125 beverage plants (as per April 2005) in 32 countries.

For further details relating to the exact nature of the ownership of InBev please, refer to the [Economic Performance and Corporate Governance section](#).

### Geographical Markets

To manage an organization of our scale, InBev has moved from being a collection of independent, local units to being an integrated, focused and high-performance company.



\* Pro forma 12-month volumes and shares

Brand and country investment allocation choices are now made at a group level, enabling optimum focus and resource-targeting behind our top priorities and opportunities. The head office of our organization is based in Leuven, Belgium.

To manage our worldwide operations, the organization has been structured into five key Zones : North America, Latin America; Western Europe; Central and Eastern Europe; and Asia Pacific.

For details of the performance of each Zone, please refer to the [Economic Performance and Corporate Governance section](#).

For full details of our Zones, countries of operation, different brands sold, and the trading names of subsidiary companies please refer to the [Guide to Our Business section](#) of our Annual Report 2004.

## Guide to Brands

Our brands are our most important assets. They are the foundation of our company, the cornerstone of our relationships and enduring bonds which we build with our consumers, as well as the key to our long-term success.

We invest in our brands to create a long-term, sustainable, competitive advantage by meeting the beverage needs of consumers around the world, and by developing leading brand positions in every market where we are present.

Our global brand portfolio is one of the fastest-growing of any major beer company. The portfolio is structured into four key groups. Please [click here](#) for further details about the following brands:

### Global Flagship Brands

Our global brand strategy is led by our three global flagship brands:

- Stella Artois is the fifth-largest international beer in the world and is distributed in over 80 countries;
- Beck's is the tenth-largest brand distributed in over 120 countries. Beck's and Stella Artois are the fastest-growing international beer brands.
- BRAHMA, is the sixth-largest beer brand in the world.

### Global Specialty and Multi-Country Brands

The Global Flagship Brands are bolstered by other key international brands including:

- Hoegaarden
- Leffe
- Bass
- Staropramen

### Local Premium and Core Lager Brands

Our total portfolio consists of more than 200 brands, enjoyed by consumers around the world. The local and premium core brands are still our largest scale component, and will be for the foreseeable future.

These brands can better build on local values and often have a long heritage, while being close to the hearts of today's consumers. They also give us the reach, volume and assets that can facilitate the development of global brands. In that sense, they are, and will remain, a key pillar of the company's success, long-term.

Examples include:

- Skol, the third-largest selling beer brand in the world
- Antarctica in South America, the third largest selling brand in Brazil
- The growing brands, Sibirskaya Korona® and Klinskoye®, in Russia
- The core brands of Baisha®, Double Deer®, Shiliang® and KK® in China

### Global Soft Drink Brands

Our two global soft drink brands are Guaraná Antarctica® and Pepsi®:

- Guaraná Antarctica has been produced from the guaraná fruit since 1921 and is unique in its Brazilian authenticity. Today, it is the number two soft drink brand in the country, the flavor-segment leader, and represents more than half of AmBev's 16.9% market share.
- AmBev is PepsiCo's second-largest bottler in the world and is the largest outside of the United States.

For the full details of our brand portfolio in each geographical market, please refer to the [Guide to Our Business](#) in our Annual Report 2004.

## About this report

### Reporting Period, Boundaries and Basis

The Report concentrates on the calendar year 2004, with some references to information or data from 2003 and 2005, where this is available and deemed relevant. As this is our first Report, information relating to initiatives and programs has been obtained from a wider time period to add to our discussion of InBev's approach to Global Citizenship and Corporate Responsibility. This Report covers only those joint venture plants and subsidiaries where InBev has a controlling interest.

The reporting basis is global, where possible. However, due to the newness of our company, where limitations in data have been encountered, such as aggregated global data not yet being available, a regional or country-specific focus is taken.

Special considerations apply for the reporting of our environment, health and safety data. Please refer to the [Environment section](#) for more details.

Our 2004 consolidated financial results include four months (September to December) of AmBev's results.

#### Global Reporting Initiative

InBev is a registered organizational stakeholder of the Global Reporting Initiative (GRI) and we fully support the mission of the GRI to develop globally accepted sustainability reporting guidelines through a global, multi-stakeholder process.

Although not completely in accordance with the Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting, this Report follows as closely as possible the GRI guidelines and includes a [GRI index](#). We aim to report in accordance with the GRI guidelines in future reports.

#### Key External Relationships

To ensure that InBev is acting in a sustainable manner, we have some key external relationships which help guide our activities and focus. Below is a brief description of these.

- **Global Reporting Initiative (GRI):** As mentioned above, we fully support the mission of GRI, and are a registered organizational stakeholder. For more information on the GRI, please [click here](#)
- **United Nations Global Compact (UNGC):** InBev is a member of the UNGC, our public pledge of our commitment to uphold human rights, labor and environmental standards and anti-corruption. For more information on the UNGC please [click here](#) to visit their website.
- **Harvard University:** We work with Harvard University, more specifically with the Kennedy School of Government's Corporate Social Responsibility Initiative. For more information on the Corporate Social responsibility Initiative, please [click here](#) to visit their website
- **International Business Leaders Forum (IBLF):** We are associated with IBLF, which is an international education charity, which promotes responsible business practices internationally which benefit business and society. For more information on IBLF, please [click here](#).

### Assurance

As this is our first Report, external assurance has not been performed; however, for future reports this will be considered.

Financial data has been taken directly from our [2004 Annual Report Online](#) that was subject to independent auditing

### Contact for Further Information

Additional information about this Report can be obtained by contacting the Corporate Responsibility Department at the following address.

Corporate Citizenship Department: InBev NV/SA - Brouwerijplein 1 - B3000 Leuven - Belgium

Further, more detailed information on InBev's financial performance can be obtained from our [InBev Annual Report 2004](#).

## Acknowledgement

The publication of InBev's Global Citizenship Report, the first of many to come, is thanks to the hard work and dedication of the large team of people who have contributed. We would like to take this opportunity to recognize their efforts, without which this report would not have been possible.

Thank you to **Sd3**, our corporate responsibility advisors, in particular Dan Holmes and Ian Buckland, who have helped us compile and track down the information needed to create this report.

Thank you to the staff at **Walking Men**, Jo Lories, Katelijne Van Loo and the team who helped us to create this user-friendly online format.

Thank you to **Duval Guillaume**, Filip Nuyts, Marit Ginervo and their teams who assisted in the design and layout of the site.

And finally, thank you to the staff at InBev who have given input and feedback in the creation of the Report, in particular the Corporate Affairs team, Kim Godwin and Kirby Hall.

Again, thank you,

David Jerome

## Vision & Strategy



“As we move forward on our path from Biggest to Best, **Corporate Responsibility** becomes increasingly important. Our aim is to **integrate** Corporate Responsibility into all of our **business actions** and **thinking**. By focusing on this, we will create an appropriate **reputation** for the company and the industry we are operating in.”

**Jo Van Biesbroeck**  
Chief Strategy & Business Development Officer

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## Corporate Responsibility at InBev

Corporate Responsibility, also known as Corporate Citizenship, is part of the language of business today. It relates to how companies align their business activities to produce an overall positive impact on their financial bottom line, workforce, the communities they operate in, society and the environment in general.

- Corporate Responsibility has an impact on all aspects of our business strategy.
- Corporate Responsibility management is shared throughout the company, but focused around the Corporate Responsibility department.
- Corporate Responsibility management is supported by the Executive Board of Management Subgroup for Corporate Affairs.

# Strategy

## Linking to Corporate Strategy

As a new company, created from two independently successful companies, each with its own culture, values, reputation and stakeholders, InBev’s first task has been one of integration. Our aim is to take the best from both of our founding companies, Interbrew and AmBev, and create a world-class company in every respect.

To facilitate the integration of Interbrew and Ambev, InBev has a dedicated integration strategy called SuperVoyager. This strategy is made up of four pillars: a Winning Brand Portfolio; Winning at the Point of Connection; World-Class Efficiency; and Targeted External Growth.

These four strategic pillars are underpinned by three enablers: innovation; people and culture; and financial discipline.

Corporate Responsibility is intertwined with all aspects of our SuperVoyager strategy and serves as an enabler for many of our strategic objectives. For example, our Voyager Plant Optimization (VPO) program, part of our drive for World-Class Efficiency, is directly linked to our **environmental** and **health and safety** management and to developing operating standards in these areas.

Corporate Responsibility is directly related to maintaining InBev’s reputation and, consequently, the brand equity of the company, as well as consumer loyalty to our company and to our brands. InBev seeks to be trusted and well-respected, and recognizes that Corporate Responsibility plays a central role in obtaining these objectives. In this way, Corporate Responsibility directly influences our strategic goal of creating a Winning Brand Portfolio.



The SuperVoyager strategy is how we intend to make a difference, and brings to bear our distinctive skills in the areas of economic efficiency, sales field execution, and brand management. It is the way we will successfully integrate the strengths of the two companies into one global player; in short, how we will achieve our goal of becoming one of the best-run companies in the world. The **Economic Performance section** of this Report contains more information on our SuperVoyager strategy.

In addition, Corporate Responsibility is part of Winning at the Point of Connection. Increasingly, our customers – principally wholesalers who buy our products – and our consumers – individuals who consume our products – are bringing their values into the marketplace. Business-to-business customers are more likely today to have purchasing policies which include decision-making criteria relating to issues such as the management of quality, the environment and supply chains. Consumer trends clearly indicate that consumers trust less, care more and have far greater access to information than

ever before. For these reasons Corporate Responsibility will be an important factor in Winning at the Point of Connection, both with our customers and consumers.

Corporate Responsibility is also essential to the strategic pillar of Targeted External Growth. InBev has developed a strong policy on mergers and acquisitions to build our position in growing markets such as Germany, Russia and China. InBev recognizes that it has an opportunity as a new investor to bring many benefits to a new company and community, one of which is our commitment to Corporate Responsibility. For InBev this means sustainable jobs that ensure standards with regards to health and safety, labor relations, and environmental and supply-chain management.

The strategic pillars of our SuperVoyager strategy are underpinned by three enablers. Enablers are fundamental catalysts that aid in our achieving the SuperVoyager objectives. Our enablers are innovation, people and culture, and financial discipline. Each of these enablers is intertwined with Corporate Responsibility.

People and culture are imperative to our success. We recognize that our employees spend an enormous part of their lives at work. We want to be the kind of company worthy of this commitment. The key to this is having values that reflect the important work we do and the positive difference we seek to make in the world. In this area credibility is especially important and needs to be supported by deeds rather than words – that is the essence of a truly responsible corporate citizen. To learn more about our values, please [click here](#).

Innovation is important in all world-class companies, whether it be in the area of new technologies, processes or in how we define responsibility. Innovation for us – almost as a matter of definition – needs to be done in consideration of the communities in which we operate. This approach requires us to balance what are sometimes competing interests from more than one stakeholder. We remain committed to our efforts to refine our approach to innovation and responsibility. Through this report

and our ongoing dialogue with our stakeholders, we strive to inform you of our progress against this commitment.

Financial Discipline is not only about remaining a sustainable business, in terms of cost, but it is also about our ethics and governance. High standards in these areas are the base line for corporate responsibility. Financial discipline ensures that we stay in business and continue to contribute to the communities in which we operate.

Ensuring that Corporate Responsibility is integrated into all of our acquisitions can be challenging, given there are often several acquisitions each year. For instance, in China in 2004, we integrated 12 acquired breweries into our portfolio and an additional six joint ventures. Please refer to the [InBev Annual Report 2004 \(p. 68\)](#) for full details of recent merger and acquisition transactions. Despite the challenge, InBev is committed to installing the global policies required to drive Corporate Responsibility as quickly as possible into all elements of our business.

## Leading Responsibly

When InBev was formed on 27 August 2004, through the combination of Belgium's Interbrew and Brazil's AmBev, the world's largest brewer by volume was created. From that day on, InBev's vision has been to move from "Biggest to Best," and our mission – the fundamental reason we are in business – is to create enduring bonds with consumers.

Becoming the best is often defined as achieving the highest profitability in the industry. However, it goes beyond numbers. Being the best also includes having the best and fastest-growing brands, being the best partner to our customers, having the best and most committed people, and building a strong culture to achieve our vision.

We also recognize that we cannot be the best without adopting the highest standards of integrity and conducting our business in a responsible and transparent manner. This is why from the start we have integrated Corporate Responsibility as a key element of our business. In this

way, we can be confident that as our business develops and grows, it will do so responsibly.

Our vision and mission are closely linked to trust. Trust is earned and honesty and transparency in all we do is instrumental in developing and maintaining this trust. We know that to prosper over the long term, we need to be the kind of company that people want to do business with regularly, and trust and reputation are integral to this.

We are a new company, with a clear vision, mission and values. However, we also have a long heritage, stretching back over 600 years, of which we are very proud. Looking forward, we feel that Corporate Responsibility will be a key part of continuing our legacy into the future.

In practice, Corporate Responsibility is a journey to more effectively manage the risks we face and make our business more efficient. It can create new value for the company by strengthening our reputation and helping build new markets and loyalty to our brands. In this way, Corporate Responsibility supports our mission by helping to create the enduring bonds with consumers through trust in our company and brands.

Corporate Responsibility at InBev covers issues which are relevant to many business sectors, such as the environment, employees, labor relations, health and safety, and community support. However, the brewing industry faces some specific issues relating to its main product, beer, that have an impact on the reputation of InBev and the industry as a whole. We pay close attention to these issues, particularly to the responsible use of our products and the debate concerning the health benefits versus the health risks of alcohol consumption, as well as other consequences.

InBev's position on its products is clear: Beer as a drink of moderation is an authentic, natural product which has health benefits when it is savored, and which plays an important role in friendships, quality of life, and the fabric of modern society.

At the same time, we also acknowledge that when consumed in excess or irresponsibly, alcohol is unhealthy

and can have a negative social impact. This includes driving when drunk, underage drinking and antisocial behavior. Personal choice and behavior has a large part to play in this, presenting us with an opportunity to educate consumers with the health facts and influence consumers on how to enjoy our products in moderation, as they have in the past.

It is also a simple fact that we would rather have a wide base of loyal, moderate drinkers than a narrow base of individuals who drink in excess.

## Global Compact

One of our first Corporate Responsibility activities was to sign-up with the United Nations (U.N.) Global Compact. The Global Compact is a voluntary international initiative which brings companies together with U.N. agencies and society to support ten principles in the areas of human rights, labor, the environment, and anti-corruption. For more information on the U.N. Global Compact, please [click here](#).

We are using the Global Compact as a guide to Corporate Responsibility and have already identified several of the principles where we are currently effective. We will continue to measure ourselves against The Global Compact's principles and so be better able to prioritize our Corporate Responsibility endeavors.

## InBev Values

Our SuperVoyager strategy outlines how InBev intends to both integrate and focus our company's business objectives. But it is our people working together which will determine if we achieve our vision. Our culture is the way we do things. It guides our people's behavior and actions, and is a combination of our values, our beliefs, and our management practices and principles.

Critical to our culture are our values, known as the InBev Way. Each of our 77,000 employees is responsible for consistently working towards, and living by, our four values:

### Our consumers come first

That our consumers come first continues to be the focal point of our values.

Consumers remain at the heart of everything we do, and we will partner with our customers to ensure that we meet this primary commitment. We continue to look for innovative opportunities and will act on them decisively. We also remain committed to establishing and delivering superior quality.



The initial task is to determine which Corporate Responsibility activities are taking place across InBev. As this inventory of activities is completed, we can assess our actions to best determine what is aligned with our internal values and our SuperVoyager strategy.

At the same time, we are assessing InBev's key issues through dialogue with our internal and external stakeholders. Our initial activities in this area are discussed in the [Stakeholder Relations](#) section of this Report.

### Our people make the difference

We attract the very best people, and we hold on to them. We continue to invest in their development, in order to support continuous learning, and to reward success.



We are aware that although there are many important issues for us to consider, two issues are especially pressing, given our business context – the relationship between alcohol and health, and between alcohol and responsible consumption of our products. Based on these initial findings, one of our main priorities is to establish a global program which promotes beer as a drink of moderation. This will be an integrated program covering the healthy use of our products. In line with our basic business strategy, InBev's global program will be relevant locally, and it will draw from the best practices in various national programs in which we are already involved. The program has been developed in 2005 and will be rolled-out in 2006.

### We make things happen

Our success will come from a single minded focus on achieving our targets. As demonstrated in the past, we have shown great enthusiasm for the work we do.



### We lead the way

We do this by personal example, and by being where things happen. The key strategic pillars we defined last year remain the drivers for reaching our vision. By promoting integrity and responsibility in all that we do, and through transparent reporting on our actions and performance, Corporate Responsibility demonstrates, both internally and externally, that we are living our values.



Since August 2004, we have completed several Corporate Responsibility-related activities. We have developed and launched our Corporate Governance statement, Code of Business Conduct, and Code of Dealing, all of which are discussed further in the [Economic](#) section of this Report.

We are also in the process of reviewing and reinforcing the InBev Code of Marketing Conduct which applies to all our brand-related and commercial communications to ensure that we are not marketing our products in an inappropriate way, or promoting irresponsible behavior or use of our products. For more information on our Code of Marketing Conduct, please refer to the [Product](#) section of this Report.

## Corporate Responsibility Strategy

Our Corporate Responsibility strategy is simple at one level. That is, we will integrate Corporate Responsibility into our business. The execution of this strategy however, becomes more complex and difficult over time. In line with all appropriate parts of InBev, our initial task is to develop a global coordinated approach for the whole of InBev, and our early actions have focused on this. But we realize that longer term we need to continue to explore opportunities to improve our Corporate Responsibility activities.

In terms of the environment, our policy is to install InBev's environmental management approach within two years of the acquisition of a new brewery or other facility. Please refer to the [Environment, Health and Safety Policy and Management section](#) for more information.

### Transparency from the Start

One of our key Corporate Responsibility aims is to be transparent in all we do. In line with this commitment, we have produced our first Global Citizenship Report within the first year of InBev's creation. Given that this is our first effort, we recognize that we have much to learn, and look forward to continually refining our reporting efforts as we move forward. We are also committed to further annual reporting of our Corporate Responsibility performance in line with the Global Reporting Initiative guidelines for sustainability reporting.

As the first Report for our company, the process of gathering information and data has provided us with many learning experiences on the Corporate Responsibility activities taking place across InBev. It has highlighted for us the location of knowledge gaps, and where action needs to be taken in certain areas. This has helped us to prioritize our actions in filling these gaps, addressing all of our key issues and any potential impact they might have.

The Report has also highlighted those areas where we have been able to easily access information and data, and those where we have not. In many cases, the development of this Report has been swifter than the development of globally aligned InBev systems, which has resulted in some information not being available. This is particularly relevant for information about our people systems and performance, where, due to the combination of two very different systems, in-depth data and information is not yet integrated. We expect have overcome this challenge in future updates to this Report.

We have decided to release the Report without details in some areas, as this reflects our position in relation to transparency. It also reflects our general approach across InBev, which is to tell you what we are going to do, and then to go out and do it.

Some of the key gaps which have been identified by this Report are the following:

- Some information on emerging markets
- Global details on all our people policies and the profile of our workforce, including diversity and equal opportunity
- Global labor practices
- Global transport impacts

In the coming year we will prioritize these areas, and will report back next year on our progress.

A further aim in the area of transparency is to offer greater insight on our corporate responsibility activities at the level of our Zones. Work has already started in this area, and we will continue to populate the Zone Reporting area of our website as information becomes available. Please [click here](#) to view our Zone Reporting pages.

### Key Issues and Targets

In the coming year, we will determine through internal and external stakeholder dialogue what our key Corporate Responsibility issues are. We will then develop clear and transparent targets for improving performance on our key issues and will report a new set of targets in next year's Report.

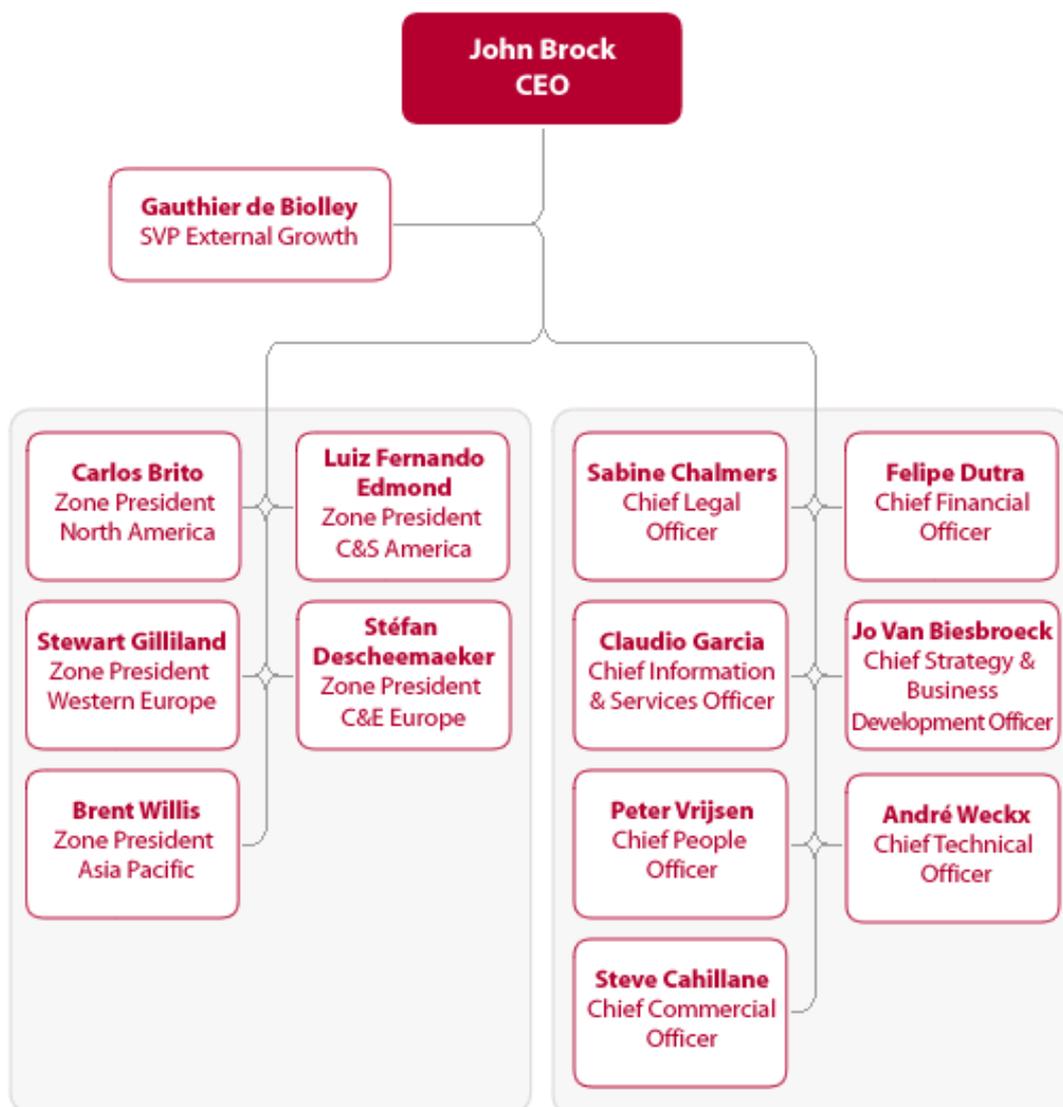
Please refer to the Stakeholder Relations section for more information on how we are engaging our stakeholders to help us determine what our key Corporate Responsibility issues are.

