

# Citizenship<sup>08</sup>



*Generating Economic Benefits*



*Managing our Environmental Performance*



*Promoting Responsible Drinking*



*Our People and the Community*

# InBev's 4<sup>th</sup> Global Citizenship Report

This report offers highlights of our sustainable approach to:

- **Generating Economic Benefits:** our wider economic impact including capital expenditures in the communities in which we operate,
- **Managing our Environmental Performance:** water use, energy and climate change, and byproducts and waste,
- **Promoting Responsible Drinking:** responsible marketing and responsible drinking programs, and
- **Our People and the Community:** learning and talent development, health and safety, and business conduct and integrity.

The report is also forward-looking and includes our commitments to continuing to reduce our environmental impact to 2010.

This report follows the Global Reporting Initiative's third generation (G3) sustainability reporting guidelines.

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# Key Performance Indicators

InBev is committed to continuous performance improvement. The following table presents a series of key performance indicators (KPIs) relating to our sustainability initiatives. We have set challenging targets for our environmental performance, and we will develop further KPIs in the future to measure our progress.

<b>Economic (page 8)</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>Notes</b>
<b>Volume</b> (million hectoliters)		271	247	224	(1 hectoliter = 100 liters).
<b>Revenue</b> (million euro)		14 430	13 308	11 656	Gross revenue (less excise taxes and discounts).
<b>Normalized EBITDA</b> (million euro)		4 992	4 239	3 339	Profit from operations adjusted for non-recurring items, plus depreciation and amortization.
<b>Environment (page 12)</b>	<b>2010 Target</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	
<b>Material recycling and byproducts use</b> (% recycling and reuse)	98%	97.2%	96.9%	95.1%	
<b>Energy use</b> (Gigajoules per hectoliter production (Gj/hl))	0.12	0.14	0.15	0.18	Gigajoules of energy used for all InBev production activities per hectoliter of beer and soft drinks produced.
<b>Water use</b> (Hectoliters of water use per hectoliter production (hl/hl))					
<b>All Production</b>	4.50	5.00	5.05	5.25	Hectoliters of water used for all InBev production activities per hectoliter of beer and soft drinks produced.
<b>Beer &amp; Soft Drink production only</b>	3.75				Hectoliters of water used for the production of beer and soft drinks per hectoliter of beer and soft drinks produced.
<b>Wastewater</b> (Hectoliters of wastewater per hectoliter production (hl/hl))	3.10	3.41	3.47	3.74	Hectoliters of wastewater discharged for all InBev production activities per hectoliter of beer and soft drinks produced.
<b>Greenhouse gas emissions</b> (Kilograms of carbon dioxide emissions per hectoliter production (Kg CO <sub>2</sub> /hl))	11.69	12.99	13.88	15.04	Kilograms of carbon dioxide emissions for all InBev production activities per hectoliter of beer and soft drinks produced.
<b>People &amp; the Community (page 28)</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>	
<b>Number of employees</b>		87 060	85 617	77 366	
<b>Employee satisfaction</b>		65%	63%	58%	Results of survey index measuring ten key aspects of employee engagement.
<b>Fatalities</b>		6	5	2	2007: three workforce fatalities, three contractor fatalities. 2006: Two workforce fatalities, three contractor fatalities. 2005: One workforce fatality, one contractor fatality.

# Welcome from our CEO



This year we further articulated our company's dream by aspiring to become the Best Beer Company in a Better World.

Our vision focuses the passion and commitment we already have for operating this company in a sustainable way. We know that we must continue to grow by attracting and retaining new customers and the best employees, we must innovate, we must adapt to environmental changes, and we must do so while operating in a responsible manner.

In particular, we will continue to work with all stakeholders to progress against our two main areas of focus: promoting responsible drinking and sound environmental management practices.