## Corporate Responsibility Management

When InBev was created in August 2004, a Corporate Responsibility Department was created. It is managed by the Head of Corporate Responsibility who is responsible for developing the Corporate Responsibility strategy. The Head of Corporate Responsibility is also responsible for delivering the strategy by developing initiatives and programs which address InBev’s Corporate Responsibility issues, while supporting InBev’s strategy and vision. Crisis Management also reports into Corporate Responsibility.

the responsibility of multiple staff. This is why, in part, the Corporate Responsibility Department reports to the Chief Strategy and Business Development Officer. Corporate Responsibility also can draw on the support of the Executive Board of Management (EBM), the SuperVoyager team, as well as the EBM Subgroup for Corporate Affairs

Because Corporate Responsibility touches on so many parts of the business, the execution of any strategy is



## Stakeholder Relations

InBev has many stakeholders from different parts of the world. As a result, we need to undertake considerable work to create InBev's new stakeholder map and determine the key issues that are of concern to our stakeholders. Our initiatives in this area include:

- Stakeholder mapping
- Consumer research and analysis
- Engaging with internal stakeholders
- Being part of wider stakeholder organizations

### Stakeholder Mapping

In addition to considering our stakeholders within standard stakeholder groups (employees, consumers, customers, suppliers, government, media, etc.), we have started a more in-depth stakeholder-mapping exercise. The exercise will examine the influence of various stakeholders and their opinions of InBev, be they positive or negative.

The exercise will generate a list of the top 150 stakeholders who influence InBev and our reputation, and we will continue to monitor them. These stakeholders' key messages and main concerns will be recorded and fed into our Corporate Responsibility strategy.

In addition to mapping the most influential stakeholders, whether individuals or organizations, we also plan to create a stakeholder matrix that details the key issues of concern for our main stakeholder groups and how InBev is responding to these concerns. The matrix will also outline how we aim to influence and communicate with the stakeholder groups to show how we are dealing with their concerns.

Both of these projects will continue through 2005.

### Consumers

We have a continuing program of consumer-insight research which helps determine what our consumers think of the brewing industry, InBev, our brands, and beer in general. This allows us to understand, in depth, consumer

concerns about our products and our reputation, and focus on activities which offer business as well as societal benefits.

### Internal Stakeholders

In any business, the people working inside a company have a good sense of what the main issues are within their industry at a particular point in time. For this reason, in early 2005, we convened a cross-functional group of senior executives and managers to undertake a risk-analysis exercise to determine the issues that are considered key risks. Although the specifics of the analysis are proprietary because of their potential competitive impact, the exercise serves to reinforce the information gained through our external stakeholder engagement and will be captured in this and future Reports.

### Stakeholder Organizations

At InBev we believe that there is benefit and insight to be gained from associations with external organizations and groups who specialize in Corporate Responsibility. As a result, since the creation of InBev, we have joined five stakeholder organizations which can be considered to provide insight into current Corporate Responsibility topics. These are:

#### U.N. Global Compact

Our aim is to use the principles of the U.N. Global Compact to guide our approach to Corporate Responsibility. For more information please refer to [the Vision & Strategy section](#).



#### Global Reporting Initiative

InBev became the 200<sup>th</sup> Organizational Stakeholder of the Global Reporting Initiative (GRI) in late 2004. Being a registered Organizational stakeholder shows that InBev fully supports the mission of the GRI to develop globally accepted sustainability reporting guidelines through a global, multi-stakeholder process. We see that an ongoing relationship



with the GRI is essential to being at the forefront of transparent reporting on our Corporate Citizenship performance, and we are committed to reporting in accordance with the GRI guidelines in 2006. For more information on the GRI, please [click here](#).

### Harvard University

We have joined the Corporate Social Responsibility (CSR) Initiative at the Kennedy School of Government.



This is a multi-disciplinary and multi-stakeholder program which seeks to study and enhance the public role of the private enterprise. It focuses on exploring the intersection between corporate responsibility, corporate governance and strategy, public policy, and the media. The initiative aims to bridge the gap between theory and practice, encourage innovation, build leadership skills and support constructive dialogue and collaboration between different sectors.

One early output from our involvement with this program is that the students at the Kennedy School will review this Report and provide feedback on its content, coverage of issues and ease of use. Please use [our feedback page](#) if you would also like to provide feedback.

For more information on the Harvard Corporate Social Responsibility Initiative, please [click here](#).

### International Business Leaders Forum

We have recently joined the International Business Leaders Forum (IBLF), which is a business-centered Corporate Responsibility program for discussion of key issues.



For InBev, this association is particularly relevant, due to IBLF's working group on health and food. For more information on IBLF's work in Corporate Responsibility, please [click here](#).

### The Conference Board

THE CONFERENCE BOARD



We are a member of the Conference Board, whose aim is to create and disseminate knowledge about management and the marketplace to help businesses strengthen their performance and better serve society.

Working as a global, independent membership organization in the public interest, they conduct research, convene conferences, make forecasts, assess trends, publish information and analysis, and bring executives together to learn from each other. For more information, please [click here](#).



## Economic Performance and Corporate Governance



“Our **well-defined governance structures** are key to keeping us on track in our journey from Biggest to Best. They ensure that the **trust** that we develop with our customers, investors and other stakeholders is well-placed.”

**Felipe Dutra**  
Chief Financial Officer

### Corporate Governance

Trust in corporations and in governments has been eroding over the last 20 to 30 years and recent corporate scandals have done little to ease people’s concerns. For a modern, global business such as ours, it is therefore essential that we are committed to the highest standards of corporate governance and are transparent and honest in all we do.

As a company incorporated under Belgian law and listed on the Primary Market of Euronext Brussels, InBev adheres to the principles and provisions of the Belgian Code on Corporate Governance which was published in December 2004, taking into account its specific status as a multinational group. A considerable number of the Code’s provisions are already integrated into our current corporate governance rules.

In addition, as AmBev is a separately traded company on both the São Paulo and New York stock exchanges, it has to adhere to the appropriate principles and provisions, including those originating from the U.S. capital-market legislation, and therefore, also the 2002 Sarbanes-Oxley Act.

- InBev has a well-defined governance structure centered around the Board of Directors. This structure ensures that the company is effectively run and controlled.
- Governance is supported through an executive remuneration policy, a Code of Business Conduct and proactive shareholder relations.
- A full description of InBev’s Corporate Governance can be found in the [InBev Corporate Governance Statement](#).

## Governance Structure and Management

The corporate governance rules, established by the InBev Board of Directors, ensure that the company is effectively run and properly controlled. The Company has historically opted for a 'one-tier' governance structure. As a result, the Board is the ultimate decision-making body, except for the powers reserved to the shareholders' meeting by Belgian law, or by the company bylaws.

- The Board decides and implements the company's strategy, the long-range plan, and all major investments and divestments. It is supported by three formal committees, as well as a temporary ad-hoc committee linked to the combination with AmBev.
- The Chief Executive Officer (CEO) is entrusted by the Board with InBev's day-to-day management.
- The Executive Board of Management (EBM) is the management structure which reports to the CEO and enables the CEO to perform his duties.

As provided for by the Belgian Companies Code, the Board assumes ultimate responsibility for the oversight of the company's activities. It works with the Audit Committee to do the following:

- Ensures that the management team develops appropriate, adequate and cost-effective internal controls.
- Reviews and approves quarterly financial reporting and financial statements.
- Examines the financial position of any subsidiary of the company.
- Presents to the Annual Shareholders' Meeting a clear and complete evaluation of the company's financial situation.
- Appoints the Chief Executive Officer and members of the board committees.

Taking into consideration the CEO's recommendations, the Board also decides on the following:

- The structure of the group.
- Major or long-term transactions.
- The appointment or dismissal of members of the Executive Board of Management (EBM).
- The budget and investment plans.

The Board meets regularly and as frequently as is required by the company's interests. If an urgent issue arises between meetings, it can be dealt with immediately by a conference call.

In 2004, the Board held nine ordinary and eight special meetings. These were held several times in countries where InBev has subsidiaries, to allow the directors to learn more about the local situation, issues and activities.

### Composition of the Board of Directors

InBev's Board was expanded to 14 directors in 2004. Of the 14 directors, 6 are declared as independent. Of the remaining directors, 4 are nominated by EPS SCA, a Luxembourg company that represents Interbrew's founding families and 4 are nominated by BRC S.à.r.l., a Luxembourg company which represents the shareholders controlling AmBev at the time of the combination.

For full details of the board composition, structure and directors' independence, please refer to the [InBev Annual Report 2004 \(p. 31\)](#).

### Board Committees

The Board is assisted by several Board committees, these are:

- The Finance Committee (FC)
- The Audit Committee (AC)
- The Compensation and Nominating Committee (C&NC)
- The ad-hoc Convergence Committee (CC)

The existence of the committees does not decrease the responsibility of the Board as a whole. Board committees meet to prepare matters for consideration by the Board of Directors. By exception to this principle:

1. The C&NC may make decisions on individual compensation packages, other than with respect to the CEO and the EBM, and on the individual level of participation in the long-term incentive plan, and;
2. The FC may make decisions on matters specifically delegated to it hereunder, in each case without having to refer to an additional Board decision.

For additional information on the composition, function, powers and responsibilities of the respective committees, please refer to [the InBev Corporate Governance Statement \(pages 20-27\)](#).

Also, for information on how the board committees were realigned following the combination with AmBev, including director membership of the committees, please refer to [the InBev Annual Report 2004 \(p. 33\)](#).

### Shareholding Structure

Six organizations acting in concert hold 410.5 million shares of InBev equating to a 67.6% holding of our company. These organizations consist of holding companies which represent the Belgian families who founded Interbrew, the Brazilian founders of AmBev, and charitable trusts. The remaining 32.4% of shares are listed on the Primary Market of Euronext Brussels. Please [click here](#) for the most up-to-date details on InBev shareholding structure.

The controlling shareholder of InBev is Stichting InBev, which holds 53.0% of InBev shares. Stichting InBev represents a large part of the interests of the Belgian founding families of Interbrew and the interests of the Brazilian families who were previously shareholders of AmBev.

In connection with the combination of Interbrew and AmBev, Stichting InBev, and three organizations representing the interests of the founders of Interbrew and AmBev, entered into the “Interbrew Shareholders’ agreement.” The agreement addresses the governance and management of Stichting InBev and InBev. This includes the creation of the Stichting InBev Board of Directors that meets prior to each InBev shareholder meeting, to determine how the Stichting InBev’s shares will be voted.

For full details of the shareholders structure and arrangements please refer to the [shareholder information](#) section of our website and [the InBev Corporate Governance Statement](#).

## Executive Remuneration

Our philosophy on remuneration is to motivate our people and reward them for success. We ensure that compensation and performance-related bonuses are competitive and benchmarked against comparable companies and local markets. We see remuneration as a key element in driving the growth of our business and in InBev moving from “Biggest to Best.”

- Performance measures in 2004 were based on superior profit, continued personal growth and respect for those we serve.
- Shareholder approval was obtained for a newly-designed compensation system in 2005.
- Our compensation and reward programs are overseen by the Compensation and Nominating Committee (C&NC).

At InBev, we align our remuneration levels to the markets in which we operate:

- Total compensation (including base pay and variable pay) link performance to the current practice of comparable companies – with mid-range performance matched to mid-market rates, and superior results matched to top quartile rates.
- Benefits, including pension programs, as well as health and welfare schemes, are benchmarked against the average for local markets.

For 2005, a new compensation system has been designed and was approved by the shareholders. To help drive the desired high-performance culture, there will be greater focus on annual and long-term incentives than on salary:

- Base salaries will be aligned to mid-market levels.
- Stretched but achievable performance targets will be linked to both short and long-term incentives. There will also be exceptional levels of reward for achieving “Biggest to Best” targets.

A further aim of our new compensation system is to develop an ownership culture within InBev. By paying part of our employee bonuses in shares, more employees can share the success of InBev through their shareholding in the company. Currently, for the top 250 employees in the company, 50% of their bonus is paid in shares, with the option to invest the remaining bonus in shares as well. This bonus system will be increased to the top 500 employees in the coming year.

For further details on Board and Executive remuneration, please refer to [the InBev Annual Report 2004 \(p. 36\)](#).

For further details on employee wages and benefits, please refer to [the People and Community section](#).

## Code of Business Conduct

As a leading global company, InBev operates in countries with a broad range of cultures and business practices. Therefore, our reputation for honesty and integrity is an invaluable asset. It is InBev's policy that our directors, officers and employees strictly comply with all applicable laws and regulations, and observe the highest standards of business ethics.

- The InBev “Code of Business Conduct” provides a clear and consistent code of business ethics, as well as guidelines for our employees around the world.
- The InBev “Code of Dealing” provides guidelines for our employees to prevent abuse, and suspicion of abuse, of sensitive information to which they are privileged.

To achieve our business objectives, we must always adhere to the highest standards of business integrity and ethics. This includes the respect and compliance with all applicable national and supra-national laws and regulations; for example, in relation to competition and antitrust laws. These are InBev's corporate values:

- Our consumers come first
- We make things happen
- Our people make the difference
- We lead the way

Together with InBev's “Code of Business Conduct”, they play an important part in building the foundation for InBev's long-term success.

The “Code of Business Conduct” provides a clear and consistent code of business ethics and guidelines for InBev employees around the world. It covers areas such as honest and ethical conduct, conflicts of interest, use of company assets, and gifts and favors. Its principles are designed to be clear and must be the context in which all company business decisions are made.

The “Code of Business Conduct” is also supplemented by the InBev “Code of Dealing.” The purpose of the “Code of Dealing” is to ensure that employees and executives of InBev maintain the confidentiality of price-sensitive information, especially in periods leading up to an announcement of financial results, or of price-sensitive events or decisions.

It also ensures that no employee or executive of InBev abuses – or places himself or herself under suspicion of abusing-price-sensitive events or decisions.

## Shareholder Relations

Communicating with our shareholders, in particular the financial community, is very important to InBev. Shareholders are integral to our business as owners and providers of capital.

- One of our most important shareholder events is our Annual General Meeting (AGM), which all shareholders are welcome to attend.
- We have numerous other ways we communicate with shareholders, including specific events for the financial community.

We hold an Annual General Meeting (AGM) where any shareholder can raise questions. Under Belgian law, shareholders who represent at least 20% of the total share capital can place items on the agenda. For details of the process and voting rights of the shareholders' meetings, please refer to [the InBev Corporate Governance Statement](#).

In addition to the AGM, we provide our shareholders with information that is also available to the public. These communication methods include:

- Use of our company website, with an **Investors section** containing a significant amount of information on InBev.
- Road-show program in Europe and North America.
- Participation in a number of conferences, meetings and events, as part of interacting with the financial community on an ongoing basis.
- Responding to questions from the investment community.
- Extraordinary shareholders meetings, if required. For example, in 2004, an extraordinary meeting was called with regard to the combination of Interbrew and AmBev.

Feedback is pro-actively sought from the financial community. For example, after every major road show, feedback is obtained in relation to the timing, content, frequency and format of disclosure. Once a year, this information, plus opinions concerning our website, are also sought from opinion makers among sell-side analysts. All feedback obtained is carefully considered, and actions are adopted to make improvements to our systems and communication methods, if required.

## Economic Strategy & Management

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InBev's strategy and management is integral to achieving our vision of moving from "Biggest to Best." The strategy, which is called SuperVoyager, centers on the four pillars necessary to achieve our goals: deploying a Winning Brand Portfolio; Winning at the Point of Connection; achieving World-Class Efficiency; and pursuing Targeted External Growth. This four-pillar strategy is made possible by three key enablers: our culture and the people who make it happen; innovation; and financial discipline.

- Our strategy has been enhanced through combining the expertise of Interbrew and AmBev.
- InBev has gone from being a collection of independent local units, to being an integrated, focused and high-performance company.
- We target a 30% EBITDA margin by 2007.

### Strategy

With the creation of InBev this integrated strategy has been developed from the experience and expertise of both founding organizations:

- Interbrew – the world's third-largest brewer, with sales in over 140 countries had a ten-year track record of delivering one of the best compounded EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) growths in the industry.
- AmBev – the world's fifth-largest brewer and one of the most profitable, holding 68% of the Brazilian market (December 2004). This level of success requires strict financial discipline, sales and marketing expertise, and business flair which is at the heart of AmBev.

By bringing these two companies together, we have been able to swiftly implement the strategy through our productivity and commercial programs.

We have aligned to a results-oriented business culture, with more demanding performance metrics and results-driven compensation. Our strategic framework, however, remains the same.

We have a clear vision on where value is created in the industry, how to connect with consumers, and where

the business is going. Part of InBev's strategy is Winning at the Point of Connection through:

- Superior sales, merchandising and distribution capabilities.
- Developing preferred supplier partnerships with our customers.
- Focusing on consumer insights and developing sales programs around these insights.

Please visit [the InBev Annual Report 2004 \(p. 19\)](#) for more information on this pillar of our strategy.

In 2003, our organic volume growth was well ahead of the industry, and this development was continued throughout 2004. This growth is the result of our Winning Brand Portfolio, which contains strong global and domestic brands. Please [click here](#) for further information on our brand portfolio.

## Management

InBev has gone from being a collection of independent local units, to being an integrated, focused, and high-performance company. Brand and country investment allocation choices are now made at a group level, enabling optimum focus, and resource-targeting behind our top priorities and opportunities. Economic management is the responsibility of Corporate Finance whose ongoing objective is to contribute to the best combination of growth, profitability, risk management, and cash generation.

Corporate Finance:

- Provides fast and reliable insights and analysis to support business decisions and resource allocation.
- Maximizes shareholder value by putting the right capital structure in place, managing costs and risks, and having optimal processes.
- Monitors and steers our business performance.

In addition to our focus on organic growth drivers and cost drivers, we developed our approach of profitability based on Return on Invested Capital (ROIC) for existing

assets, as well as for our Targeted External Growth activities. Please [click here](#) for further details relating to our external growth strategy.

## External Growth

Overall, 2004 was a milestone year for InBev in terms of our Targeted External Growth strategy. The AmBev combination was the major area of focus during the first eight months of 2004, and the transaction which led to the creation of InBev reached its successful completion on August 27<sup>th</sup> 2004. However, this was not the only significant aspect of our external growth.

During the year:

- We secured control over our business development in the U.S., Russia and Ukraine.
- We added further strength to our German operations.
- China remained a key example of our strategy for external growth.

During 2004, external growth was not limited to the combination of Interbrew and AmBev, which reached its successful completion with the creation of InBev on August 27<sup>th</sup> 2004. Other significant changes occurred to secure our control over the development of our business in strategically important markets: the U.S., Russia and Ukraine. Please refer to the InBev [Annual Report 2004 \(p. 21\)](#) for full details.

Key targets for significant growth in the year were Germany and China. In China, we have positioned ourselves for even better organic growth through increasing our market-share in the critically important province of Zhejiang to 50%, by acquiring 70% of the Shiliang brewery and the remaining 50% of the Lion Group.

This has allowed InBev to become the third-largest brewing group in China, with leading positions concentrated in Zhejiang, Guangdong (through our 24%-stake partnership with Zhujiang Brewery Group), Hubei, Hunan and Jiangsu. These provinces offer some of the best prospects for profitable organic growth, consistent with the strategy pursued in China since 2000.

External growth is not an end in itself. Rather, we consider external growth as one among several means to realize our ambitions, and as a way to accelerate organic growth.

Our acquisition methodology has been refined as follows: EBITDA multiples and price per hectoliter capacity are benchmarking criteria, while value creation (ROIC and Net Present Value) and cash accretion (cash earnings per share) are decision criteria.

We are convinced that the success of future transactions will be measured by their contribution to our overriding ambition: to outpace our industry's growth and profitability. We are committed to making sure that we deliver on this.

For full details of the calendar of transactions during the year, please refer to the [InBev Annual Report 2004 \(p. 68\)](#).

## World-Class Efficiency

World-Class Efficiency entails, among other things, optimizing our network of breweries. This process of streamlining our industrial and logistics operations is ongoing, and as trade barriers are reduced around the world we are taking the opportunity to revisit our supply-chain strategy and our procurement practices. We are taking advantage of potential production and distribution efficiencies, leading to a more integrated business.

- A plant-optimization program has been initiated and successful pilots have demonstrated the improvements that can be obtained.
- The experience and success of AmBev has assisted the plant-optimization program's development.
- We have announced the closure of a number of breweries as a result of the optimization of our network.

To achieve World-Class Efficiency, actions have been and are continuing to be taken, to optimize our installed capacity and capital expenditure. We have developed a

worldwide plant-optimization program which will bring about a step-change in plant performance. AmBev's experience with similar optimization programs has helped shape this project. The aim of the program is to create top-performing breweries which focus on efficient execution, and which will be supported by more centralized service organizations, delivering technological, engineering, compliance and logistics support.

Significant progress was made in our first three pilots, Montreal, Leuven and the Klin Brewery in Russia, which demonstrated just how effective the program is, and a global rollout is foreseen for all other plants in the coming two years.

As a result of the optimization program we have announced the closure of a number of breweries. In 2003, we announced the closure of the Breda brewery in The Netherlands, and in 2004, we announced the closure of a further three breweries: one in Belfast, Northern Ireland; one in Manchester, England; and one in New Westminster, Canada. More information on closures is contained within the [People and Community section](#) of this report.

For full details of the strategic review of our industrial footprint and subsequent plant closures, please refer to the [InBev Annual Report 2004 – Financial Report \(p. 48\)](#).

## Economic Performance

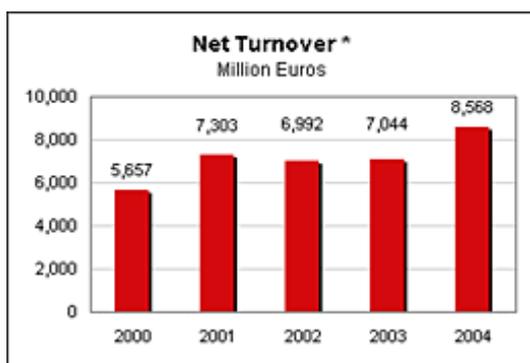
Following the landmark formation of InBev, our 2004 results reflect our commitment to our vision: to move from “Biggest to Best.” Beverage volume grew to 233.5 million hectoliters and our turnover increased to 8,568 million euro, producing an EBITDA (profit from operations plus depreciation and amortization) of 2,112 million euro in 2004, an increase of 8.9% in organic terms.

- For full details of our financial performance please refer to **the Financial Report in the InBev Annual Report 2004 (p. 42)**.
- Please note: InBev’s 2004 consolidated financial results include 4 months (September to December) of AmBev’s results.

### Financial Performance Highlights

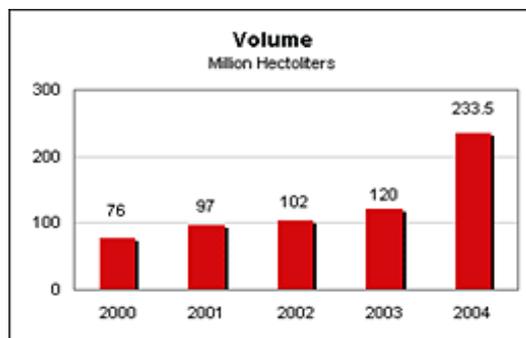
For a glossary of financial terms, [please click here](#) (InBev Annual Report 2004 p. 104)

- Our net turnover (turnover after excise taxes and discounts) increased by 1,524 million euro, from 7,044 million euro in 2003 to 8,568 million euro in 2004, an increase of 21.6%.

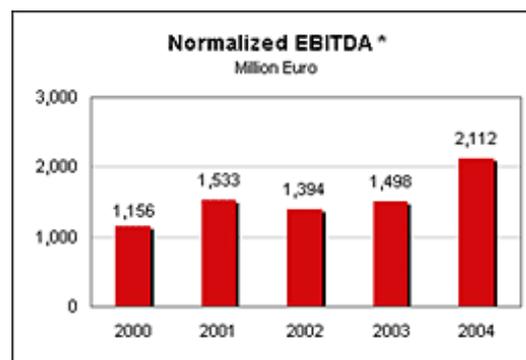


\* turnover after excise taxes and discounts

- Volume increased 94.6% to 233.5 million hectoliters in 2004 from 120 million hectoliters in 2003. This figure is a pro forma full 12-month volume figure for InBev and AmBev.



- Normalized EBITDA (Earnings Before Interest Taxes Depreciation and Amortization adjusted for non-recurring items) increased from 1,498 million euro in 2003 to 2,112 million euro in 2004.



\* Earnings Before Interest Tax Depreciation and Amortisation adjusted for non-recurring items

- Operating expenses increased to 7,317 million euro.
- Retained earnings increased from 1,404 million euro to 1,968 million euro.

For full details of our financial performance, please refer to the **Financial Report, part of the InBev Annual Report 2004 (p. 42)**.

### Performance Overview

Our global brand portfolio is one of the fastest growing in the world and in 2004 we grew or maintained market share in the majority of our markets. We made significant progress in determining the winning combinations of brands in the countries where we operate, and in reallocating resources to support them.

During 2004, organic volumes grew 3.3%, revenues grew 4.3%, organic EBITDA grew 8.9%, and organic EBIT grew 11.5%, surpassing the overall performance of nearly every competitor in the industry. When we include results from the four months we owned AmBev, our organic volume growth was 6.4%.

To achieve our vision of moving from “Biggest to the Best,” we intend to achieve the highest EBITDA percentage of sales of any brewer. As a result of the synergies and best-practice transfers that are possible with the combination of Interbrew and AmBev, we are aiming for our EBITDA to exceed 30% of sales by the end of 2007.

We have continued to drive superior growth of all our global brands this year, employing a clear strategic framework to increase the number of countries where two of our global flagship brands, Stella Artois and Beck’s, are sold. In an industry which grew less than 2%, their combined performance in 2004 was excellent, growing collectively by almost 5%.

For example, Beck’s grew more than 10% in virtually all markets where we manage it, doing particularly well in Germany, where the brand grew 11.2% in a market which declined by 1.8%. Total Beck’s volumes in Europe were up 13.2% as a whole.

For further information regarding the performance of our other brands, please refer to [the InBev Annual Report 2004 \(p. 14\)](#).

### Summary of Key Financial Indicators

[Click here](#) to download the summary of Key Financial Indicators Chart.

For the consolidated financial statements (income statement, balance sheet and cash flow) please refer to [the InBev Financial Report 2004 \(p. 54\)](#)

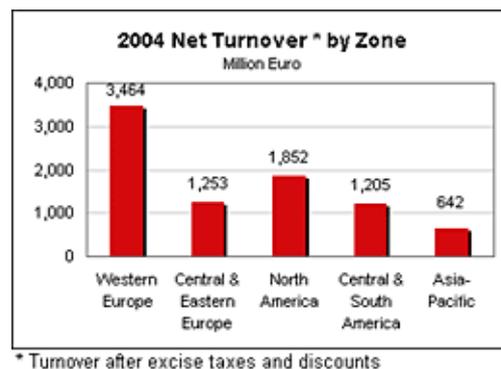
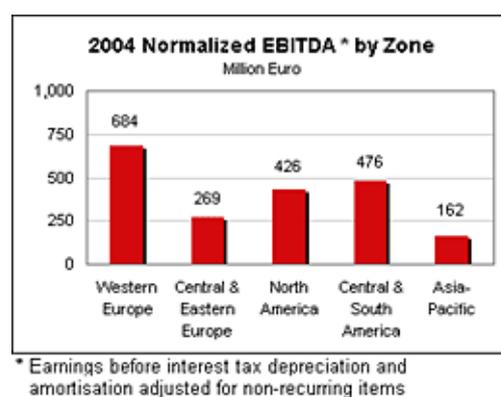
### Regional Performance

The following charts summarize the economic performance of our five geographical Zones.

In addition to the five Zones, we derived further sales revenue from holding companies and global export business. These businesses had a net turnover of 152 million euro and EBITDA of 95 million euro in 2004.

Please note: The following illustrates InBev’s 2004 consolidated financial results broken into Zones that include 4 months (September to December) of AmBev’s results.

For full details of each Zone’s performance, please refer to [the InBev Financial Report 2004 \(p. 49\)](#)



## Wider Economic Impacts

As the largest brewer in the world, with operations in over 30 countries, InBev has a significant economic impact in a range of areas. Aside from providing returns for global shareholders, we are in a position to create wealth for a broader group of stakeholders and help to improve standards of living where we operate. Success in business is one way that living standards are improved. Because our operations rely on the trust of the community, it is our responsibility to take seriously the improvement of living standards. Whether through a merger, acquisition, or foreign direct investment, we aspire to create new wealth, more sustainable jobs, and broader opportunities in the communities in which we operate.

This wider economic impact comes mainly through the employment opportunities we create and the associated wages and benefits we pay. We also pay taxes, including excise taxes, and offer commercial opportunities to suppliers and retailers, which supports jobs which are separate from InBev's direct employment. Other economic benefits include donations to communities and dividends paid to institutional shareholders, such as pension funds.

InBev's current economic impact and value added are derived from our financial statements and include taxes paid, and wages and benefits. However, as a large and global company, our aim is to improve the understanding of our wider economic impacts, including our value added, support for economies where we operate, and indirect job creation, and to report on them in future Reports.

### Taxes

InBev's total income tax expense was 263 million euro. In addition to this, our excise taxes for 2004 totaled 2,754 million euro.

### Wages and benefits

In 2004, we employed some 77,000 people, and our employees' wages and benefits totaled 1.5 billion euro. At companies with similar scope of operations, there is

an economic impact multiplier of ten to one. This is known as the economic multiplier effect. This means approximately 770,000 jobs are supported by InBev's economic activity, both up and down the value chain.

### Community Donations

At present, the majority of community donations are managed by our breweries at a local level; financial and in-kind donations are not collated at the group level. We will assess systems for collating local community donations so that InBev figures can be reported in the future.

Reacting to the tsunami of December 26, 2004, the local and global offices of InBev donated some 500,000 euro to this natural disaster.

For more on our community relations, please refer to [the People and Community section](#) of this report.

### InBev's Value Added

It has become increasingly important for companies to calculate the value they add to all of their stakeholders. Companies use different methods for computing their Economic Value Added (EVA), such as sales or employment figures.

The U.K. Government has recently identified EVA as a key indicator in measuring and driving the competitiveness of industry, and as a result is investing heavily in promoting this approach. Like many companies, InBev has identified the new initiative as being a valuable and independent 3<sup>rd</sup>-party assessment of EVA. According to this approach, "Value Added" is defined as operating profit plus employee costs, depreciation and amortization. The following table defines in more detail the process used to calculate EVA.

**Figure 1: How to calculate the Value Added for a company**

Value Added is calculated from a company's accounts:

<b>VALUE ADDED =</b>	<b>OPERATING PROFIT + EMPLOYEE COSTS + DEPRECIATION + AMORTISATION</b>
Where the quantities on the right hand side are calculated as follows:	
<b>Operating Profit =</b>	Profit (or loss) before tax plus net interest paid (or minus net interest received) less gains (or plus losses) arising from sale/disposal of businesses or assets.
<b>Employee Costs =</b>	Total employment costs (wages & salaries, social security and pension costs). (usually given in a note on employee emoluments and numbers in the accounts).
<b>Depreciation =</b>	Depreciation and impairment charges on owned assets and assets held under finance leases. (usually disclosed in a note to the accounts on profit or fixed assets).
<b>Amortisation =</b>	Depreciation and impairment charges on acquisition goodwill and other intangible assets. (usually found in a note to the accounts on profit or intangible assets).

Source: UK Government Department of Trade and Industry

For more information on the approach taken by the U.K. Government, please [click here](#).

According to the U.K. Government database, InBev is ranked third within the European beverage industry.

## Value Added Performance for 2004 (Major European Alcoholic Beverage Companies)

Rank	Company Name	Value Added (£M)	Change (%)
1	Diageo, UK	3383	-7
2	Heineken, The Netherlands	2652.7	9
3	Interbrew (now InBev), Belgium	1968.1	2
4	SABMiller, UK	1701.7	25
5	Scottish & Newcastle, UK	1614	9
6	Carlsberg, Denmark	1230.3	-3
7	Allied Domecq, UK	1128	-5
8	Coca-Cola HBC, Greece	961.6	12

Source: UK Government Department of Trade and Industry

For the U.K. Government's full Value Added scorecard for the European beverage industry and Europe's top 600 companies in 2005, [click here](#).



## Environment



“I am proud of the **positive impact** InBev’s Environment and Safety Department is making on InBev’s **Corporate Responsibility performance.**

Not only have our steady improvements benefited our surroundings and how we work, they have also brought **financial advantages** as well; for example, by reducing energy costs and days lost from absences.”

André Weckx  
Chief Technical Officer

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## Environment, Health Safety Policy and Management

### InBev Policy and Management

At InBev we are committed to building on the excellent track record of environmental, health and safety (EHS) management which was already in place at Interbrew and AmBev. We are keen to ensure that the best from both systems forms the basis of our approach to the management of these issues within our production-management system.

At InBev we are committed to conducting all of our activities in a responsible manner, ensuring the protection of our employees, stakeholders, customers and the environment.

Environmental and occupational health and safety considerations are among the highest priorities for InBev,

and are integrated into all workplace activities and business decisions. To put this policy into practice, the organization establishes objectives and targets based on experience, and takes reasonable measures to continually improve our safety and environmental performance.

We communicate our progress and work jointly with governments and the communities in which we operate to establish and maintain effective environmental and safety standards and procedures.

Management, both global and local, is accountable for compliance with all applicable legal and corporate requirements, and provides the leadership, resources and training to implement this policy. All employees are

accountable for performing their jobs in accordance with established procedures, operating philosophy and regulatory requirements.

All InBev employees share the responsibility to protect the environment and maintain safe working conditions. Innovative and sound environmental and safety considerations are incorporated into our processes, practices and equipment. The cooperation and involvement of all workers and managers are essential for the ongoing implementation of this policy.

### Environment, Health and Safety Organization

The Chief Technical Officer (CTO) and the Chief People Officer (CPO) are responsible at the Executive Board of Management (EBM) level for environmental, health and safety matters. The CTO is responsible for environmental issues across the whole of InBev, and for safety in the production and main distribution operations. The CPO is responsible for health issues across the whole of InBev and for safety in secondary distribution operations, office and administration functions.

Supporting the CTO on environmental and safety issues are the Vice-President Brewery Support, the Director of Global Environment and Safety and the Global Environment and Safety (ES) Department. The Global ES Department at InBev consists of two experts located at the Group Headquarters who work with the Zone- and plant-based ES officers. The Global ES departments' responsibilities are the following:

- Draw up proposals for ES policy
- Co-ordinate the activities of the ES officers
- Roll out best practices
- Help with the creation of local ES management systems
- Advise where necessary
- Perform internal environmental and safety audits
- Undertake benchmarking and reporting at group level
- Participate in process and product-development activities
- Participate in due diligence activities

To ensure easy and effective ES management, the Global ES Department works in close collaboration with other elements of Brewery Support, InBev's

Corporate Responsibility Team and other functions such as the People Department.

As employee health and safety is so closely aligned with employee issues, we have decided to report our performance in this area in our [People and Community section](#).

### Environmental Health and Safety Management prior to the Interbrew and AmBev Combination

Environmental management standards were first introduced in Interbrew in 1998 when the Hoegaarden brewery in Belgium achieved the ISO 14001 international environmental management status. Our brewery in Dommelen, Netherlands followed in May 1999, and was the first Interbrew brewery to have a fully integrated QEHS (Quality, Environment and Health & Safety) management system. The roll out of ISO 14001 has continued on a plant-by-plant basis, with 14 breweries in Europe and Asia having implemented the standard by the end of 2004.

Ten breweries have also implemented externally verified health and safety management systems such as those by the International Safety Rating System (ISRS) and Occupational Health and Safety Assessment Series (OHSAS 18001).

Between 2001 and 2004, in parallel with brewery-based environmental health and safety (EHS) management standards certification, Interbrew implemented a comprehensive program to create minimum plant EHS requirements, including operational standards and a management system based on ISO 14001 and OHSAS 18001.

To facilitate uptake in our plant network, the management-system model and the operational standards were translated and rolled out in several languages. To help ensure that the management system and operational standards were correctly implemented, an external audit process was applied. Forty-five of forty-eight InBev breweries have been audited and thirty-five have been awarded InBev's EH&S certificate. The remaining breweries were provided with action plans to tackle areas of weakness.

AmBev first established its corporate environmental policy in 1997, swiftly followed by the rollout of an internal environmental management system based on ISO14001. The first site to achieve ISO14001 certification was the Juatuba brewery in Minas Gerais state, Brazil, in January 1998. By 2001, nine breweries had taken the further step of applying for ISO14001 certification. At this point, AmBev decided that further external certification brought no additional value over AmBev's own EMS, which already saw all breweries audited annually in a peer-review process by environmental staff from other breweries.

### Environment, Health and Safety Management after the creation of InBev

InBev's strategy of moving from "Biggest to Best" is implemented at our breweries by our Voyager Plant Optimization (VPO) project. VPO is a sub-project within the World-Class Efficiency pillar of our Voyager program for plant optimization, and is being implemented in all InBev breweries. Please see our [Vision and Strategy section](#) for more information on our corporate strategy.

This integrated approach to managing production brings together operational, financial, quality, environmental, and health and safety issues to ensure that we operate and manage all our breweries consistently, using best-practice tools and methodologies. With VPO only commencing in the latter part of 2004, and being rolled out during 2005 and beyond, we expect to be able to report more fully on the system in future Reports. However, the key principles of VPO are the following:

- Focus on consistent execution
- Standardize best practices
- Drive continuous improvement in all activities
- Measure the right things
- Cascade targets and goals
- Clearly define accountabilities at all levels
- Close the loop on performance

### Objectives and Target Setting

As part of the VPO process, InBev has taken the opportunity to define a set of Group-wide directional

environmental, health and safety (EHS) objectives and primary Key Performance Indicators (KPIs), in conjunction with the five InBev Zones and site-based EHS staff.

To establish a local chain of responsibility at production breweries, Zone-based ES managers will take these primary objectives and KPIs and develop plant-based EHS targets. These targets and KPIs form the basis of an annual plant self-assessment of their performance and adherence to the VPO system.

As VPO is a broad-based management process, financial elements of production are frequently used to set targets for EHS issues, such as the cost of water and energy supplies. Other EHS issues with primary KPIs include accidents, materials use, waste, and wastewater.

Plant self-assessments are scrutinized by Zone-based EHS staff, who also undertake an internal EHS audit of all breweries at least once every three years. Zones will, in turn, be audited by the InBev Group ES function, which will also periodically participate in plant audits to ensure that consistency and high standards are maintained.

While VPO is a global management process, those breweries which had previously adopted external certification, such as ISO14001 and OHSAS18001, must operate VPO in parallel. External certification is still an option for all breweries, in addition to VPO, although such decisions are taken at a Zone- or plant-level.

### Internal Environment, Health and Safety Communication

Information on environment, health and safety management is disseminated widely throughout InBev. However, to bring consistency in approach and improved performance within the VPO system, best practice and technical advice needs to be easily accessible to all EHS managers, regardless of location. A central platform to achieve this is InBev's 'OnTop' EHS intranet site which acts as an information exchange and library of best practices, as well as a means of feeding down Group EHS information.



Environment, Health and Safety Managers from the Western European Zone meeting at their CEHSM meeting in Bremen, Germany in 2004

Central Environment Health and Safety Meetings (CEHSM) play an important part in keeping managers at the plant level up to speed with existing and emerging EHS best practices.

During 2004, CEHSM were held in Bremen for the Western European Zone, Prague for the Central European Zone, Toronto for the North American Zone and São Paulo for the Central and Latin America Zone. The events included presentations by central and plant EHS management, external experts and consultants.

A highlight for many at the meetings are the sessions where individual EHS managers present their own experiences and research, and facilitate discussions in a more casual setting. Some of the topics covered at the Bremen fair included: data management, prevention of soil pollution, audit, incident analysis and chemical safety procedures.

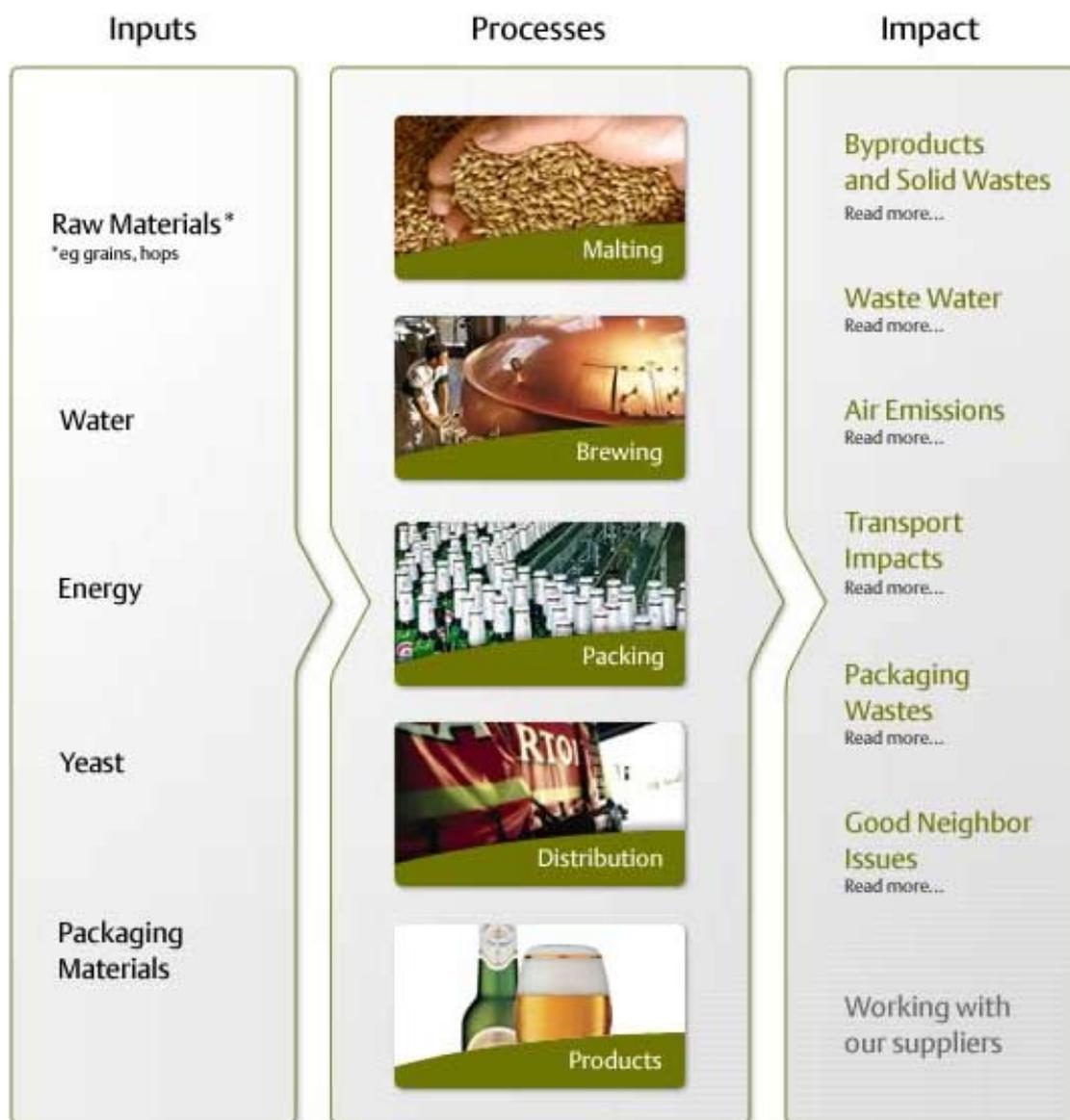
An important role for plant EHS managers is the dissemination of best practices and news about EHS management to colleagues. EHS managers use posters and notice boards to ensure that environmental information is available around the clock. They also use formal committees, informal briefing sessions and cooperation with communications functions.

## Awards

Site (state/country)	Description of Award
<b>2002</b>	
João Pessoa (Paraíba, Brazil)	Prize Lauro Pires Xavier. Granted by the State of Paraíba to the companies or organization that stands out in the area of environmental responsibility. AmBev was the only company to receive the prize in 2002.
Cebrasa (Goiás, Brazil)	State prize of environmental excellence.
Lages (Santa Catarina, Brazil)	Given by the State of Santa Catarina, the Fritz Muller Prize is awarded by FATMA (Fundação do Meio Ambiente) to companies that stand out in the area of environmental preservation. AmBev-Santa Catarina was one of only nine companies to win the Prize in 2002.  The award is based on the following criteria <ul style="list-style-type: none"> <li>• Compliance with environmental legislation</li> <li>• Use of the best available technology</li> <li>• Eco-efficiency in production processes</li> <li>• The integration of environmental protection, community and health and safety with production</li> </ul>
São Luiz (Maranhão, Brazil)	Prize of Recognition of the Municipal Forum – Calendar 21 of Environmental Preservation. Only three companies in the state received the prize.
<b>2003</b>	
Ambev	Brazilian Environmental Benchmarking, August 2003: AmBev – 6 <sup>th</sup> place.
Jaguariúna (São Paulo, Brazil)	In November 2003, the AmBev-Jaguariúna plant was awarded the Action for Water Award promoted by the Piracicaba, Capivari and Jundiá Rivers Water Basin Intermunicipal Consortium in the Initiative for the Responsible Management of Water Resources category. For more information <a href="#">click here</a> .
Ambev	Federation of Industries in Sao Paulo State (FIESP). Prize for conservation and energy-efficiency.
<b>2004</b>	
AmBev	In August 2004, at the second Brazilian Environmental Benchmarking, AmBev took 1 <sup>st</sup> place. On this occasion our Programa Reciclagem Solidária – Cooperativas (Co-operative Solidarity Recycling Programme) was singled out for praised by the judges. For more information <a href="#">click here</a> .
Salmesbury, England	Our Salmesbury Brewery near Preston, England was commended in the European Good Practice Awards 2004 for Safety. More information on the award can be found in our <a href="#">People and Community section</a> .

## Environmental Performance

As we integrate AmBev and Interbrew systems we are concentrating our environment, health and safety management efforts where our impacts are greatest – at our breweries. The following diagram shows how our inputs, processes and products are related to our impact.



### A Note on InBev Environmental Health and Safety Performance

At InBev we are committed to managing our environmental impacts at source by implementing appropriate management techniques to control our largest impacts in the most efficient manner.

As we integrate AmBev and Interbrew systems, we are concentrating our environmental management efforts where the impacts are greatest – at our breweries. Despite our best intentions, we have not been able to report on the environmental performance of all breweries for all years covered by this Report.