We have a long way to go before we achieve our dream, but this year's report shows progressive improvements in our performance:

#### Generating positive economic impacts :

- InBev created a value added of approximately 5 billion euro, first in the European beverage industry, up from second in 2007.
- Foundations associated with InBev invested over 37 million euro in supporting our employees, their families and the communities in which they live.
- In 2007, we invested over 1.5 billion euro in our operations around the globe - generating enormous economic benefits for the communities where we do business.

#### Improving environmental performance :

- In 2007, we recycled 97.2% of our waste and brewing byproducts, up from 95.1% in 2005.
- We improved our water use per hectoliter by 4.8% over the last three years.
- Over the last three years we have reduced energy consumption per hectoliter by 22.2%.
- InBev has cut CO<sub>2</sub> emissions per hectoliter of production by 6.4% since 2006 and over the last three years we have cut this by 13.6%.

#### Promoting responsible drinking :

- Working closely with governments, NGOs and industry associations, we developed and promoted responsible drinking programs in 10 key markets in 2007. In 2008, we will develop and promote programs in 30 markets around the world.
- In addition, in 2008 we will establish employee Responsible Drinking policies in all operating countries.

Our focus on sustainability is central to the InBev culture and is embedded in our way of doing business. With this in mind, we are sharing our forward looking targets so that we can continue improving internal performance while increasing external accountability.

Our targets for 2010 are ambitious but attainable. They are :

- Increasing our waste and byproduct recycling to 98%
- Targeting our water use for beer and soft drinks plants to an industry leading 3.75 hl/hl
- Reducing our energy use per hectoliter by 10%
- Reducing CO<sub>2</sub> emissions per hectoliter by 10%

A dream like this one cannot be achieved without setting challenging targets to focus our efforts and that's what we have done. I encourage you to read the report, together with the supporting material at [www.InBev.com](http://www.InBev.com).

Carlos Brito  
Chief Executive Officer

# Vision and Strategy

InBev's dream is to become the Best Beer Company in a Better World.

We have a plan to achieve our dream. We are setting aggressive targets to meet the expectations of consumers in regards to our environmental performance. We are taking on shared challenges such as the scarcity of resources, climate change and responsible drinking.

Clearly, our ambition is to build a company for the long-term, with a legacy to be proud of - for the people who work for us and with us; for future generations and the environment in which they live; and above all for our consumers, who we hope will always be as proud to choose our products, as we are to create them. It is our responsibility to protect our long heritage which spans some 600 years and ensure that it continues well into the future.

We are making a difference because of the integrity of our business conduct; our sustainable approach to the use of key resources; and the ways in which we engage with consumers in the promotion of responsible drinking.

We bring these plans together under the heading "Better World". This approach has four pillars, which relate to our key strategies:

## Generating Economic Benefits

With operations in over 30 countries InBev has a far-reaching economic impact through the jobs we create, the wages and taxes we pay and the significant investments we make in the communities in which we operate.

These contributions are the foundation of how we make a positive impact on society. Without a competitive well managed company generating long term value, all of our other activities would be impossible. Sustainable profitability is precisely what enables us to invest in our business for the long term and to create value for all our stakeholders.

## Promoting Responsible Drinking

Our primary responsibility to our consumers is to ensure that our products are safe and of the highest quality. However, as a leader in the beer industry we recognize that we have additional responsibilities relating to encouraging the responsible enjoyment of our products. While the vast majority of people drink alcohol responsibly, alcohol can be misused by a minority.

Traditionally, InBev has taken a two-fold approach to ensuring our wider product responsibility. First, we help address and prevent alcohol-related problems through targeted campaigns. Second, we ensure that our own marketing and sales activities support our position on responsible drinking and do not encourage alcohol misuse.

As part of our Better World approach we have added a third focus area in 2008: the development of global minimum standards that need to be reflected in local employee Responsible Drinking policies.

We will continue to build on the strengths of our existing well established actions to promote responsible drinking. We aim to communicate with more consumers across broader geographies, as well as work with our own employees, and continue to responsibly self regulate our marketing communications and sales activities.