The main reason for this is the need for a considered approach to introducing InBev environmental management systems into the breweries we have recently acquired. When we acquire a facility we feel it is important that we build on existing environmental experience and take a sensitive approach to training staff and to aligning systems with InBev’s methods and reporting needs, while maintaining legal compliance. To achieve this, we set a two-year target for full alignment with InBev’s environmental management approach.

The scope of our environmental data only includes our breweries and does not currently include administrative and distribution sites that are not attached to brewery sites. We are only able to include breweries which play an active part in our environmental data reporting system. As mentioned above, new acquisitions do not report into our data-reporting system until their systems are fully aligned with InBev’s Environment and Safety processes. In addition, breweries that have been closed or sold are part of the environmental data scope for the years they were under InBev control, but are removed from the scope once closed or sold.

[Please click here](#) for a full list of breweries which are currently within our environmental data scope.

The number of breweries reporting full environmental data is improving. However, until we have data from all breweries, we feel it is most transparent to declare the percentage of our production output to which the data for an environmental indicator relates. As data availability varies between indicators, so this percentage varies. For instance, if all breweries are reporting data for an environmental indicator, the data reflects 100% of production. The percentage is shown in tables or charts as relevant.

In some areas, notably environmental incidents, waste and greenhouse gases, Interbrew and AmBev recording practices are not yet comparable, and we have been unable to give a combined InBev approach or provide data. We are working at bringing company-wide consistency of approach in the future through our VPO project, and will report progress in future Reports.

## Incidents and Compliance

### Environmental Non-compliance

The impact on soil and watercourses from spills of production fluids can be severe and may cause long-term damage. This may result in heavy fines or require expensive remedial action. InBev recognizes this potential hazard and has stringent technical and organizational standards for the storage of fuels, oils and cleaning chemicals.

There has been a slight increase in the number of environmental incidents and situations reported over the last three years, in part due to better reporting systems being used. However, the decreasing levels of fines suggests that non-compliance incidents and situations are becoming less severe. We will continue working with breweries to seek solutions.

### Non-compliance Situations

Number of Non-compliance Situations: Interbrew		
2002	2003	2004
96	73	75

Number of Non-compliance Situations: AmBev		
2002	2003	2004
16	14	19

Environmental incidents and compliance recording and reporting practices at InBev and AmBev are not comparable. For this reason, we have reported this information separately. We are working on InBev-wide consistency and will report consolidated InBev figures in future Reports. AmBev paid no environmental fines during 2004.

### Fines for Non-compliance

Fines for Environmental Non-compliance: Interbrew (€)		
2002	2003	2004
58,668	25,592	7,010

Fines for Environmental Non-compliance: AmBev (€)		
2002*	2003	2004
n/a	8,134	0

\* Prior to 2003 AmBev did not record fines associated with non-compliance.

Significant spills – Interbrew only	2002	2003	2004
Number of significant spills	32	20	13
Volume of significant spills (m <sup>3</sup> )	302	98	27

### Creston Spill

*At our Creston Brewery in Canada, cleaning of our lines is semi-automated. In one incident in 2004, 50 hectoliters of weak caustic soda solution, which is used to clean bottles before filling, were lost to the municipal wastewater system when an operator failed to close a manual drain valve. Unlike others, it was not linked into the computerized alarm system.*

*The loss was swiftly identified and the authorities alerted. Since then, the operator has received additional procedural training and computer-controlled alerts were added to the system to prevent a reoccurrence.*

*In a separate incident, 60 hectoliters of weak caustic soda solution were lost to the municipal waste-water system from another line during cleaning when a valve failed. Again, the authorities were swiftly notified. While the direct cause of the loss was the seal failure, pressure variations on the line were considered a contributing factor. Programming changes have been made to the cleaning computers to reduce pressure fluctuations.*

## Materials

The main ingredients in beer are natural products. The table below details the use of these materials in tons. Other materials used in smaller quantities include filter materials and caustic soda for cleaning purposes, which is the main chemical used in our production process. We also use packaging materials: mainly glass, plastics and paper.

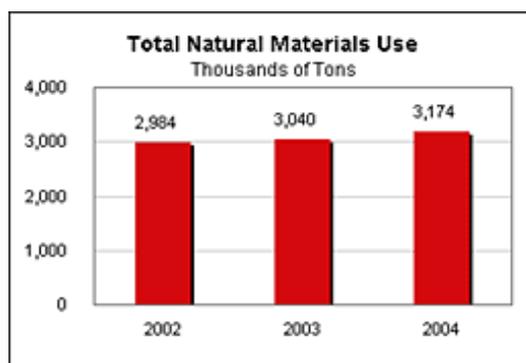
For more on packaging issues please visit the [Our Products section of this report](#).

Natural Materials Use in Tons (brackets indicate the percentage of production that the data relates to)

	2002	2003	2004
Barley	876,866 (100%)	841,190 (100%)	888,750 (100%)
Malt	1,529,927 (95.5%)	1,614,931 (98.8%)	1,671,731 (100%)
Other cereal *	572,561 (92.6%)	579,095 (96.1%)	608,590 (100%)
Hops **	4,454 (93.3%)	4,416 (96.7%)	4,659 (99.6%)

\* Includes wheat, maize, corn, rice and sugar

\*\* Hops sources include hop flowers, hop pellets and hop extracts



## Byproducts and Waste Management

Waste management is an important issue for InBev. The cost of responsible disposal of wastes is increasing in many parts of the world. We tackle this problem by optimizing our production processes so that we use less

material in the first place, while increasing the amount of byproducts and other materials with residual value. In this way, the amount of unusable waste is minimized and waste-management costs are contained. Historically, AmBev and InBev have shared the same waste-management objectives. However, waste-reporting practices have been considerably different, so that we are unable to produce amalgamated waste data at this time. We are working on the alignment of our processes and plan to report amalgamated InBev figures in our next Report.

InBev has an excellent record in byproduct use, principally in the agricultural sector. Spent grain and yeast from the brewing process is mainly used in cattle feed, and we take great care to ensure that the integrity and quality of this important raw material in the food chain is maintained.

In order to reduce costs and improve the revenue gained from brewing byproducts, we are looking to improve the efficiency of our processes, specifically by improving at-source sorting and quality control. In these ways, we ensure that our byproducts comply with increasingly stringent regulations for animal feeds.

Bottle labels, paper waste, glass and metal waste, and wastewater sludge (used for soil improvement) are also exploited for their residual value.

Byproducts /waste	Destination
Malt husks and spent grain	Animal feed component
Wet and dry yeast	Animal feed component or food flavoring for human consumption
Labels and paper waste	Cardboard and paper manufacturing
Glass waste	Glass manufacturing
Metal waste	Metal recycling
Wastewater sludge	Soil improvement and organic fertilizer

### The Real Value of Byproducts

In AmBev, over 96 % of the byproducts are recovered and some breweries have already reached a reuse rate of

99 %. As a result of increases in reuse, the revenues from the sale of these byproducts have increased progressively.

Byproduct Revenues (Brazilian Reals million)	
2001	22.30 (approximately 7.8 million euro)
2002	26.10 (approximately 9.15 million euro)
2003	30.50 (approximately 10.7 million euro)
2004	41.00 (approximately 14.4 million euro)

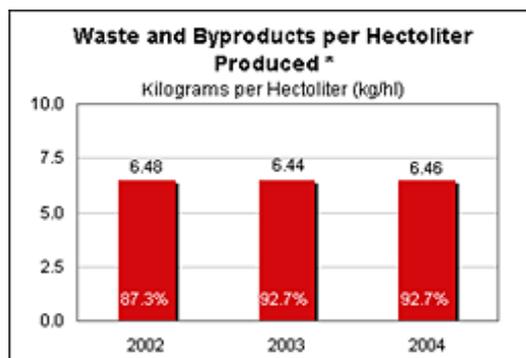


Leffe labels awaiting recycling as raw material for paper manufacturing

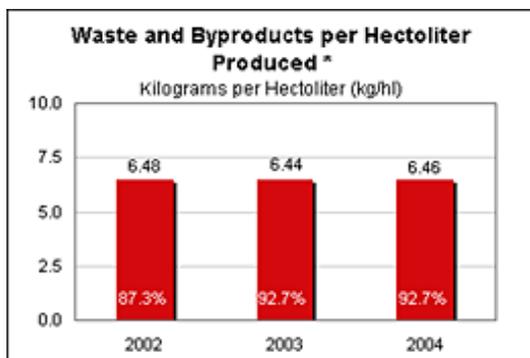


Spent grain being loaded from the Leuven brewery, Belgium for use in animal feed

At InBev, total waste grew from 444,308 tons in 2002 to 535,816 tons in 2004. On a production-adjusted basis however, waste per hectoliter produced has fallen marginally by 0.3 %.



\* Interbrew data only



\* Interbrew data only

The upward trend in total waste production disguises the positive aspects of some of our waste streams. Over 70% of our wastes are residues from the organic materials (in dry matter) that go into our products. Since 2002, these have increased by 30%, thanks to improved reporting accuracy, higher production levels and switching residue routes. For example, the improving effectiveness of waste-water quality performance is partially a result of residues which were once flushed away in wastewater and now are being separated and sold in solid form as a byproduct. Also, since 2002, we have increased the amount of waste diverted for byproducts or for recycling by over 23 %.

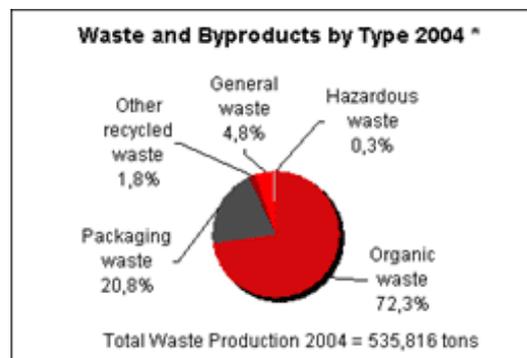
### Breakdown of Waste and Byproducts

Waste Type (Tons) Interbrew data only	2002	2003	2004
Byproducts and organic waste	297,140	358,656	387,576
Packaging waste *	107,641	113,332	111,439
Other recycled waste **	12,298	9,528	9,781
General waste ***	25,709	28,685	25,462
Hazardous waste	1,520	2,856	1,558
<b>Total waste</b>	<b>444,308</b>	<b>513,056</b>	<b>535,816</b>

\* Packaging waste collected in production plants

\*\* Other recycled waste is non-ferrous and ferrous scrap, tires, wood and construction waste

\*\*\* General waste is all waste that is not recycled



\* Interbrew data only



\* Interbrew data only

For information on the packaging of our products, please refer to the [Our Products section](#).

For information on community recycling projects please refer to the [People and Community section](#).

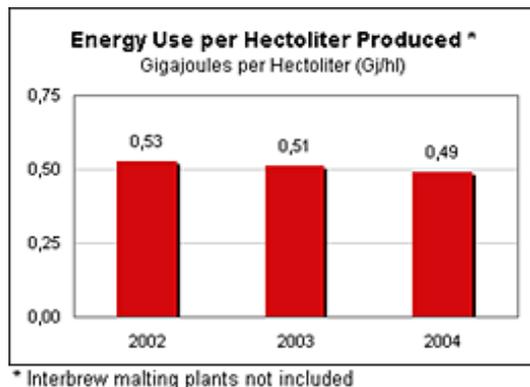
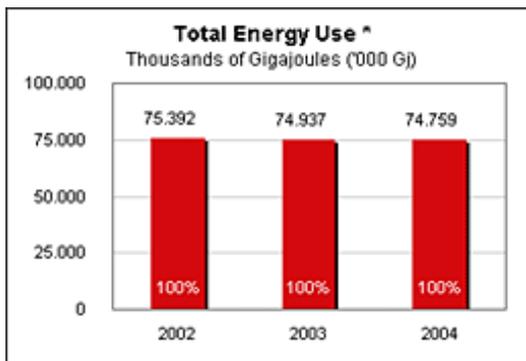
### Extract Losses

As well as keeping records of our materials, production and wastes, InBev also keeps track of extract losses which are a measure of how efficient a brewery is at using its raw materials. Extract is the 'fermentable sugars' which come from the cereals and sugar used to produce beer.

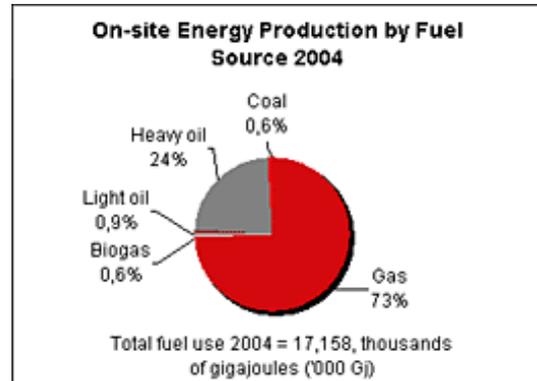
Standardized laboratory procedures are used to compare the theoretical maximum extract coming into a brewery with the extract that leaves within our products. The lower the extract loss, the less raw material is needed to produce the same amount of beer. Extract-loss information is sensitive, and we report this information on a percentage-efficiency change only. From 2002 to 2004, InBev extract losses fell by over 6%.

## Energy

InBev is a significant consumer of energy, and in 2004 we consumed over 74.7 million Gigajoules of energy, down from 75.3 million Gigajoules in 2002. Compared to production, our energy use per hectoliter has fallen by 6.9% since 2002.



Our main energy supply is networked electricity, with networked steam and heat in smaller amounts. We also produce electricity, heat and steam in our own boilers. The main boiler fuel used is natural gas, with smaller amounts of oil and coal. Increasingly, we are generating power from renewable resources, including biogas and biofuel, although the proportions are still small. Increasing our energy efficiency is an important way we can cut costs, and over the past three years we have reduced the amount of energy needed to produce a hectoliter of product by almost 7%.



### Biogas – Turning Waste into Worth

At InBev, we have been working hard to look at alternative wastewater treatment methods, including the introduction of processes where wastewater is treated without the use of oxygen. Known as anaerobic treatment, this method is advantageous because it uses less energy, produces less wastewater sludge and also generates biogas as a byproduct, which can be used as fuel. We installed our first biogas production unit at Wernigerode, Germany in 1996. Since then, InBev has continued rolling-out anaerobic wastewater treatment plants, and more are planned. Ten of the breweries use the biogas for energy generation, producing over 102,637 GJ of energy during 2004, which otherwise would have been sourced externally.



Biogas digester at Chongwon Brewery, Korea

### Taking up the Biomass Challenge

AmBev's commitment to reduce the environmental impact of its activities and products led it in 2003 to seek ways to diversify its energy supply by looking at renewable energy sources.

An important element of this has been using agricultural and plantation byproducts such as wood chips, coconut husks and farmed eucalyptus as boiler fuel. These types of residues are now in use at four Brazilian breweries: Agudos, Santa Catarina, Teresina and Cuiabá, and are estimated to have saved 7,500 tons of oil (1,090,000 GJ). An added advantage of using these carbon dioxide neutral sources is that they reduce InBev's greenhouse gas production.



Biofuels store at Cuiabá, Brazil

### Energy Efficiency at Labatt

*Wasting steam wastes money. To combat this, Labatt's London Brewery, in Ontario, Canada piloted a device called a Vent-Mizer in the summer of 2003. The Vent-Mizer is installed on a part of a boiler's feed-water system called the deaerator. When in place, the Vent-Mizer captures excess heat and condenses waste steam, thereby retaining this energy within the production process.*

*For an initial capital outlay of \$36,000 the Vent-Mizer was estimated to have saved \$19,000 within the first nine months of operation. Other peripheral benefits from the Vent-Mizer are increased deaerator capacity, reduced water usage, lower water-treatment costs, a reduced boiler blow-down rate and better corrosion prevention.*

*The brewery has also installed Montage energy-management software. Using centralized remote monitoring of key systems and output, Montage swiftly pinpoints how much compressed air is being wasted when moving spent grain between tanks. Adjusting the compressed air to better match the immediate transportation needs has reduced compressed air consumption by 11 percent in the brewhouse. This represents a return-on-investment period of only two years.*

### Greenhouse Gases

Carbon dioxide (CO<sup>2</sup>) is released into the atmosphere when fossil fuels such as, coal, oil or gas are burned in our on-site boilers, or in off-site electricity generators. CO<sup>2</sup>, along with other greenhouse gases, alters the way the earth's atmosphere traps heat from the sun, in what is known as the "greenhouse effect." High levels of greenhouse gas emissions are leading to increased concentrations in the atmosphere. Scientific data shows that higher concentrations of greenhouse gases, primarily carbon dioxide, are having a negative effect on the global climate.

The international community is tackling this challenge through the Climate Change Convention. Adopted in 1992 and now boasting over 185 member countries, the Convention seeks to stabilize atmospheric concentrations of greenhouse gases. It commits all countries to limit their emissions, gather relevant information, develop strategies for adapting to climate change, and cooperate on research and technology. It also requires developed countries to take measures aimed at reducing their emissions to 1990 levels.

In 1997, the parties to the Convention agreed in Kyoto, Japan to a protocol that developed countries should accept a legally binding commitment to reduce their collective emissions of six greenhouse gases by at least 5%, compared to 1990, before 2012.

InBev sees reducing the amount of carbon dioxide we produce as an important part of increasing production efficiency and therefore reducing costs. To understand

better what our main sources of carbon dioxide are, we calculate greenhouse gas emissions from our breweries. We use a method based on the global greenhouse gas protocol published by [the World Business Council for Sustainable Development and World Resources Institute](#). We measure CO<sup>2</sup> from fuel use in our boilers and purchased electricity. We do not currently include CO<sup>2</sup> emissions from transport and CO<sup>2</sup> used in the brewing process in these calculations.

To manage this issue we have established a 'Kyoto Network' of internal greenhouse-gas experts. Through the network, experiences are exchanged, and best practices for greenhouse-gas monitoring and reductions are identified and rolled out. The data-gathering process is supported and coordinated on a zonal or country basis.

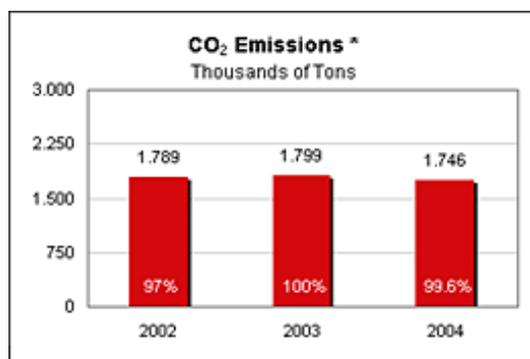
In 2004, InBev emitted the equivalent of 1.75 million tons of CO<sup>2</sup>, down from 1.80 million tons in 2002. On a per hectoliter of product basis, however, CO<sup>2</sup> emissions have fallen by 11% over the same time period.

This reflects our switch to less carbon-intensive fuels such as gas, and increased energy efficiency (energy use per hectoliter fell by almost 6.9% during the same period).

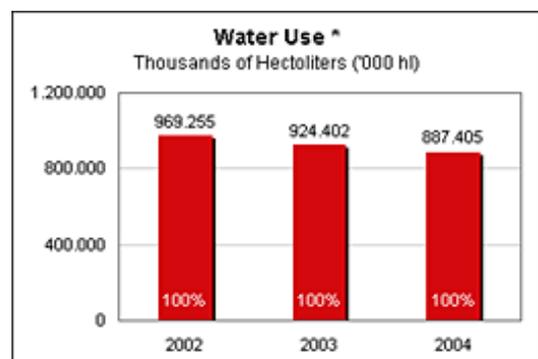
## Water Use

Water is one of InBev's most important raw materials, as well as one of the most important environmental resources of the 21<sup>st</sup> century, due to the shortage of fresh water. We use water in two principle ways: pure process water used only in beverage production, and the water used outside the brewing process; for example, in cleaning, cooling and steam production.

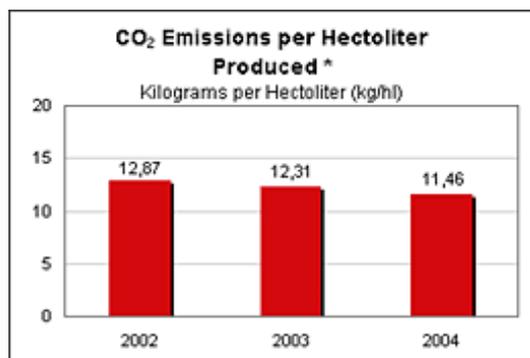
We are extremely conscious of our dependence on reliable supplies of the highest-quality drinking water. However, the amount of water we need is greater than the sum total of products we produce. Factors such as the source of our water, efficiency of our production processes, packaging mix, and the type of products produced influence our water use.



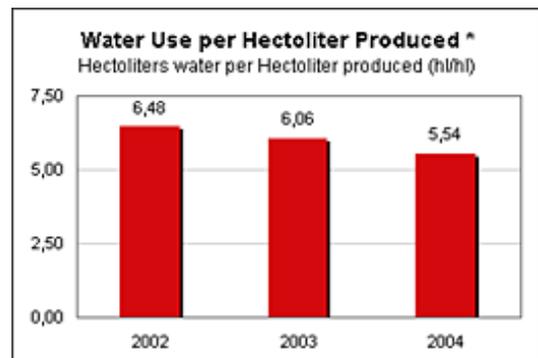
\* only AmBev Brazil data included



\* Data from breweries and maltings



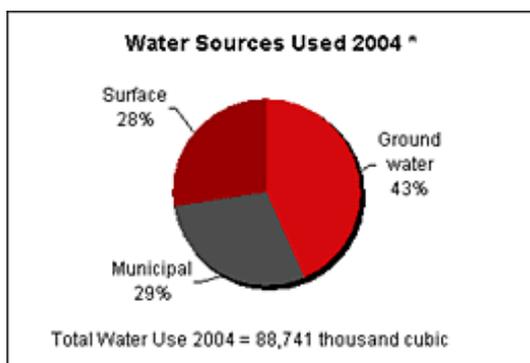
\* only AmBev Brazil data included



\* Data from breweries only

That said, water consumption in InBev is decreasing year-on-year. In 2002, we used 969,255 thousand hectoliters of water, and this figure has fallen to 887,405 thousand hectoliters in 2004, which reflects our improving water efficiency. When compared to production figures, water use has fallen by 14.4%.

Most of the water used by breweries is extracted through boreholes from underground sources. Other sources are municipal water supplies and water from nearby water bodies. The balance between our different sources of water is roughly consistent over time.



\* Data from breweries and maltings

### Improving eco-efficiency in Argentina

*At our Malteria Pampa malting plant at Puan, Argentina, 2004 was an exciting year for environmental savings. Improvements in the efficiency of the humid malting process meant that water usage dropped by 10% from 2003, saving over 85,000 cubic meters of water. This equals roughly a month's supply for the plant.*

### Water Supply Protection at Jupille, Belgium

*Our Jupille Brewery in southern Belgium uses over 8,000 cubic meters of water a day. To ensure the continued supply of high-quality water in the face of increasing resource demands, the brewery has taken a three-pronged approach, based on increased efficiency of water use, improved wastewater quality, and the continuing purity of its groundwater supply.*



Our Jupille brewery in southern Belgium has a three pronged approach to managing water resources.

To protect the plant's boreholes from pollution, the brewery has made internal improvements, such as improved storage of cleaning chemicals and waste, and new site drainage.

As the boreholes extract water from the aquifer underlying the whole district, a groundwater-protection zone has been established in the vicinity of the brewery, in conjunction with the local government. The groundwater-protection-zone regulations prohibit a selection of activities such as factory farming, cesspits, waste-transfer stations and large car parks.

In addition, activities such as the underground storage of hydrocarbons (oil, diesel, gasoline etc.), and the use of pesticides are strictly controlled. Residents wishing to carry out controlled activities must apply to the local authorities, who hold a public enquiry to determine whether a permit should be granted.

The regulations also require the modification of existing underground storage installations to meet the new standard. In these instances, the brewery, together with the local government, organizes and pays for the upgrading works. By the end of 2004, 90 underground hydrocarbon tank installations had been adapted or upgraded in the protection zone. The works in the entire zone will be finished in 2008.

### Jaguariúna's Award Winning Ways with Water Stress

Responsible water management is a priority, particularly in areas of water stress. Our Jaguariúna Plant in Sao Paulo state, Brazil lies in the Piracicaba river basin, which in 2004 experienced severe water-availability problems.

Fortunately, the plant is adept at managing water use, having won in 2003 an Action for Water Award in the Responsible Management of Water Resources category from the Piracicaba, Capivari and Jundiá Rivers Water Basin Intermunicipal Consortium. One of the water-management measures which Jaguariúna uses is to suspend river water intake and discharges whenever the Piracicaba River flow falls below 2.8 cubic meters per second.

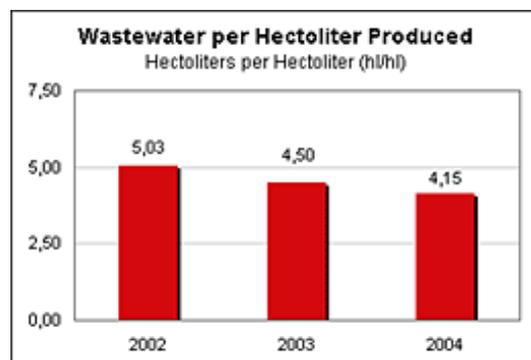
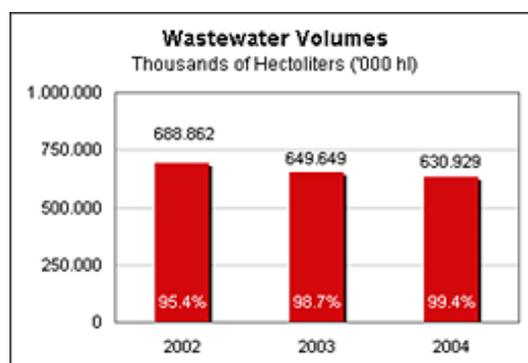
This and other water-efficiency practices have allowed the brewery to comply with a 25 % reduction in its river water-abstraction license, introduced in 2004.



Poster used to raise awareness of water issues at Jaguariúna – “Water – as vital to us as to them” “Think – save water!”

## Wastewater

As a major user of water, it is only natural that InBev pays great attention to the amount and quality of our wastewater. In 2004, we discharged 63.1 million cubic meters of water, down from 68.8 million cubic meters in 2002. This is a reflection of lower water consumption and increased efficiency. During this time we have reduced wastewater per hectoliter of production by over 17.5%; in addition to increased efficiency, this is in part due to increased production volumes.



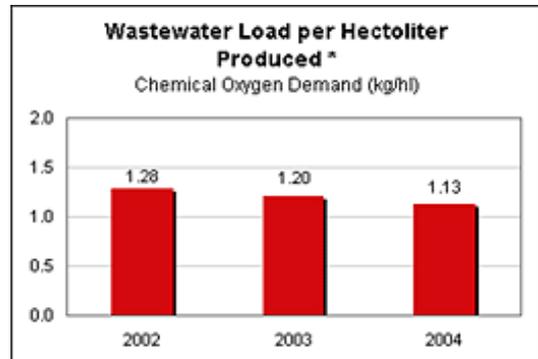
We have chosen to report the quality of the wastewater in terms of chemical oxygen demand (COD). We measure the COD load of our wastewater before we treat the wastewater. This standardized laboratory test describes the quantity of oxygen which would be required for the complete oxidation of all organic matter in the water, which is an indication of the ability of the water to support aquatic life. We also measure many other aspects of our facilities' wastewater; for example, to ensure our compliance with local and national pollution control.

By agreement with local authorities, some breweries are not required to measure COD on-site. InBev is committed to finding solutions to these challenges, by encouraging breweries to review wastewater-measurement arrangements. We will report more on this process in future Reports.

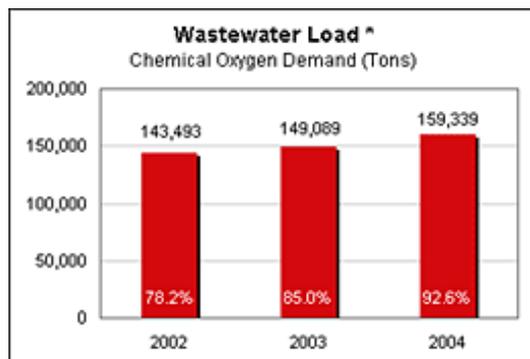
One consequence of this is a rising number of breweries reporting wastewater quality and a growth in InBev's reported wastewater load, which in 2004 was almost 10% greater than in 2002.

To better understand this effect, we have compared wastewater load against our production volumes. These have been increasing in recent years, and we found that between 2002 and 2004 the wastewater load per hectoliter produced improved by 12%. Because we measure the quality of our wastewater before we treat it, this improvement in wastewater quality reflects lower extract losses and better cleaning in our brewing processes.

One driver to this improved efficiency is our investment in new wastewater treatment works, including the introduction of anaerobic treatment, which is particularly energy-efficient.



\* Wastewater load before any treatment has taken place



\* Wastewater load before any treatment has taken place

## Other Environmental Issues

### Agriculture

#### Growing Good Guaraná

Since 1972, AmBev has farmed guaraná fruit at the Fazenda Santa Helena farm in Maués in the Brazilian state of Amazonas. The farm is located in the midst of the local forest and the farming practices are designed to respect the natural forest habitat of the guaraná trees, by cultivating them in 'guaranazeiros' or clearings. The company maintains the forests around the fields with the aim of preserving the fauna and flora on the farm and in the surrounding area, and only cultivates 430 of the 1,070 hectare estate.



Guaraná bushes growing at Fazenda Santa Helena

### Biodiversity

#### Conservation at Agudos

*Our Agudos plant in the state of São Paulo includes the 'Cerrado do Palintrá, Reserva Particular do Patrimônio Natural' Natural Heritage Area. These 923 hectares of Brazilian Cerrado, or savannah, contain a recorded 185 species of trees, 29 species of mammals, 165 species of birds, 29 species of reptiles, and 13 species of amphibians. Within the reserve 124 hectares are being returned to the forest. The reserve is an important resource for the environmental education of workers and locals alike.*



Our estate at Agudos, Brazil includes the Cerrado do Palintrá, Reserva Particular do Patrimônio Natural' Natural Heritage Area which is often used as an educational resource

The 'Cerrados do Pelintrá' natural heritage area



### Good Neighbors

#### Complaints

Several of our longer-operating breweries have operated at their existing sites for many years and settlements have often developed and grown along with our operations. In some cases, the long history of our breweries means that they are now sited within town and city centers. This throws up the challenge of maintaining our position as good neighbors within the communities where we operate, and managing the modernization of our brewing operations and processes in a sensitive way.

Due to the proximity to residential or commercial areas, we do sometimes receive complaints. These mainly concern noise, traffic congestion and odor. When we receive complaints we investigate their validity and take action where necessary. For example, at our Jupille, Belgium brewery a number of complaints were received concerning odor from the wastewater treatment plant. As a result, the active carbon in the biological filters was replaced and we invested in a system which directs air from a wastewater tank to another part of the treatment process, rather than into the air.

The table below shows the number of complaints received by Interbrew operations.

Number of Complaints – Interbrew		
2002	2003	2004
41	73	37

### *Working to Improve Local Amenity at Wellpark*

*At our Wellpark Brewery in Glasgow, UK, brewing has taken place for over 300 years. Although well-established in the community, new products and business practices mean that good relationships can still need refreshing. During the first half of 2004, 16 complaints were received from local residents, mostly relating to unwanted noise, such as forklift-truck movements and the scraping and dropping of kegs in the yard. An action plan was put in place to deal with the problem which included:*

- Meeting with the local residents association*
- Carrying out noise monitoring over three weeks*
- Changing working practices*
- Briefing team members on the issues and new working practices*
- Continuing to monitor working practice.*

*The approach was successful, with a significant decrease in complaints in the second half of 2004.*

### *Cutting complaints at Cuiabá*

*During 2002, our Cuiabá brewery, Brazil received a number of complaints from its local community. These mainly related to odor from the plant's wastewater treatment plant and in 2003 the plant received a fine from the local environment agency as a result. Since then, the brewery has invested in improvements to the wastewater treatment plant and has aimed to refresh relationships with the local community. It did this through a series of meetings, site visits, and a community recycling program to help the community recycle post-consumption packaging. As a result of these activities, there have been no further complaints and the plant was asked by the local environment agency to showcase the project at a technical fair in Cuiabá in June 2004.*



## People and Community



“To be successful, InBev needs the **right people** in the **right roles** at the **right time**. We also need **our people** to exhibit actions and attitudes which **reinforce** our **values**, and Corporate Responsibility helps us to define what actions **reinforce** these values. We are **proud** of the difference our **people** are making on InBev’s journey from Biggest to Best.”

Peter Vrijzen  
Chief People Officer

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### Employee Profile

On December 31<sup>st</sup> 2004, just four months after the combination of Interbrew and AmBev, InBev comprised over 77,000 valued employees spread out across the globe. The creation of InBev has led to a drive for consistency across people management systems, a responsibility largely devolved to Zone executives in charge of people.

- We have developed a clear and consistent “Code of Business Conduct.”
- During 2004, we announced the closure of three breweries. We are working with local employees and employee organizations to minimize the impact of closures on staff members.
- Health and Safety is first and foremost the responsibility of all individual staff and contractors working for us. However, to encourage safe and healthy behavior, training is provided to all staff.

As part of the combination, InBev is being restructured so that the roles of our people are more closely linked with our strategies and values. Our ambition is to increase clarity of roles and responsibilities, while creating more ownership of primary strategies, their corresponding programs, and projects; the end result will bring benefits to customers.

We are moving ahead quickly, and as from 2005 we are introducing systems to monitor our performance in this area. Examples include a new reward system which closely links compensation with the successful completion of company and individual targets. We are also increasing investment in our people through renewed development systems.

As the world’s largest brewer, cultural diversity is one of our biggest assets, and plays an important role in the corporate culture and values InBev has sought to create. Our respect for this diversity will continue, and we will develop specific policies to formalize diversity and equal-opportunity systems over the coming months.

## Executive Board of Management Diversity

InBev’s Executive Board and top management teams are drawn from the countries of Europe and the Americas, including InBev’s Chief Legal Office, Sabine Chalmers.

Nationality of InBev NV/SA Executive Board of Management

Country	Number
Belgium	4
Brazil	4
Germany	1
Netherlands	1
United Kingdom	1
United States	3

## Employee Integrity

InBev’s values are the building blocks of a trusting relationship with our customers and consumers. To ensure that all of our employees, worldwide, understand how this trust comes into play in all their dealings, we have developed a clear and consistent “Code of Business Conduct.” InBev requires the adherence to the highest standards of business integrity and ethics, as well as the respect of, and compliance with, all applicable national and supra-national laws and regulations.

The InBev Code of Business Conduct focuses on two principal areas: business integrity and ethics; and company share transactions. Business integrity and ethics are sub-divided into the following:

- Statement of policy, including the universal coverage of the Code and the lack of waivers in its application.
- Compliance with laws, including anti-trust and competition laws and political/economic embargoes recognized by the United Nations.
- Honest and ethical conduct, which includes encouraging consumers to drink responsibly.
- Recording and controls: All transactions must be recorded in appropriate books and accounted for properly and punctually.
- Gifts and political contributions: The giving of gifts or favors in an effort to sell products or services or to influence business, labor or governmental decision-making is strictly prohibited. Any direct or indirect contribution by the Company to any political party, committee or candidate for public office is strictly forbidden, even if permitted by local regulations, unless the formal approval of InBev’s Board of Directors has been obtained in advance. Senior managers who wish to be candidates for local, regional, provincial, national, federal or European elections are requested to notify InBev’s Board of Directors of their intentions.
- Commercial communication, which details **InBev’s Code of Responsible Marketing** and describes our approach to responsible marketing and our employees’ role.

- The Code of Business Conduct is backed up by a 24-hour, seven-day-a-week hotline, where employees are able to anonymously report suspected code infringements without fear of reprisal.
- The Code is supplemented by the InBev Code of Dealing, which defines a framework to ensure that all employees – particularly senior management, executives and members of the Board of InBev – maintain the confidentiality of price-sensitive information, neither abusing it nor placing themselves under suspicion of abusing it. The aim of the Code is to make sure that employees conduct transactions of InBev shares with the greatest integrity.

Full details of the Codes are contained within the [InBev Governance Statement](#).

## Changing Employment

As a part of our strategic drive for **World-Class Efficiency**, plans to rationalize our production base have been developed following extensive analysis.

In our effort to remain competitive in the global economy, InBev – as with any internationally minded company – has to reshape its systems and processes to ensure both efficiency and effectiveness over the long term. Remaining a competitive company entails not only meeting stakeholder expectations, but also being able to contribute to a stable economy in the countries where we operate, by investing and providing new jobs. On the other side of the coin, increasing our efficiency often means making significant changes, such as the closure of breweries. In some cases this results in the loss of jobs. However, InBev always works closely with local employees and employee organizations to minimize the impact on those staff members whom we are not able to redeploy in our global brewing network.

Our brewery-rationalization program will continue in the remainder of 2005 and 2006, and we will report on this in our next Global Citizenship Report.

## Brewery Closures

The Strangeways Brewery in central Manchester, U.K. has played a special part in the life of our Boddingtons brand, and was known across the U.K. for its starring role in the beer’s advertising campaigns. With such a profile and a 200-year history at the site, the plans to transfer beer production to other British InBev breweries in 2004 were formulated with particular care. Our highest priority during the closure process was to ensure that the 55 brewery staff were fully aware of our timetable and helped throughout the change. By the time of closure, 12 employees had been redeployed within InBev, and half the remainder had already found other employment. All employees who were made redundant were able to benefit from InBev’s generous severance package and additional support services.



In 2004, we also announced the closure of two other breweries, one in Belfast, Northern Ireland, and one in New Westminster, Canada.

## Participation and Unions

InBev respects the differing legal frameworks in which it operates, regarding the rights of employees to join organizations such as trade unions. We honor freedom of association and collective bargaining agreements, which are arranged on a local basis. Respecting the rights and well-being of our workforce is essential for running a successful business operation.

## Training

InBev believes that the best people, teams and leaders are fundamental to meeting our ambition of moving "from Biggest to Best." To achieve this, InBev looks to develop highly motivated, efficient and effective individuals who work together towards clear goals and targets. In its simplest form, we will ensure that each individual knows:

- what they need to do
- why they need to do it, and
- how they need to do it.

As a new company, we aim to define the skills, knowledge and behaviors required for each role, so that employees are able to fulfill the technical, managerial and leadership requirements of his or her role. In parallel, each brewery must describe the specific requirements for the facility's operation in their Standard Operating Procedures (SOPs). These procedures are linked to training programs on how to perform them safely.

InBev believes that everybody is responsible for their own development and learning. We encourage our people to develop their own competencies, and support them by providing professional training opportunities which form a significant element of their development. All formal training an employee receives is recorded. We will report in future reports on training provided once our systems are fully developed and operational.

During 2005 and beyond, a new people-development structure is being unveiled by InBev's People Department to reinforce two of the three strands of our training: Leadership Development and Behavioral Training.

The objective is to create an integrated system, linking the competencies and skills needed throughout the whole organization, from trainee recruitment to the Global Leadership Program. This process will produce future InBev management and leaders who will receive the majority of their training and development internally. Our current tailored program with Insead/Wharton Business School also provides a specific academic perspective to the development of senior talent. The third of our development strands – Functional

Learning – is organized at the Zone and individual plant level to ensure that functional competency training is available where it is needed. InBev operates over 900 functional development courses covering traditional office skills, hygiene, brewing and finance, as well as specific health, safety and environmental management courses.

In our Latin America Zone, AmBev operates the AmBev University, which takes responsibility for defining training policies and guidelines. In 2004, at a cost of US\$ 3.7 million, almost 50 courses were offered to employees to help ensure they have the right skills for their positions. Courses ranged from 3-day short courses to a one-year long Masters in Business Administration.

### Basic Education is just the beginning

As a global company, basic education is a right that is not always available to our employees during their youth. To give employees a chance to restart their education, AmBev has introduced an "Education at the Jobsite" program. The plant at Teresina, Piauí State, Brazil was the first AmBev facility to implement the program. In 2001, 31 employees completed their basic education and, in 2002, 39 more completed high school courses. The unit's goal is to achieve 10% of employees completing high school by the end of 2003. The program is offered free of charge, and in 2002 the Teresina unit provided 88 training courses, totaling more than 33,000 hours.

As a new company, we aim to define the skills, knowledge and behaviors required for each role, so that employees are able to fulfill the technical, managerial and leadership requirements of his or her role. In parallel, each brewery must describe the specific requirements for the facility's operation in their Standard Operating Procedures (SOPs). These procedures are linked to training programs on how to perform them safely.

## Wages and Benefits

InBev seeks to offer its employees competitive salaries and packages comparable to their role and responsibility. These are set locally. In 2004, our wages and benefits totaled 1.5 billion euro.

Executive level compensation is discussed in the section on Economic Performance and Corporate Governance.

Depending on common practices in each country, InBev offers its employees and family members market-competitive medical, dental and optical insurance; death in service insurance; illness and disability insurance; pension plan; life insurance; and seniority allowance. Some InBev countries have tuition-reimbursement plans and employee-assistance programs.

Bonuses are awarded according to the performance of the company and the employee.

### AmBev Benefits

AmBev offers its employees and family members medical, dental and life insurance, private pensions, school aid (middle and high schools), and a Christmas food basket and toys for all employees. In the fourteenth year of employment, AmBev employees receive a loyalty payment of one year's salary.

AmBev has two variable remuneration programs: one for management (top and second tier), coordination and supervisory; and another for operational levels. Bonuses are awarded according to the achievement of targets set jointly by the company and the employee. InBev seeks to offer its employees competitive salaries and packages comparable to their role and responsibility. These are set locally.

## Health and safety

### Safety Management

The basis of the InBev health and safety strategy is to ensure a safe and healthy working environment based on accident prevention, management of risks, and avoidance of new risks.

- Our accident and lost-work-day rates have steadily improved over the last three years.
- Unfortunately, in 2004, we had five fatalities – two employees and three contractors.
- Although we are working towards combined health and safety data for InBev, significant differences in reporting systems mean we are reporting Interbrew and AmBev data separately.

Health and Safety is first and foremost the responsibility of all individual staff and contractors working for us. However, to encourage safe and healthy behavior,

training is provided to all staff under the guidance of the People and Environment and Safety teams. As well as training, these teams promote health and safety activities and policies, and channel these issues into InBev's general management structure.

Due to the close links between environment, health and safety (EHS) management, more details of the roles and structure in the field of health and safety are given in the [Environment section](#) of this Report.

The InBev health and safety strategy is also about ergonomics – the science of adapting work to people. This means safe design and adjustment of such things as office furniture, process equipment, vehicles and packaging.

However, even in the safest working environment, accidents will happen if people do not act with care. Changing behavior so that people are more aware of risks and act responsibly is achieved through our health and safety training programs. At our Beck's Brewery in Bremen, Germany, for example, our research showed that 40% of lost-time accidents in 2003 (480 lost days) occurred while walking, and the most dangerous place to walk was the last step in a flight of stairs. In response, we introduced employee training on walking and how to avoid trip hazards.



Throughout InBev, processes are in place to report, investigate and follow up occupational incidents, accidents and illnesses so that we can share knowledge and prevent their reoccurrence. Previously in Interbrew, reporting best practices and accident alerts happened through a special platform of environment and safety experts for sharing of EHS knowledge.

At AmBev plants, all accidents and work-related illnesses are reported by the local unit doctor to the Welfare Department via an accident-communication system called CAT. All accidents (with or without leave) are investigated, dealt with and followed up on. For work-related illnesses, all units keep the PPRA (Environmental Risks and Prevention Reporting System) and the PCMSO (Medical Control and Labor Health Reporting System) up-to-date. Furthermore, on a weekly basis, all units report accidents which require leave to the Latin America Zone safety team. The Zone safety team analyzes the accident information and proposes actions to resolve any problems. The result of this analysis is circulated to all units as a part of our communication of on-going preventative action.

### Health & Safety Committees

Prior to our combination, facility-based health and safety committees were common throughout InBev. To build on this foundation, InBev's Voyager Plant Optimization program (VPO) requires that all facilities set up a Plant Safety Committee to formalize the discussion on health and safety between the company and the representatives of the employees.

### Health & Safety Committees in AmBev

In AmBev, every unit maintains an Internal Commission for the Prevention of Accidents, which is comprised of elected officials chosen by the employees. The facility manager and area managers are obliged to participate in the monthly meetings of the Commission when an accident has occurred. To monitor health and safety practices, each facility has an integrated safety plan which tracks accidents and actions, and ensures that learning points are communicated throughout.

## Safety Performance

Due to differing safety reporting requirements, Interbrew and AmBev developed reporting systems which, except for fatalities, are not compatible. For this reason, we are reporting our accident and lost-work-day rates at the Interbrew and Ambev level. Our aim is to provide unified InBev data in future reports.

### Fatalities

Fatalities (InBev data)	2002	2003	2004
Workforce, on site.	0	0	2
Contractors, on site.	1	1	3
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>5</b>

Our record for protecting the health and safety of our employees and contractors, generally speaking, has been excellent. Unfortunately, during 2004, there were a number of serious accidents resulting in the deaths of two employees and three contractors.



Some of the hatch modifications introduced after the Povolze, Russia fatality.

A deadly accident occurred in Povolze (Volgograd), Russia in August 2004. A worker was scalded by the violent discharge of a hot soda solution from a bottle washer inspection hatch. The official investigation revealed that although the employee was fully trained, he had not complied with the applicable working procedures. Nevertheless, improvements to the closing and control mechanism of the hatches have been revised and introduced. The information was distributed to the Environment and Safety officers of the plants.

A contractor was electrocuted at Saransk, Russia in August 2004, due to the accidental contact of a “dead” overhead high-voltage cable with an underlying “live” high-voltage cable. The accident was investigated by an official committee, headed by the state labor inspector. The committee revealed several infringements of rules, but the public prosecutor judged that these were not severe enough to justify legal action against the contractor. The brewery was not prosecuted, but has nevertheless renewed electrical safety training for local managers.

In December 2004, an accident at our Recife plant in Brazil resulted in the death of an employee. The employee suffered a fatal blow to the head when a boiler exploded.

Improvements following the Recife fatality included creating a Corporate Boiler Manual with the following principal points:

- The security seal on boilers’ electric panels can only be broken following an official request to AmBev’s engineering center explaining why the panel must be opened and what maintenance will be undertaken.
- By law, the boiler inspection must take place at least once a year. The AmBev engineering center maintains records of when all boiler inspections are due and these are followed and updated every month.
- Any changes to the Boiler Manual are only possible after a request to the AmBev engineering center is authorized.
- The Boiler Corporate Manual meets legal requirements in Brazil but is in force in all Latin American plants.

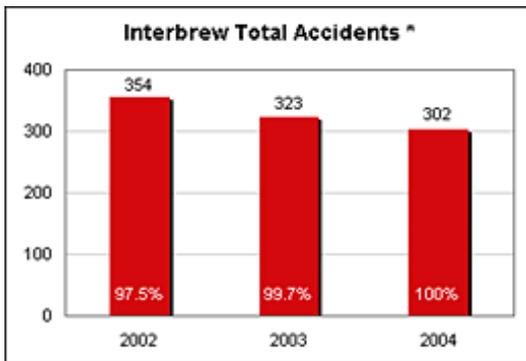
In 2004, two contractors died at our Omsk, Russia plant during two separate construction-related accidents. In January, a contractor fell during construction works, and the following December another contractor was hit by a falling object during demolition works. Since these accidents, we have raised the awareness of contractor safety and introduced a special contractor-safety procedure in our VPO program.

### Occupational Accidents Interbrew Data

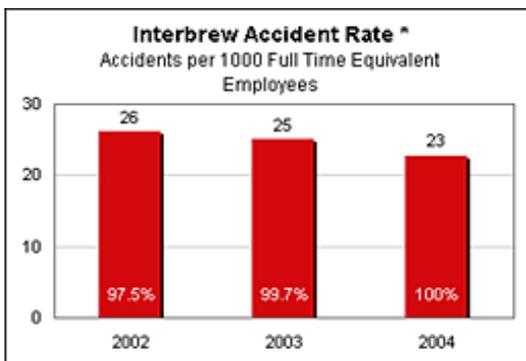
At Interbrew, safety reporting was developed based on the definitions of the International Labor Organization (ILO) in their guidelines, “Code of Practice on Recording and Notification of Occupational Accidents and Diseases.”

Over the past few years, Interbrew placed considerable emphasis on improving safety reporting and management. This is reflected by the 14.7% decline in the number of accidents overall, and we have nine plants where accident rates have fallen continually over the last three years.

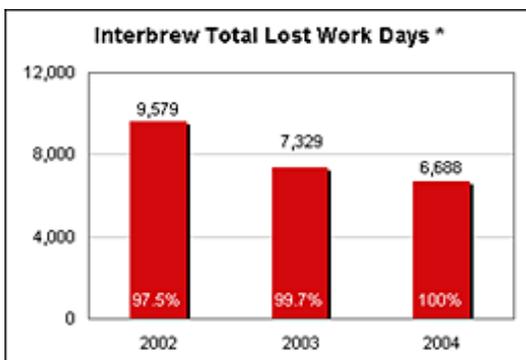
By covering accident rates, this results in less accident-related absences, and these have decreased by over 30% between 2002 and 2004. We are also checking that safety reporting is equally accurate in all our sites. This follows our observation that cultural issues sometimes dissuade accident reporting in territories with less well-developed social security systems.



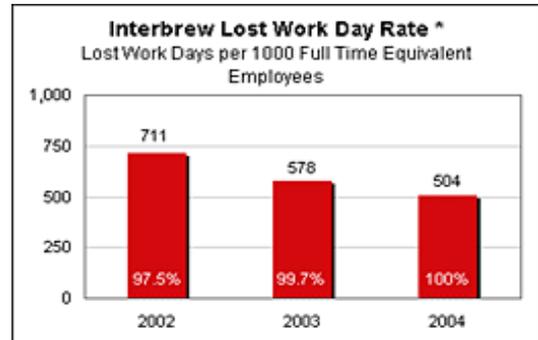
\* Accidents causing more than three lost work days



\* Accidents causing more than three lost work days



\* From accidents causing more than three lost work days



\* From accidents causing more than three lost work days

### AmBev Data

Safety data and accident rates at AmBev are collected and reported on a different basis from those of Interbrew. An important element of AmBev's reporting is the use of a sliding-fine system or 'gravity rate,' based on the severity and number of lost-work-day incidents and the total number of hours worked. As shown in the table below, AmBev accidents, with and without absence, have been decreasing year-on-year. The gravity rate has increased significantly in 2004, due to the fatal accident at our Recife plant in Brazil.

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AmBev Accidents (Brazilian plants only for AmBev's own employees)	2002	2003	2004
Accidents with absence	218	76	60
Accidents without absence	410	196	161
Gravity Rate	335	151	489
Accidents with absence frequency rate	9.20	3.70	3.17
Accidents without absence frequency rate	17.30	9.54	8.61

Since 2003, contractor accidents at Brazilian plants have also been monitored:

Contractor accidents (AmBev Brazil)	2003	2004
Accidents with leave	177	76
Accidents without leave	188	86

Despite our previous successes, InBev is not complacent. There are still many safety challenges ahead which will be tackled via a focused approach in the VPO program. Linking safety performance to annual evaluation of site performance is one way that we are recognizing safety excellence through the rewards system.

### *Wellpark, U.K. – Behavioral Safety*

*In order to reduce the number of accidents, the Wellpark Brewery in Glasgow, U.K. started an overall action plan focusing on behavioral safety. The brewery has invested in a proprietary training system called the Safestart™ program, which teaches how to recognize unsafe behaviors such as rushing, fatigue, frustration and complacency which lead to errors and accidents. Since unveiling this program, the number of accidents decreased significantly.*

### *European Safety Commendation for Salmesbury Brewery, U.K.*

*Our Salmesbury Brewery near Preston, England has been commended in the European Good Practice Awards 2004 for the responsible way it is handling a construction project. Interbrew U.K. and the principal contractor, Felton Construction Ltd, received the accolade for their health and safety measures put in place to protect construction workers and employees working in the packaging hall of the brewery during the removal of 20,000 square meters of asbestos cement roofing. The 18-month project was carried out while the packaging lines remained fully staffed and in full production, 24 hours a day, 7 days a week.*



The innovative scaffolding used to protect employees during works at Salmesbury, England.

### *Safety at Labatt*

*Labatt had several major safety accomplishments. In February 2004, Labatt's two largest breweries, London and Metro, achieved 365 days with zero lost-work-day accidents. In 2002, the Edmonton brewery was the first Labatt brewery to ever achieve one full year with zero lost-time accidents. In 2003, Labatt saw a 31.3% reduction in zero lost-work-day accidents per million hours worked, compared to 2002. Safety severity also improved over the last two years, with 60%, or 3,000, fewer man-days lost to accidents.*

## Community

### Philanthropy

**InBev's heritage is one of long and accomplished corporate responsibility. Our investment in communities is most sustainable, and has the most impact, in areas where business and societal needs intersect. InBev's philanthropic investments are made to support this understanding which is, in turn, governed by the InBev Guidelines for Giving.**

Our philanthropic investments are governed by the InBev Guidelines for Giving.

#### InBev Guidelines for Giving

InBev does not support organizations which discriminate on the basis of race, religion, creed, gender, age, veteran status, physical challenge or national origin. Furthermore, contributions, generally, are not provided to:

- Individuals
- Religious organizations
- Political parties or candidates
- Capital campaigns
- Endowment funds
- Conferences, workshops or seminars not directly related to InBev's business interests.

#### Tsunami Appeal

As part of a worldwide response to one of the worst natural disasters in recent memory, InBev's employees donated with their wallets and their actions throughout the month of January. Considering all corporate and local relief actions across the world, InBev's total contribution came to more than 500,000 euro.

### Support for Local Communities

Wherever we operate around the world, we work with communities to celebrate their activities and support their good work. The following case studies show just some of the many good causes we support through our Zone-, national- and brand-based organizations.

#### InBev Celebrates Environment Week around the World

Many of our plants choose Environment Week to highlight environmental issues. Our Brazilian brewery at Camaçari, Bahia played open house to the local community in June 2004. One focus of the events was a play for local school children, staged by employees, which took a light-hearted look at responsible water consumption. Our visitors also took the opportunity to understand how we manage environmental issue and to see our water-treatment works in action. At the end of the day everyone was given a potted plant to take home and plant in their neighborhood.



Our young visitors enjoy a light-hearted look at responsible water consumption staged by employees of our Camaçari Brewery (Bahia) Brazil.



Children from Recanto das Árvores school show off their trees during Environment Week at our Camaçari Brewery (Bahia) Brazil.

In Canada, 50 employees from our London, Ontario brewery volunteered to help clean-up a kilometer-stretch of the Thames River. The brewery donated free collection bags, safety gloves, food and t-shirts to all participants. In total, the team collected enough litter and trash to fill six compactors and hauled up a number of large items from the river bed and banks which were pickup by specialized waste operators.



Collecting trash from the Thames River in Canada on Environment Day, 2004.

### AmBev Supports Community Recycling in Brazil

AmBev has a strong history of supporting community-based recycling projects in Brazil, including donating processing equipment and giving technical training to projects such as Reciclagem Solidária and at Cuiabá, Mato Grosso.

In 2004, AmBev took the opportunity to renew its two recycling programs based on its plants at Cuiabá, Mato Grosso. Working in partnership with the community and educational institutions, the project develops environmental awareness in the surrounding community. By offering training in garbage sorting and recycling, the program offers an additional source of income for the community. As well as facilitating the project, AmBev has donated a hydraulic press to help process the recycled material.

### Programa Reciclagem Solidária – Cooperativas (Co-operative Solidarity Recycling Program)

For more than ten years, AmBev has supported the work of Recicloteca, the largest library in Latin America devoted to recycling and the environment. Located in Rio de Janeiro, Recicloteca is run by the non-governmental organization, Ecomarapendi.

Recicloteca's research showed that although neighborhood waste-management co-operatives were spread across Brazil, as a sector they lacked the professional skills and machinery to grow and prosper. So, in 2002, Recicloteca launched its Co-operative Solidarity Recycling Program in the Rio region with the objective of doing the following:

- Promoting self-respect and increasing incomes for those involved in collecting and selling recyclable materials.
- Increasing social inclusion and improving of the quality of life among these groups and their communities.
- Promoting the proper disposal of poorly discarded waste from rivers, unused spaces, etc.
- Reducing the volume of municipal waste by increasing waste reuse at source.
- Increasing the efficiency of the Brazilian waste-management sector by encouraging smaller operators to handle waste that would be uneconomical for larger operations.

The program has focused on the following:

- Providing hydraulic presses to optimize cooperative activities, because compressed wastes command a premium price.
- Highlighting the role of cooperatives in improving urban solid-waste management.
- Training cooperative members in reutilization skills for income-generation purposes.
- Promoting the involvement of communities in sorting recyclable materials.

The results of the pilot have been impressive. Before the program, the volume of PET waste handled by the 12 cooperatives was of 52,620 kg, with a price of average Brazilian Reals (R\$) 0.27/kg. By March 2003, the pilot groups had handled 123,947 kg of PET and were obtaining an average price of R\$ 0.62/kg. Between May 2002 and March 2003, the PET collected amounted to R\$ 412,573 (€114,604). By the end of 2004, the program had benefited 27 cooperatives in five Brazilian states and the federal capital of Brasilia.

### Improving Brazilian literacy by supporting Alfabetização Solidária



Since 2001, AmBev has supported Alfabetização Solidária's (Solidarity in Literacy) work in five cities in northern and north eastern Brazil. These cities were selected because of their high illiteracy rates (over 21 %), and because of their proximity to AmBev production units. During the last four years, Alfabetização Solidária has taught 1.5 million Brazilians to read and write. Such a positive result, together with the benefits to society, education and to the development of the country, was one of many factors that drove AmBev to support the program. For further information, please [click here](#).

### Beck's: Investing in the Future of Art

Born out of Beck's long-term support of contemporary art in the U.K. and developed in collaboration with the Institute of Contemporary Arts, Beck's Futures is the U.K.'s richest art prize, with a total prize fund of £65,000. The 2004 award went to Netherlands-born, Saskia Olde Wolbers, who collected her check for £24,000 (€86,400) from Yoko Ono at a gala event at London's Institute of Contemporary Arts in April 2004. Each of the remaining nine short-listed artists was awarded with a check for £4,000. For further information, please [click here](#).

### Labatt Gets Serious About Canadian Sport

Labatt has developed a number of innovative ways to grow grassroots hockey in communities across Canada. These include the company's sponsorship of the Canadian Adult Recreational Hockey Association, numerous teams and leagues, as well as the Labatt Hockey Challenge program in Ontario, which each year involves up to 100,000 players. Included among Labatt's amateur sports sponsorships are national and provincial softball, fastball, Slo-Pitch championships and provincial curling. Labatt is also a strong supporter of Canada's premier amateur athletes and has been a leading sponsor of the Canadian Olympic Committee.

Labatt also has a long history of support for national and international hockey including the 1972 Summit Series, the National Hockey League, and the last four Canada

Cup international hockey tournaments, including in 2004 the sponsorship of the Labatt Blue CARHA World Cup Hockey Tournament in Ottawa, Ontario. This tournament, which is held every four years, attracted 126 recreational hockey teams from 10 countries.

### Labatt 24 Hour Relay

At Labatt, giving back goes well beyond sponsorships and affiliations. The company's commitment to charitable initiatives is far reaching. Labatt 24-Hour Relays in communities across Canada symbolize this commitment. Over 20 years, the relays have raised more than \$50 million dollars to support local and provincial charities. We are very proud of this achievement and are honored by the opportunities it has provided our people to become directly involved in our communities.

### Interbrew Belgium Prize for the Environment

On September 21<sup>st</sup> 2004, His Royal Highness, Prince Laurent of Belgium awarded the Interbrew Belgium Prize for the Environment to Jules Delacre for his contribution to the preservation of the rare butterfly, the Marsh Fritillary. The prize, worth 7,500 euro, has been awarded annually since 1996 by Interbrew Belgium, together with the non-profit Foundation for Conservation of Nature and Environment, to the best Belgian nature-conservation initiative.



Prince Laurent of Belgium awards the 2004, Interbrew Belgium Prize for the Environment.



## Our Products



“At InBev, we take great pride in our **comprehensive portfolio of brands**. Our history stretches back hundreds of years, and in every beverage we supply we are **committed** to capturing for the **consumer** the **quality and heritage** which InBev represents.”

**Steve Cahillane**  
Chief Commercial Officer

InBev’s product philosophy is unique in the beer industry. We believe that our products enhance our consumers’ quality of life, if consumed in moderation. We have an opportunity to educate people on what role beer – a product which should be savored – can play as part of a healthy lifestyle. We take great pride in our portfolio of global and domestic brands and our heritage as a beer company. We encourage our consumers to appreciate the culture of beer, as it was intended.

Beer has been produced and consumed for many centuries all over the world, and InBev has been part of this brewing tradition since 1366. We produce premium and authentic products which are the subject of strict quality and safety standards.

Our challenge in this industry is to get back to our roots, and continually provide information to our stakeholders to help them understand how to drink the product in a way which makes it an appropriate and healthy part of their life. The beer sector has a continual challenge – to live up to its proud heritage. We address this issue, in more detail, later in this section.

## Product Quality

In line with our mission of “creating enduring bonds with consumers,” we are fully committed to establishing and delivering superior quality products. In simple terms, we see quality as giving consumers what they want and expect. Providing quality products is critically important to the success of our business, and quality management is at the heart of all we do. Our aim is to manage quality from the farmer’s field to the consumer’s glass, or from “grain to glass.”

As a result of the creation of InBev, our quality-management systems have been reviewed, worldwide, and a unique InBev Quality Management System is now in the process of being rolled out.

### Managing Quality

Managing the quality of a premium product involves achieving the highest standards of purity and safety, as well as maintaining the authenticity of the brand.

With the creation of InBev, we have been able to take full advantage of our new scale to improve business processes and performance. We are consolidating our knowledge by developing centralized operating processes, practices and standards.

As part of our vision to move from “Biggest to Best,” a global benchmarking program has been established, which will result in a continual improvement in quality and efficiency in our breweries. A key feature of this program is the evaluation of our operating and management systems. This new program is currently being introduced globally and will transfer best practices and ensure consistency of approach. Internally this is known as the Voyager Plant Optimization (VPO) program and the goal is to achieve “**World-Class Efficiency.**”

In addition to cost management, another fundamental feature of the brewery-management system is quality management. The system covers the entire product life-cycle, including raw materials, suppliers, the processes within the breweries, and, finally, customers and consumers.

The quality-management policies and procedures are now in the process of being rolled out in our North American, Western European, Central and Eastern European, and Latin American Zones, and are scheduled for rollout in our Asia Pacific Zone.

We are targeting the introduction of our updated quality-management systems throughout InBev breweries during 2005 and 2006.

#### Our Enduring Commitment to the Quality of Beck’s

An example of our commitment to quality is our Beck’s brand, which we are now brewing in Russia, Romania, Bulgaria, Ukraine and Hungary, and will soon be brewing in new markets in South America, Europe, and Asia Pacific. Wherever we brew Beck’s we maintain the authenticity and quality of the brand by brewing it according to the Reinheitsgebot, the German purity law which was adopted in 1516. The Reinheitsgebot (said to be one of the oldest food regulations in the world) was introduced by the Bavarian Duke, Wilhelm IV. The law states that the only ingredients used for the brewing process can be barley, hops and water. We now know that this list of ingredients also included natural yeast, but its existence in the brewing process remained unknown until the invention of the microscope. The founders of Beck’s even installed a laboratory in order to develop the highest quality yeast in pure cultures. Beck’s exclusive strain of yeast, developed over generations, is still in use today.

#### Performance Monitoring

Alongside the roll out of the quality policies and procedures, we are continuing to develop our quality-management system. For example, in 2005 we developed new Key Performance Indicators (KPIs) to allow target-setting

and ongoing monitoring of the quality performance in our production breweries. These will supplement our existing KPIs which monitor the physico-chemical, micro-biological and sensory quality of our products. We will report on these new performance KPIs in next year's Global Citizenship Report.

### Quality Awards

To emphasize the importance of effective brewery and quality processes, each year we honor our best-performing and best-improving brewery. The award is based on performance against targets including: taste testing, InBev indices for physico-chemical and microbiological properties, and food-safety compliance. As of 2006, the Quality Award will be integrated in a global VPO award.

### Quality Management System Certification

The InBev quality system uses the same framework and principles as the ISO9001 quality-management system, and meets all of its requirements for certification by an external body. However, InBev does not require its breweries to be externally certified. If there is a real need for local external certification, the decision is taken at the Zone or brewery level. This approach is external certification is common to InBev's **environment, health-and-safety**-and-quality-management systems.

In Germany, our quality-management system was certified to ISO9001 in September 2004. This certification is impressive, as it includes all German breweries, and is a good example of successful integration and excellent cooperation. The multi-site certification combines the best elements from all German breweries in a single, uniform quality-management system.

### Suppliers

To manage product quality through the entire product lifecycle or from "grain to glass," we have to monitor the quality of our suppliers. The integrity of all our ingredients (as well as additional materials which come into contact with the product) is a prerequisite for all supplied goods, and forms part of our assessment of suppliers' facilities and performance. Please [click here](#) for further details of InBev's supplier auditing, with regards to food-safety standards.

Supplier quality is especially critical when the beverage reaches the consumer. In 2004, we also introduced a program called The Quality @ Heart Program in the U.K. This is an excellent example of raising consumer awareness of beer production and aims to link technical improvements in the breweries to increased product quality. A similar program has been rolled out by AmBev, focusing on technical improvements, but also taking into account remedial actions at the warehouse level and in distribution. We also have initiatives to improve quality in the provision of our products at outlets and retailers. One example is the U.K. Stella Artois Quality Award.

### The Stella Artois Quality Award

*Since 2002, Interbrew U.K. has given retailers in England and Wales the opportunity to prove their quality credentials by participating in the Stella Artois Quality Award (SAQA).*



The SAQA aims to recognize and reward those retailers who are leading the way in setting the highest quality standards. The award also reinforces the training which outlets receive via the Stella Artois Quality Program, which has helped train bar staff in 35,000 outlets to dispense the "perfect pint." More than a 1,000 Stella Artois distribution points have entered the SAQA since its inception.

### Consumer and Customer Relationships

In support of InBev's mission to create enduring bonds with consumers, we are focused on ensuring that our customers (those who buy our products from us) and consumers (those who consume our products) come first, and remain at the heart of everything we do. We welcome feedback; any complaints we receive are carefully reviewed and used to drive improvements. We cannot yet give details on the number of complaints we receive, as our systems differ from one country to another. Varying cultural attitudes regarding complaints is a factor we must consider as we explore ways to present this data in future reports.

AmBev's Consumer Services Department carries out periodic surveys on its products in the marketplace. Information about complaints and other criteria is used by Industrial and Marketing Departments to drive brewery targets.

AmBev's policy is to exchange any product which has generated a complaint. Any returned products are analyzed so that the fault may be determined. All faults, including the ones committed by distribution and points of sale suppliers, are reported to the Quality Department for corrective action.

On an annual basis InBev Belgium organizes a survey to measure the quality of InBev's products and services within the different sales channels. Feedback is provided to customers, and appropriate action plans are developed

### Product Safety

We understand that the trust our customers and consumers have for our brands is closely related to the safety of our products. For this reason we adopt a zero-tolerance or precautionary approach to the management of safety risks with our products and packaging.

A good example is the development process for new products which includes assessments of design and operational risks. In order to minimize the impact

of potential safety issues, we have a layered strategy in place to guarantee business continuity at any time in the event of an emergent product-safety issue. InBev is also an active participant in professional discussions on safety-related scientific and regulatory topics.

- InBev takes a precautionary approach to customer and consumer safety.
- Our precautionary approach with suppliers is also reinforced within our own brewery management systems.
- We act immediately if any problems are identified with our products.

To maintain our focus on product safety, we have numerous control mechanisms in place to ensure that our beverages meet the highest standards of safety.

Maintaining the food safety of ingredients and our processes and product integrity are essential. These are managed in different ways, in terms of proactive preventive action and risk analysis in the breweries.

### Supplier Integrity

We audit our suppliers to ensure they are meeting our standards for quality and safety. As different territories have very different legislative requirements, our audits seek compliance with the strictest global standards, regardless of location.

The InBev Supplier Quality Audit occurs at a number of procurement stages. Before we enter into any contracts with suppliers, a supplier selection-audit is conducted. As part of the audit, we assess food safety, including the safety of the suppliers' raw materials, farming and supplier processes and, finally, their end-product quality. During a contract, we also conduct spot checks on the supplier.

The extent of our supplier audits differs, depending on the raw material concerned. Those raw materials with the most potential-variance are audited most often for safety and quality. This level of audit review relates to only 15 items out of our overall material mix. Materials which we

monitor more carefully include; glass bottles, malt, carbon dioxide, hop pellets, cans and ends, crown corks, kegs, boards, paper labels, adjuncts: maize and other cereals. Materials, such as label glue, which are less prone to large quality variances require less monitoring and are audited less frequently. Recent examples of actions relating to our precautionary approach in supplier integrity:

- Due to concerns raised during a quality audit of a packaging materials supplier in 2004, one supplier was excluded from supplying our breweries.
- Those breweries not using our required malting system as well as several malting breweries in the U.K. and France with hygiene problems were struck off the approved list between 2002 and 2004.
- In 2003, we stopped working with a keg manufacturer because their kegs were not of sufficient quality.
- In a very recent audit of a potential packaging supplier, one of the main reasons for disallowing the supplier was that their composition hall was extremely dusty. In the long run, this would be a threat to workers. Dust control has a high priority for our suppliers.

To provide an added level of quality and safety assurance, InBev has a sophisticated safety analysis program, which tests for several types of contamination. We routinely check samples from every batch of bottles for defects.

### **InBev Brewery Management System**

In addition to InBev's precautionary approach to supplier integrity, we also have strict controls within our own breweries.

Food safety has been an important part of the review and rollout of the InBev quality-management system. This is a newly created process meant to bring together the former systems of AmBev and Interbrew. We are devoting extra focus to the harmonization of these Food Safety standards globally.

### ***InBev's Precautionary Approach in Action – Stella Artois U.K. Product Recall***

*In the U.K. InBev recalled batches of bottles of Castlemaine XXXX and Stella Artois during October 2004 as a result of the U.K. Food Standards Agency (FSA) issuing a category D (for information) potential food-hazard warning due to a minor defect in the glass caused during the manufacturing process.*

*In the U.K., food-hazard warnings are the FSA's way of letting local authorities and the public know about problems associated with food, and in some cases provide details of specific action to be taken.*

*Although category D is the lowest of the FSA's warnings levels and is intended to provide information only, we decided to exceed legal requirements and withdrew the products from sale. This flowed from one of our core values: to put the consumer first.*

*The product recall was carried out by ensuring that all our customers received the product recall notice and press release. We also set up and publicized a consumer helpline to which queries could be directed, and arranged for point-of-sale notices at major retailers.*

## Product Packaging

It is critical to ensure that our products are delivered to our customers and consumers responsibly and in perfect condition. We do this by using high-quality packaging which meets the expectations of the consumer, while providing the most environmentally-friendly packaging solution, (based on the entire product lifecycle).

- InBev's packaging approach complies with ever-changing legislative, technological and market considerations.
- We apply the precautionary principle when considering product-packaging options.
- Our product packaging shows all the relevant and legally required consumer information.

InBev's packaging approach is a balance between legislative, technological and market-related considerations. As these considerations are constantly changing, and differ between countries, so does InBev's response. We employ a variety of packaging solutions throughout our different markets, and we aim, wherever possible, to seek environmentally-responsible packaging.

For InBev, a quality packaging solution maintains product quality and addresses environmental stewardship. However, the final choice of product packaging is always going to represent a balance between other factors which influence our decision making; for example, the requirements and culture of local markets; consumer behavior; available recycling facilities; political will and regulatory regimes.

With this large range of complex factors to balance, many of which are outside InBev's direct control, we endeavor to find the best solution across the widest range of factors. Ultimately, trade-offs must be made to achieve the best solution. To help us determine how to best match packaging types with prevailing conditions, we have developed a self-assessment checklist which includes questions on environmental, geographical, political and technological conditions.

### Reusing Bottles in Canada

*In Canada, our London Brewery demonstrates one approach to packaging recyclability through the use of a reusable bottle system. This is an industry-wide deposit-return system using a bottle called the ISB. The ISB is a bottle which we share with 43 other Canadian Brewers. Regardless of the label on the empty ISB, we take it back and wash it. Refillable bottles reduce greenhouse gas and carbon monoxide emissions, solid-waste generation, and energy consumption.*



*From October 2003 to September 2004 we reused 31 million bottles to sell approximately 460 million bottle servings. We saved the energy, resources and recycling or disposal costs associated with the production of 429 million new bottles.*

*The returnable-bottle system cannot be used in all markets. This type of system is only economically viable where volumes of packaging are high, the distance of transportation required is short, and there are sufficient numbers of participating organizations in the scheme.*

Our main packaging materials are glass, metals and plastics (principally polyethylene terephthalate or PET). We have developed, with the support of our business partners, a PET bottle-manufacturing process which meets the quality requirements for an agricultural product like beer, which is sensitive to light and carbon dioxide leakage. One of the criteria for the successful development of PET was how well it could be integrated into waste-management processes. For example, in a limited number of markets, colored PET still faces the challenge of having enough volume to develop a satisfactory business case for a separate recycling stream. One advantage of PET is that it is a much lighter than glass and so requires less energy to transport. We will measure the environmental impacts of these issues, while still pushing recycling efforts forward.

Consumer packaging is only one aspect of the brewing industry’s packaging outputs, which also comprises bulk packaging, such as beer kegs and pallets. These forms of packaging are almost always returnable or reusable.

The table below shows the global breakdown of the packaging we use. As can be seen, many of our products are reusable (kegs, returnable glass). We promote what remains to be recycled in the correct facilities.

Packaging type	Percentage of total
Keg draught	21 %
Glass returnable	42 %
Glass one way	6 %
Cans	16 %
PET	8 %
Other	7 %

For examples of our community recycling programs, please refer to our [People and Community section](#).

**AmBev: “Living our Values”**

In a global business, especially a new one, it requires commitment to drive your values into the business. In terms of InBev’s value, we make things happen, AmBev has several initiatives which are examples of goal-setting in recycling. To encourage the recycling of packaging, especially that of aluminum cans and of PET bottles, AmBev established the “You Can Also Recycle” project. The initiative is aimed at AmBev employees and their families, and its main objective is to strengthen environmental conservation and employee commitment. Every June, since 2002, AmBev employees and their families from every one of the AmBev’s breweries put aside some time to collect aluminum cans and PET bottles from the environment. These are then sold to recyclers and the proceeds used to provide basic food baskets which are distributed to the needy by charitable organizations. In 2004, more than 4,000 food baskets were distributed.

**Suppliers**

In addition to evaluating our suppliers in terms of quality and safety, InBev also has agreements with suppliers regarding reductions in packaging waste. There is a clear mutual understanding about the environmental and economic savings related to this reduction. Programs are in place to organize selective waste collection to improve the recycling and reuse of different types of waste. These programs are also included in brewery performance targets. Please [click here](#) for further details of InBev’s waste-management program.

**Packaging Labeling**

Another important part of product packaging is clear communications and labeling. We endeavor to have all our beer and soft-drink packaging display the necessary consumer-oriented information required by law. As laws vary between countries, so does the information we provide on labels. In general, beer labels contain basic composition information, alcoholic content and expiration date, as well as guidelines on responsible consumption. Soft-drink labels contain basic composition information, a nutritional table (nutrition facts) and expiration date.

In terms of disposal, the material used (glass, PET, or can) is indicated and the recyclability characteristics shown.

## Healthy Enjoyment

Beer is a natural product made with agricultural ingredients – in its simplest form, it is made from grain, hops, yeast and water. It is an appropriate part of a healthy life style when used in moderation. It has played a part in social culture and human interactions for centuries in many places around the world. It is a natural, wholesome and thirst-quenching beverage which is perfectly compatible with a healthy and balanced lifestyle.

We produce premium and authentic products which are the subject of strict quality and safety standards. Nevertheless, there is an ongoing debate around the complex issue of alcohol consumption and health, and we welcome this. In this section we aim to provide some balanced facts about the positive and negative aspects of alcohol consumption.

- InBev’s position on alcohol consumption is very clear. We would prefer our consumers to savor the quality and variety of our products than to use them inappropriately.
- The relationship between beer, our main product, and health, is a complex issue, due to the recognized negative and positive effects of alcohol consumption.
- The negative impacts of excessive alcohol consumption – those on health and society.
- There is an increasing body of scientific evidence demonstrating that the moderate consumption of beer can have health benefits.
- When used in moderation, our product is a healthy way to bring people together.

Beer is a natural and wholesome drink and this is reflected in a history dating back thousands of years. Brewing has been recorded in numerous cultures throughout history including in ancient Egypt and China, where beer was used as a ceremonial offering, while in Celtic and Germanic tribes, beer was sacred. InBev’s brewing heritage stretches back for centuries and is covered in [the InBev’s History & Heritage section](#).

There are widely accepted negative impacts of excessive consumption of alcohol, but in moderation, beer consumption is a socially accepted activity and is associated with occasions of bringing family and friends together.

Beer production uses natural ingredients. Malted barley is the dominant base for most beers, especially in Europe, although other cereals such as corn, rye, wheat, rice, oats and millet can be used combined with hops, water and yeast.

InBev today uses centuries-old brewing processes to provide an authentic, premium quality product for

consumers. We view and promote our product as one that is healthy when consumed in moderation, as part of a healthy and balanced lifestyle.

### Health – The Benefits of Consumption in Moderation

We strive to be the kind of company that consumers seek to do business with repeatedly over time, and we recognize that the healthy use of our product is key to doing this. Research has identified that in moderation the consumption of alcohol as part of a healthy and balanced lifestyle can provide health benefits. For more details on this research please refer to the [external links](#). The main health benefits are derived from the alcohol rather than a particular alcoholic drink, such as beer, wine or spirits, although beer itself is rich in B vitamins, as it is made from cereals.

The increasing body of scientific evidence suggests that compared to people who do not consume alcohol and those that are excessive consumers (heavy drinkers), people who consume moderate levels of alcohol enjoy certain health benefits. These include:

- **Reduced risk of heart disease:** This is comes from HDL (“good”) cholesterol, antioxidants which help prevent blocking of the arteries, and soluble fiber, which may reduce cholesterol, and from beer the vitamin B9 that reduces homocystene levels.
- **Reduced risk of Type II Diabetes:** New and interesting research suggests alcohol improves sensitivity to insulin, which reduces the risk of Type II Diabetes.
- **Protection against cancer:** Recent research suggests that protection occurs among those who consume beer in moderation. Vitamin B could protect against some cancers by protecting DNA, and anti-oxidants act as free radicals, reducing the risk of cancer.
- **Protection against dementia and Parkinson’s Disease:** New research suggests alcohol in moderation may reduce the risk of vascular dementia, although further research is required before the affects on Alzheimer’s Dementia are fully understood. Some research has also suggested that moderate alcohol consumption can reduce the risk of Parkinson’s Disease.
- **Reduction in the risk of developing gall stones:** Through the moderate consumption of alcohol, reduced cholesterol and decreased bile concentration are suggested as reasons for reduced risk of gall stones.

These benefits apply to the general population and are based on scientific research, for more details on the research and results, please [follow the links](#).

It should be noted, however, that for certain individuals the moderate consumption of alcohol may also incur some health risks. For example, moderate consumption of alcohol has been associated with slightly elevated risk of breast cancer. However, on an individual basis, general practitioners are able to assess patient risk more precisely based on state of health and family history of this condition. Similar considerations apply to people at risk of certain types of stroke and higher blood pressure.

Another important health issue associated with the consumption of beer is the link with obesity. As with most alcoholic drinks, the calorific content of beer is related to the alcohol content, because it is the alcohol that provides most calories in alcoholic drinks. Obesity as an issue has a wider range of contributing factors than alcohol intake alone. Lifestyle factors such as diet, calorie intake, fat intake and activity level are all linked to obesity. Therefore, alcohol consumption in moderation can be part of a healthy and balanced lifestyle and does not inevitably lead to obesity.

To contribute to the healthy consumption of alcohol we have developed new, innovative products including low-alcohol or non-alcohol beers, such as Liber in Brazil and low-alcohol Beck’s, and low-carbohydrate beer, such as Rock Green Light in the U.S. and Labatt Sterling in Canada.

In the U.S., InBev USA has announced the launch of a new member of the Beck’s family, Beck’s Premier Light, which has just 64 calories, the fewest of any beer in the top 50 brands in the U.S. market, and contains only 3.9 grams of carbohydrates.

## What is Consumption in Moderation?

As shown, the relationship between beer and health is a complex one, with both positive and negative impacts. InBev promotes beer consumption in moderation as part of a healthy and balanced lifestyle. An obvious question is what is the definition of moderation? Unfortunately, there is no definitive answer.

The health benefits of alcohol consumption relate to the alcohol consumed rather than the particular type of alcoholic drink. There are various ways to define moderate consumption, all of which relate to the amount of alcohol being consumed. However, due to differences in the alcoholic strength and volume of beverages and physical differences between individuals, definitions often only provide general guidance on moderate consumption.

The way of communicating the alcohol content varies by country. The definition used in the U.K. is 'units,' where each unit is eight grams of alcohol. In Ireland, however, 'standard drinks' is used. A standard drink contains 10 grams of alcohol.

The definition becomes more complex as different beverages contain different quantities of alcohol. The recommendation for moderation varies depending on what type of beverage you are consuming – beer, wine or spirits, and within that beverage range, the specific alcoholic content of your beverage.

In addition to these choices, when and how you choose to drink – the speed at which you drink, whether or not the beverage is consumed with food and many other variables can impact the effect of alcohol on an individual.

To express moderate drinking simply, the Brewers of Europe asked Dr. Skovenborg, a general practitioner and founder member of the Scandinavian Medical Alcohol Board, to define moderation, "To drink moderately is to drink within the limits set by your health, the society in which you live and your obligations towards your family and friends: 1-3 drinks a day for most men. Women are more sensitive to alcohol so they are advised to drink less than men: 1 to 2 drinks a day."

In terms of moderate drinking, unit-consumption guidelines should apply to daily consumption, rather than weekly. This is because individuals should avoid heavy consumption over short periods; for instance by consuming their weekly allocation of alcohol units at one time or over the weekend. This is known as "binge drinking" and can have serious health consequences, including increasing blood pressure, which raises the risk of heart attack and stroke.

The beneficial effect of alcohol lasts for approximately 24 hours; hence the message is to drink moderately and regularly. We would prefer our consumers to savor the quality and variety of our products than use them in excess.

In partnership with the Arthur Guerra Clinic in Brazil, AmBev created the Information Center on Health and

Alcohol (CISA), a non-governmental organization whose objective is to meet the need for data on the subject, and, to offer an information base for the whole society. Through the [CISA website](#), it is possible to access the main scientific and official data on the relationship between alcohol and health.

Please [click here](#) for further information relating to our approaches to promoting the healthy and responsible use of our products.

## Health – The Impacts of Excessive Alcohol Consumption

In this section we cover the issues drink-driving, under-age drinking, and excessive consumption.

Alcohol consumption in moderation can be part of a healthy lifestyle. However, it is important to acknowledge that excessive consumption of alcohol and alcohol abuse is unhealthy, particularly long-term excessive use. The negative long-term health effects include:

- **Liver damage:** severe inflammation of the liver, alcoholic hepatitis, and can lead to permanent scarring or cirrhosis.
- **Digestive damage:** inflammation of the pancreas and damage to the intestine.
- **Cancer:** associated with the suppression of the immune system, and chronic abusers of alcohol are more susceptible to various diseases, including cancer. Heavy alcohol abuse may increase the risk of esophageal, colon, mouth and liver cancer.
- **Heart:** Inflammation of the heart muscle (cardiomyopathy) is common in alcoholics. Symptoms include chest pain, palpitations, fatigue and breathing difficulties.
- **Joints/ muscles:** gout of the joints, and inflammation caused by the build-up of crystals of uric acid, and inflammation of the muscles (alcoholic myositis) mainly in the shoulders and the chest.
- **Fertility:** alcohol interferes with rapidly dividing cells and increases their level of acidity, which can affect fertility.
- **Brain:** negatively affects memory, learning, reaction time, spatial perception, abstract thinking and complex reasoning. Memory and judgment problems are the result of the toxic effects of alcohol on nerve cells.

Also premature dementia can be caused in some long-term drinkers.

There are circumstances where it is inappropriate for people to consume alcohol, for example, during pregnancy. InBev would not advise anyone who is pregnant to drink.

There are also a number of short-term health effects from excessive short-term consumption of alcohol (also known as “binge-drinking”).

In addition to the health impacts, there are important negative social issues associated with improper alcohol consumption. These include drink-driving, under-age drinking, and antisocial and aggressive behavior.

As a responsible brewer, we have launched numerous campaigns throughout the markets in which we operate to promote the responsible consumption of alcohol as part of a healthy and balanced lifestyle. We have also sponsored anti-drink-driving campaigns.

Please [click here](#) for further information on our approach to product responsibility and examples of specific initiatives actively promoting the responsible and healthy consumption of our products.

## External Links

Further information regarding beer and health can be obtained from a number of organizations. The following links are a selection of external websites that discuss alcohol and health. Please note that InBev is not responsible for the content of external websites.

The Brewers of Europe

<http://www.brewersofeurope.org>

The site includes, “The benefits of moderate beer consumption” compiled by The Brewers of Europe.

[http://www.brewersofeurope.org/uk/\\$\\$\\$members\\$\\$\\$/doc/others/publications/pdf-Mei04.pdf](http://www.brewersofeurope.org/uk/$$$members$$$/doc/others/publications/pdf-Mei04.pdf)

Beerandhealth.com website compiled by the Belgian Brewers

<http://www.beerandhealth.com>

The Portman Group (U.K.)

<http://www.portman-group.org.uk>

International Center for Alcohol Policies

<http://www.icap.org>

Information Center on Health and Alcohol (CISA)

<http://www.cisa.org.br>

The Amsterdam Group (TAG)

<http://www.amsterdamgroup.org>

Alcohol in Moderation (AIM)

<http://www.aim-digest.com>

The Brewers of Canada

[http://www.brewers.ca/EN/about\\_beer/health.htm](http://www.brewers.ca/EN/about_beer/health.htm)

US Government

These guidelines and their key recommendations establish sensible drinking limits for the moderate consumption of alcoholic beverages.

<http://www.health.gov/dietaryguidelines/dga2005/document/html/executivesummary.htm>

## Product Responsibility

“As a leading global brewer, we take great pride in marketing our global and domestic brands with the utmost quality and care. Our consumers are at the heart of everything we do, and while our communications encourage consumers to enjoy our products, we must ensure that we only promote the responsible use of our products – as natural, wholesome and thirst-quenching beverages. We are proud of our brands – some of the best beers in the world – and we are also proud to be taking the lead in ensuring they are promoted responsibly.”

John Brock (CEO)

As InBev is a responsible brewer, we want to ensure that our beer marketing is directed only at those above the legal drinking age and does not encourage excessive or irresponsible consumption. We wish to promote our products as ones to savored and be consumed in moderation, as part of a healthy and balanced lifestyle.

- InBev’s position on alcohol consumption is very clear. We would prefer our consumers to savor the quality and variety of our products than to use them inappropriately. We continue to develop our own marketing code, “The InBev Marketing Code of Conduct,” for brand and commercial communications.
- We carefully comply with the advertising regulatory regimes where we operate. In territories where this is weak we refer to our own self-regulatory procedures on our advertising, seek market feedback and respond to this if required.

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## Responsible Marketing

Marketing plays a fundamental role in the success of a free market economy. Marketing promotes competition, allowing consumers to choose between competing brands.

InBev has chosen to communicate with its consumers in a responsible way, by promoting responsible use of our products. Our “InBev Marketing Code of Conduct” sets out the general principles and guidance in this area. The Code is mandatory for all our operations, and is to be applied in addition to laws, mandatory rules, or other self-regulatory codes which may exist at a country level.

The Code has specific principles relating to:

- Underage drinking
- Responsible drinking
- Health claims
- Social & sexual success

- Alcohol content
- Association with hazardous activities

The Code applies to all forms of brand marketing and commercial communications, including advertising, sponsorship, outdoor events, promotions, website content, relationship marketing, consumer PR, packaging, and labeling claims for all InBev beer brands above 0.5% alcohol by volume (ABV) and any other alcoholic products manufactured and/or marketed by InBev.

To continue to meet the challenges of evolving best practice we are committed to reviewing and improving the InBev Marketing Code of Conduct at regular intervals.

In order to preserve our advertising freedom, we promote a creditable self-regulatory system. We believe that

through strict compliance with our code, our actions can build trust in self-regulation, by showing that it can work. Please [click here](#) to download a copy of “The InBev Marketing Code of Conduct.”

At InBev, we have a policy not to encourage, condone or promote irresponsible consumption of our products. In addition, we actively promote and campaign against excessive and inappropriate use of our products, such as binge-drinking, under-age drinking, and drink driving. Please [click here](#) for examples of our different campaigns in locations around the world in relation to these and other issues.

### Marketing Responsibility in Action

The monitoring of responsible advertising varies in different markets. In some markets, particularly in Europe, the legislative regime is based on self-regulation. In the U.K. for example, we are a full member of the Portman Group, with which we work to tackle the problems associated with alcohol misuse. Similarly, in Belgium, we work with the “Arnoldus” brewery sector association. As well as country-based arrangements, the European Union has introduced guidance on the need to introduce transparency into self-regulation. This has brought a shift from industry self-regulation to co-regulation, which includes consumer and industry groups in the process.

At the European level, we are a member of The Amsterdam Group, a European alliance of leading producers of beer, wine and spirits, who monitor the sector’s television advertisements. The Amsterdam Group has provided comments on numerous advertisements, including one for our Belgium brand, Kriek Belle Vue. Comments were made that one of the main characters could potentially be perceived to be encouraging excessive consumption. We listened to these concerns, even though we felt they were unfounded. Our response was to apply additional caution to subsequent advertisements involving the same characters, to prevent any further potential misunderstanding regarding excessive consumption.

An example of InBev’s strict internal monitoring of advertising against “The InBev Code of Marketing”

relates an internal review of a television advertisement for Cafi beer in Korea. The review led to the replacement of an overtly sexual advertisement with one using a different angle for the main advertising message.

## Programs and Projects

Responsible-drinking campaigns are tailored to the specific geographical markets in which InBev operates at the brand or business-unit level. They effectively demonstrate our marketing code in practice. The numerous campaigns target a range of issues such as under-age drinking and drink-driving. Three examples from our different Zones are highlighted:

- The BOB campaign in Europe promotes the use of a designated driver to raise awareness of drink-driving and reduce the number of fatalities.
- The AmBev Responsible Consumption Program is designed to promote moderate consumption, focusing on concepts such as “Don’t Drink and Drive” and beer consumption for people of legal age.
- Labatt in Canada has worked for many years with numerous partners to help communicate their message; “Know When to Draw the Line,” to promote drinking in moderation.

## BOB – Belgium

The BOB campaign is run by the Belgian Institute for Road Safety (IBSR). Since its inception in 1995, BOB has received significant support from InBev through the Brewers of Europe industry group. The aim of the program is to raise public awareness of drink-driving issues and ultimately to reduce drink-driving fatalities.



The BOB initiative is a designated-driver campaign. BOB is a nominated person who does not drink and has the responsibility of driving their friends' home after a night out together. The campaign marketing was started with the tagline, "who will be the BOB?" a decision to be taken before a 'night out', and was supported by 'visible' police enforcement. The campaign has been promoted through various media, including radio, television, billboards, posters, cinemas and mailings. In addition, the campaigns have been promoted through other publicity material, including BOB branded key rings, beer mats, T-shirts and a [participatory website](#).

*The BOB campaign has been very successful and in Belgium drink-driving fatalities fell by 17% from 1995 to 1998. Due to its success, the BOB campaign has expanded to include numerous European countries, including Denmark, France, Greece, Ireland, Luxembourg, The Netherlands, and Spain, and is now co-funded by the European Commission. In 2003, the expansion continued with the inclusion of Portugal and the U.K.*

### Responsible Consumption Program in Brazil

AmBev's long-running Responsible Consumption Program is designed to promote moderate consumption. Its themes focus on "Don't Drink and Drive" and dissuading those under legal age from drinking beer. AmBev promotes its messages through advertising campaigns, engaging in government programs, providing

consumer guidance at AmBev events, such as Skol Beats and Camarote da BRAHMA, and educational programs.

### Educational Programs

Educational campaigns are aired on national television to make consumers aware that they should not drive after they drink. Always branded as AmBev, these campaigns are equivalent to advertising campaigns and receive the same audio-visual resources. AmBev has also supported the publication of a guide called "How to talk to your children about the use of alcohol", written by health professionals. The guides are distributed to parents during parent-teacher sessions.

### Under-age Drinking Initiatives

AmBev is addressing under-age beer drinking by tackling legal compliance at the point-of-sale. Launched at the end of 2003, the "Ask for the ID Card" campaign now involves 250,000 sales outlets, after the program was extended from the original 8,000 partner outlets in the Brazilian Federal District. In April 2004, AmBev commemorated the campaign's anniversary with a day-long task force of 10,000 employees who visited 35,000 sales outlet. The aim of the task force was to ensure that restaurants, bars, and diners were still supporting the campaign. Outlets complying with the scheme earned an "Ask for the ID Card" seal.

### Promoting Responsible Approach to Alcohol and Driving

AmBev also seek partnerships with organizations in developing drink-driving related traffic accidents prevention programs. One example is the Friend Project organized by Brazils' Ministries of Transport and Justice, DMVs and City Transportation Agencies. The objective is to get young, legal drinkers to get in the habit of choosing a designated driver who will not drink and who will be responsible for getting their friends home safely. AmBev supports this program by distributing leaflets about the program.

AmBev sponsors "Skol Beats," one of the largest music events in Latin America, and extensively promoted the company's message of responsible consumption on

promotional material. In addition to promoting responsibility, a bus service was provided for free, and taxi cab services were arranged for the festival area, and parking was made available for 24 hours after the event. Partnerships were established with the police. In 2004 44,000 people attended Skol Beats, with no incidents being reported on the inappropriate use of alcohol.



A further example of AmBev's responsible driving activities is a Skol advert shows a couple in a nightclub. When leaving, the boy gives the girl what appears to be an engagement ring. It is actually his car keys and the advert ends with the message "To Drink Well is to Drink Responsibly."

AmBev has also taken the responsible-consumption program to the highways. In 2003, the company donated more than 14,000 disposable and digital breathalyzers to the states of São Paulo, Rio de Janeiro, Rio Grande do Sul and Brasília. The following year AmBev began the President Dutra Highway Project to encourage responsible consumption. This included the donation 11 breathalyzers, the placement of posters and banners as well as the promotion of responsible drinking at sales outlets. According to Nova Dutra (the consortium that manages the highway), the equipment has increased safety on a highway that sees traffic of 2.4 million vehicles a month, or approximately 6 million people.

#### Labatt – North America – Canada

Labatt is another example of a significant history of promoting the responsible use of products. Labatt has been a leader in the field of responsibility for some time, and examples of activities include Labatt being the first

Canadian brewer to launch a moderation program and the first to:

- Take the moderation message to television.
- Enlist the support of major sports and entertainment figures.
- Introduce a 'near-zero' alcohol beer, Labatt.5 – now known as Nordic.
- Pioneer a national, hands-on, young driver education program.
- Address safe boating practices, and safe snowmobiling.
- Partner with major urban transportation systems.
- Raise the issue of alcohol and family responsibility.
- Partner with law enforcement agencies, a national student group and a national TV network to provide education on moderation.
- Create an innovative on-campus program, called Freshheads that was prompted and ultimately implemented by students themselves.

Labatt has worked for many years with numerous partners to help communicate their message, "Know When to Draw the Line." This message was reinforced with a new television advertising campaign in autumn 2004.



Please refer to [the Labatt website](#) for further examples of North American initiatives in relation to the promotion of the consumption of alcohol in moderation.



In everything we do, employees in our North America Zone are **committed** to making InBev a **leader** when it comes to Corporate Responsibility. We care about our people and we take pride in acting in the best interests of our **communities**. To us, Corporate Responsibility is a **‘must have’** in the way we do business.”

**Carlos Brito**  
Zone President North America

## North America

Zone president: Carlos Brito

Countries in this Zone: Canada and U.S.A.

Major brands in this Zone: Alexander Keith's, Bass, Beck's, Blue Light, BRAHMA, Budweiser, Bud Light, Kokanee, Labatt Blue, Rolling Rock and Stella Artois.

Trading names in this Zone: InBev USA, and Labatt Brewing Company Limited.

Volume of product: 15 million hl

Good practice case studies from the Zone: To find out what we've been doing in the North American Zone please click on the following selection of case studies taken from our Global Citizenship Report:

- [Creston Spills](#)
- [Energy efficiency at Labatt](#)
- [Safety at Labatt](#)
- [Labatt Gets Serious About Canadian Sport](#)
- [Reusing Bottles in Canada](#)
- [Responsible Drinking Initiatives in Canada](#)



“It is very exciting to see InBev release its first Global Citizenship Report. In the Latin American Zone, we are very **proud** of our **history**, and how we have acted in a responsible manner. We look forward to **building** on this **foundation** in the future.”

**Luiz Fernando Edmond**  
Zone President Latin America

## Latin America

Zone president: Luiz Fernando Edmond

Volume of product: 105.5 million hl

Countries in this Zone: Argentina, Bolivia, Brazil, Chile, Dominican Republic, Ecuador, Guatemala, Paraguay, Peru, Uruguay, and Venezuela.

Good practice case studies from the Zone: To find out what we’ve been doing in the Latin American Zone please click on the following selection of exciting case studies taken from our Global Citizenship Report:

Major brands in this Zone: Andes, Antarctica, Baltica, Baviera, Becker, Bohemia, Bohemia Weiss, Bohemia Royal Ale, Bohemia Confraria, Brahma, Brahva, Caracu, Concordia, Ducal, Iguana, Kronenbier, Liber, Norte, Norsteña, Original, Ouro Fino, Paceaña, Patricia, Pilsen, Polar, Quilmes Cristal, Quilmes, Serramalte, Skol, Skol Beats, Stella Artois, and Taquina, 7UP, Fratelli Vita, Gatorade, Guaraná Antarctica, Lipton Iced Tea, Pepsi-Cola, Pepsi-Twist, Pepsi X, Red Rock, Soda Limonada, Sukita, Tónica Antarctica, and Triple Kola.

- [Biomass challenge](#)
- [Improving eco-efficiency in Argentina](#)
- [Jaguariúna’s Award Winning Ways with Water Stress](#)
- [Growing Good Guaraná](#)
- [Conservation at Agudos](#)
- [AmBev Supports Community Recycling in Brazil](#)
- [Programa Reciclagem Solidária – Cooperativas \(Co-operative Solidarity Recycling Program\)](#)
- [Improving Brazilian literacy by supporting Alfabetização Solidária](#)
- [Living our Values](#)
- [AmBev – Responsible Consumption Program](#)

Trading names in this Zone: CACN, Cervesur SA, Cia Bebidas Brasileira, Cia Boliviana National SA, Cia Cerv. AmBev Peru SA, Cia Chile SA, Cia Paraguay SA, Cia y Malteria Quilmes SAICA y G, Embodom C.por A., FNC SA, and Ind.del Atlántico S.A.



Corporate Responsibility helps **reinforce** a positive **beer culture** focusing on the **premium quality** of our product and the way it should be consumed: **responsibly, respectfully** and with the goal of having a **memorable and savorable** experience. The coming years look promising for us, and we look forward to continuing our **passion** and **drive** for doing things the **right way**.”

**Stewart Gilliland**  
Zone President Western Europe

## Western Europe

Zone president: Stewart Gilliland

Volume of product: 43.9 million hl

Countries in this Zone: Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, U.K., Spain, and Switzerland.

Good practice case studies from the Zone: To find out what we've been doing in the Western Europe Zone please click on the following selection of exciting case studies taken from our Global Citizenship Report:

Major brands in this Zone: Bass, Becks, Belle Vue, Boddington's, Boomerang, BRAHMA, Castlemaine XXXX, Diebels Alt, Diebels Light, Diekirch, Dimix, Dommelsch, Estrella Damm, Franziskaner, Gilde, Haake-Beck, Hasseröder, Hertog Jan, Hoegaarden, Jupiler, La Bécasse, Labatt, Leffe, Lindener, Loburg, Löwenbräu, Mousel, Murphy's, Oranjeboom, Rolling Rock, Schwarzer Herzog, Spaten, Stella Artois, Tennent's Super, Tennent's, Wolters, and Xibeca Damm Classic.

- [Water Supply Protection at Jupille, Belgium](#)
- [Working to Improve Local Amenity at Wellpark, U.K.](#)
- [Behavioral Safety](#)
- [European Safety Commendation for Salmesbury Brewery, U.K.](#)
- [Interbrew Belgium Prize for the Environment](#)
- [Beck's: Investing in the Future of Art](#)
- [U.K. Stella Artois Quality Award](#)
- [InBev's Precautionary Approach in Action](#)
- [BOB – Belgium](#)

Trading names in this Zone: Brasseries de Luxembourg, Damm, InBev Belgium, InBev Deutschland, InBev France, InBev Italia, Interbrew Netherlands, InBev U.K. and Mousel-Diekirch S.A.



“The Global Citizenship Report is extremely **important** for us **right now** as the Central & Eastern Europe Zone expands. This report **sets the standard** of what is and is not acceptable behavior at InBev, and it is our duty to act in accordance with that standard. During the coming year, we look forward to **meeting** this **challenge** and to providing valuable information for our next report.”

**Stéfán Descheemaeker**  
Zone President Central & Eastern Europe

## Central & Eastern Europe

Zone president: Stéfán Descheemaeker

Countries in this Zone: Bosnia - Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia - Montenegro, Slovenia, and Ukraine.

Major brands in this Zone: Astika, Bag Beer, Bergembier, Bergenbrau, Borodi Bivaly, Borostyan, Borsodi Barna, Borsodi Polo, Borsodi Sör, Branik, Burgasko, Caraiman, Chernigivske, Efes, Fructal, Holsten, Hopfen König, Jelen, Kamenitza, Kelt, Klinkskoe, Mestan, Nik Cool, Nik Gold, Niksicko Pivo, Niksicko Tamno, Noroc, Ostravar, Ozujsko Izzy, Ozujsko Pivo, Pikur, Pleven, Premier, Rallye, Rifey, Rogan, Sibirskaya Korona, Slavena, Tallar, Tolstiak, Union, Velvet, Volzhanin, Vratislav, and Yantar.

Trading names in this Zone: Apatin, Borsodi Sorgyar, Interbrew Efes Brewery, Interbrew Romania, Kamenitza, Pivovary Staropramen, SUN Interbrew, Trebjesa, Uniline, Union, and Zagrebacka Pivovara.

Volume of product: 34.6 million hl

Good practice case studies from the Zone: Currently not available.



“It is an **exciting time** to be a part of the Asia Pacific Zone. We have tremendous **potential for growth** in this Zone, and we plan to achieve it in a **responsible manner**. The Global Citizenship Report is particularly significant for us. As we focus on responsibility, it helps provide **guidance** on how to best represent InBev and **what we stand for.**”

**Brent Willis**  
Zone President Asia Pacific

## Asia Pacific

Zone president: Brent Willis

Countries in this Zone: China, South Korea.

Major brands in this Zone: Baisha, Budweiser, Cafri, Cass, Double Deer, Jinling Yali, Jinlongquan, KK, Lulansha, OB, Santai, Shiliang, Supra, Zhujiang Fresh, and Zhujiang.

Trading names in this Zone: Interbrew China, Oriental Brewery, and Zhujiang.

Volume of product: 25.6 million hl

Good practice case studies from the Zone: Currently not available

# Performance at a glance – GRI Index

InBev is a registered organizational stakeholder of the Global Reporting Initiative (GRI) and we fully support the mission of the GRI to develop globally accepted sustainability reporting guidelines through a global, multi-stakeholder process.

This report is InBev's first Global Corporate Citizenship Report and we have followed the GRI guidelines as closely as possible. We aim to report in accordance with the GRI guidelines in future Reports.

Below is an index of our Global Corporate Citizenship report based on the indicators of the [Global Reporting Initiative \(GRI\) Sustainability Reporting Guidelines](#). It provides links to the relevant pages in this Report or on other parts of [InBev.com](#), and shows the current status of the InBev Report against the GRI indicators.

The Guidelines provides core indicators, which must be reported, and additional indicators which may be reported. InBev has included relevant additional indicators in our index in italics.

## Keys

- ✓ This indicator has been covered by the report
- ⓘ This indicator has only partially been covered by the report
- Not currently reported, we will assess this indicator as part of our ongoing reporting process
- ✗ Not applicable or proprietary information

## Shortcuts to GRI Index

1. Vision and Strategy
2. Profile
3. Governance Structure and Management Systems
4. Performance Indicators
  - a. Economic
  - b. Environmental
  - c. Social

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### 1. Vision and Strategy

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- |   |     |  |   |
|---|-----|--|---|
| ✓ | 1.1 | Statement of the organization's sustainability vision and strategy regarding its contribution to sustainable development | <a href="#">Linking to Corporate Strategy</a> |
| ✓ | 1.2 | Statement from the CEO describing key elements of the report   | <a href="#">A Welcome from John Brock</a>     |

### 2. Profile

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- |   |     |   |  |
|---|-----|---|--|
| ✓ | 2.1 | Name of reporting organization            | <a href="#">Company Overview and Formation</a> |
| ✓ | 2.2 | Major products and services               | <a href="#">Guide to Brands</a>                |
| ✓ | 2.3 | Operational structure of the organization | <a href="#">Geographical Markets</a>           |

## 2. Profile

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✓	2.4	Description of major divisions, operating companies, subsidiaries and joint ventures	Geographical Markets
✓	2.5	Countries in which the organization's operations are located	Geographical Markets
✓	2.6	Nature of ownership; legal form	Company Overview and Formation
✓	2.7	Nature of markets served	Organizational Structure
✓	2.8	Scale of the reporting organization	Organization Structure Employee Profile Economic
▶	2.9	List of stakeholders	Stakeholder Relations
Report scope			
✓	2.10	Contact person for the report, including e-mail and web addresses	Contact for Further Information
✓	2.11	Reporting period (e.g. fiscal / calendar year) for information provided	Reporting Period, Boundaries and Basis
✗	2.12	Date of most recent previous report (if any)	
✓	2.13	Boundaries of report and any specific limitations on the scope	Reporting Period, Boundaries and Basis A Note on InBev Environmental Performance
✓	2.14	Significant changes in size, structure, ownership, or products / services that have occurred since the previous report	Company Overview and Formation
✓	2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations and other situations that can significantly affect comparability from period to period and / or between reporting organizations	Reporting Period, Boundaries and Basis
✗	2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	Report Profile
Report Profile			
✓	2.17	Decisions not to apply GRI principles or protocols in the preparation of the report	Reporting Period, Boundaries and Basis
○	2.18	Criteria / definitions used in any accounting for economic, environmental, and social costs and benefits	Reporting Period, Boundaries and Basis
▶	2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental and social information	Environmental Performance

## 2. Profile

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ⓘ	2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report	Assurance
✓	2.21	Policy and current practice with regard to providing independent assurance for the report	Assurance
✓	2.22	Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organization's activities, including facility-specific information (if available)	Contact for Further Information

## 3. Governance Structure and Management System

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### Structure and Governance

✓	3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization	Governance Structure and Management
✓	3.2	Percentage of the board of directors that are independent, non-executive directors	Governance Structure and Management
ⓘ	3.3	Process for determining the expertise board members needed to guide the strategic direction of the organization, including with regard to environmental and social risks and opportunities	
ⓘ	3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental, and social risks and opportunities	Governance Structure and Management
ⓘ	3.5	Linkage between executive compensation and achievement of the organization's financial and non-financial goals	Executive Remuneration
✓	3.6	Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social and related policies	InBev Policy and Management
✓	3.7	Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental and social performance and the status of implementation	Code of Business Conduct
✓	3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	Shareholder Relations

### Stakeholder Engagement

ⓘ	3.9	Basis for identification and selection of major stakeholders	Stakeholder Relations
✓	3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	Stakeholder Relations

### 3. Governance Structure and Management System

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▶	3.11	Type of information generated by stakeholder consultations	Stakeholder Relations
▶	3.12	Use of information resulting from stakeholder engagements	Stakeholder Relations Overarching Policies and Management Systems
Overarching Policies and Management Systems			
▶	3.13	Explanation of whether and how the precautionary approach or principles is addressed by the organization	Product Safety
✓	3.14	Externally developed, voluntary economic, environmental and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses	Stakeholder Organizations
✓	3.15	Principle memberships in industry and business associations, as well as national / international advocacy organizations	Stakeholder Organizations
○	3.16	Policies and / or systems for managing upstream and downstream impacts	
▶	3.17	Reporting organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities	Wider Economic Impacts Good Neighbors
▶	3.18	Major decisions during the reporting period regarding the location of, or changes in, operations	World Class Efficiency Changing Employment
✓	3.19	Programs and procedures pertaining to economic, environmental and social performance. Include: priority and target setting, major programs to improve performance, internal communication and training, performance monitoring, internal and external auditing, senior management review	InBev Policy and Management External Growth World Class Efficiency Economic Performance Product Packaging Responsible Marketing
✓	3.20	Status of certification pertaining to economic, environmental and social management systems	Management prior to the Interbrew and AmBev Combination

#### 4. a. Economic Performance Indicators

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✓	EC1	Net sales	Economic Performance
✓	EC2	Geographic breakdown of markets	Geographical Markets Regional Performance
▶	EC3	Cost of all goods, materials, and services purchased	Economic Performance
✗	EC4	Percent of contracts that were paid in accordance with agreed terms (e.g. scheduling of payments, form of payment etc)	
▶	EC5	Total payroll and benefits expense (incl. wages, pension, redundancy payments)	Wages and Benefits
▶	EC6	Distributions to providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares	Economic Performance
▶	EC7	Increase/ decrease in retained earnings at end of period	Economic Performance

#### 4. a. Economic Performance Indicators

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🔵	EC8	Total sum of taxes of all types paid, broken down by country	Wider Economic Impacts
🔴	EC9	Subsidies received broken down by country or region	
🔵	EC10	Donations to community, civil community, and other groups broken down in terms of cash and in-kind donations per type group	Wider Economic Impacts Philanthropy Support for Local Communities
🔵	EC13	Describe the organization's indirect economic impacts	Wider Economic Impacts

#### 4. b. Environmental Performance Indicators

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🔵	EN1	Total materials use other than water by type (report in tons, kg or volume)	Materials
🟡	EN2	Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organization. (Refers to both post-consumer recycled material and waste from industrial sources)	
🟢	EN3	Direct energy use segmented by primary source. Report on all energy sources used by the reporting organization for its own operations as well as for the production and delivery of energy products (e.g. electricity or heat) to other organizations	Energy
🟢	EN4	Indirect energy use. Report on all energy used to produce and deliver energy products purchased by the reporting organization (e.g. electricity or heat)	Energy
🟢	EN17	Initiatives to use renewable energy sources and increase energy efficiency	Energy
🟢	EN5	Total water use	Water Use
🔵	EN6	Location and size of land owned, leased, or managed in biodiversity-rich habitats	Agriculture Biodiversity
🔵	EN7	Description of the major impacts on biodiversity associated with the organization's activities and/ or products and services in terrestrial, freshwater, and marine environments	Agriculture Biodiversity
🟢	EN8	Greenhouse gas emissions (CO <sup>2</sup> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> ). Report separate subtotals for each gas in tonnes of CO <sup>2</sup> equivalent	Greenhouse Gases
🟡	EN9	Use and emissions of ozone-depleting substances	
🟡	EN10	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions by type	
🟢	EN11	Total amount of waste by type and destination	Byproducts and waste management
🟢	EN12	Significant discharges to water by type	Wastewater
🟢	EN13	Significant spills of chemicals, oils and fuels in terms of total number and total volume	Incidents and Non-compliance

#### 4. b. Environmental Performance Indicators

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✓	EN14	Significant environmental impacts of principle products and services (describe and quantify where relevant)	Environmental Performance Product Packaging
ⓘ	EN15	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed	Byproducts and Waste Management Product Packaging
✓	EN16	Incidents of and fines for non-compliance with all applicable international declarations/ conventions/ treaties, and national, subnational, regional, and local regulations associated with environmental issues	Incidents and Non-compliance

#### 4. c. Social Performance Indicators

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##### Labour Practices and Decent Work

ⓘ	LA1	Breakdown of workforce by region/country, employment type (full/ part time) and employment contract (permanent/ temporary)	Employee Profile
ⓘ	LA2	Net employment creation and average turnover segmented by region/ country	Changing employment
ⓘ	LA12	Employee benefits beyond those legally mandated (e.g. contributions to health care, maternity, education and retirement)	Wages & Benefits
○	LA3	Percentage of employees represented by independent trade union organizations or other bona fide employee representatives, broken down geographically, OR percentage covered by collective bargaining agreements	
○	LA4	Policy and procedures involving information, consultation and negotiation with employees over changes in the organization's operations (e.g. restructuring)	
ⓘ	LA13	Provision for formal worker representation in decision making or management, including corporate governance	Participation and Unions
✓	LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	Safety Management
✓	LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered	Health & Safety Committees
✓	LA7	Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontracted workers)	Safety Performance
○	LA8	Description of policies or programmes (for the workplace and beyond) on HIV/AIDS	
○	LA9	Average hours of training per year per employee by category of employee (e.g. senior/ middle management, professional, technical, etc.)	

#### 4. c. Social Performance Indicators

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- |   |      |  |   |
|---|------|--|---|
| ● | LA17 | Specific policies and programmes for skills management or for lifelong learning  | Basic Education is just the Beginning   |
| ○ | LA10 | Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring  |   |
| ▼ | LA11 | Composition of senior management and corporate governance bodies (including board of directors), including female/male ratio and other indicators of diversity as culturally appropriate | Executive Board of Management Diversity |

#### Human Rights

- |   |     |   |                          |
|---|-----|---|--------------------------|
| ○ | HR1 | Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to the reporter's operations, including monitoring mechanisms and results |                          |
| ○ | HR2 | Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors   |                          |
| ○ | HR3 | Description of policies and procedures to evaluate and address human rights performance within the reporting organization's supply chain and contractors  |                          |
| ○ | HR4 | Description of global policy and procedures/programs preventing all forms of discrimination in the reporter's operations, including monitoring systems and results                                  |                          |
| ● | HR5 | Description of freedom of association policy and extent to which it is universally applied independent of local laws, and description of procedures/ programmes to address this issue               | Participation and Unions |
| ○ | HR6 | Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied   |                          |
| ○ | HR7 | Description of policy to prevent force and compulsory labour and extent to which this policy is visibly stated and applied  |                          |

#### Society

- |   |     |  |                          |
|---|-----|--|--------------------------|
| ● | SO1 | Description of policies to manage impacts on communities in areas affected by the reporting organization's activities, as well as description of procedures/programmes to address this issue, including monitoring systems and results | Good Neighbours          |
| ▼ | SO2 | Description of the reporting organization's policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption   | Code of Business Conduct |

#### 4. c. Social Performance Indicators

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✓	SO3	Description of reporting organization's policy, procedures/ management systems and compliance mechanisms for managing political lobbying and contributions	Employee Integrity
✓	SO4	Awards received relevant to social, ethical and environmental performance	Awards
✓	SO7	Description of policy, procedures/ management systems and compliance mechanisms for preventing anti-competitive behaviors	Employee Integrity
Product			
✓	PR1	Description of policy for preserving customer health and safety during use of reporting organization's products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/ programmes to address this issue, including monitoring systems and results	Healthy Enjoyment
⊕	PR2	Description of the reporting organization's policy, procedures/management systems, and compliance mechanisms related to product information and labelling	Packaging Labelling
✓	PR9	Description of reporting organization's policies, procedures/ management systems and compliance mechanisms for adherence to standards and voluntary codes related to advertising	Responsible Marketing
⊕	PR3	Description of reporting organization's policy, procedures/ management systems and compliance mechanisms for consumer privacy	