## Managing our Environmental Performance

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

## Our People and the Community

Talented people continue to represent our most important, and indeed only, sustainable competitive advantage. Our ownership culture unites our people providing the necessary energy, commitment and alignment to support the pursuit of our dream of becoming the Best Beer Company in a Better World. To do this we must attract and retain the best people, develop them at the pace of their talents and compensate them accordingly.

Our focus on having the right people in the right roles at the right time, aligned through a clear target-setting and reward process, will improve productivity and enable us to continue to invest in growing the top line.

## Corporate Governance Structures

Corporate Governance rules established by the InBev Board of Directors are vital in supporting our business ambitions. They ensure that the company is properly managed and controlled, without limiting our vision, or the speed or flexibility of our operations.

As a company incorporated under Belgian law and listed on the Euronext exchange in Brussels, InBev adheres to the principles and provisions of the Belgian Corporate Governance Code, taking into account its specific status as a multinational group.

InBev's Corporate Governance Statement published online provides a comprehensive and transparent disclosure of the company's governance. A full report on Corporate Governance activities in 2007 can also be found in InBev's online annual report [www.InBev.com/annualreport2007](http://www.InBev.com/annualreport2007).





*“I feel very connected to our Better World vision.”*

*By focusing our collective energies on reaching these goals, I believe we can tackle the challenges that face us now, and in the future. I'm passionate about environmental issues and I'm proud we have a dream that centers on both the sustainability of our business and the planet.”*

**Toon Van der Veer,**  
Global Management Trainee  
The Netherlands



## Code of Business Conduct

As part of InBev's Corporate Governance framework, we have issued a Global Code of Business Conduct which establishes parameters and safeguards to ensure high standards of integrity are upheld. A new global whistleblowing procedure has been introduced this year to ensure that potential violations of the Code can be effectively and independently reported without fear of recriminations.

The Code covers compliance with all laws, including competition and antitrust laws; dealing with potential conflicts of interest; use of company assets; prevention of human rights violations; and together with specific guidelines on gifts and political contributions, includes safeguards against bribery and corruption. More information can be found in the **People and Community** section of this report (page 28).

## Code of Commercial Communications

As a company in the alcohol beverage sector, we are committed to promoting the responsible consumption of our products. InBev's Code of Commercial Communications is the tool which ensures that we do not direct communication towards those under the legal drinking age; and that we discourage hazardous activities such as drinking and driving. The code is mandatory for the entire company covering all countries in which we operate, and is reinforced by training and other compliance measures.

More information can be found in the **Responsible Drinking** section of this report (page 22).

## Corporate Citizenship management structures

In 2007, we adopted the following structures to promote Corporate Citizenship throughout the business:

### At senior level:

- Corporate Citizenship forms a part of the Corporate Affairs Strategy, which was approved by the Board in 2006.
- The Board and Audit Committee receive quarterly progress reports on matters related to the Code of Business Conduct and the whistleblowing procedure.
- Members of the Executive Board of Management briefed major shareholders on Citizenship actions as well as financial activities at key dates in the financial calendar.
- Corporate Citizenship issues have been incorporated into the CEO's quarterly briefing sessions for global headquarters' staff, with an open invitation for employees to ask questions.
- A Head of Corporate Social Responsibility was appointed in June 2008.

### Ongoing management:

- A multi-disciplinary Corporate Citizenship team has been established led by the Global Head of Corporate Affairs, including Vice-President level input from People, Legal, Procurement, Investor Relations, External Communications and Technical (Energy & Fluids, Environment, Performance and Health & Safety).
- New lines of reporting have been established between the Global Head of Corporate Affairs, the head of CSR and teams working on Corporate Citizenship in the Zones.
- Monthly conference calls take place to update and share experiences and good practice between Global Headquarters and country colleagues working on Corporate Citizenship.
- Target setting has been shared across departments and geographies, supporting Corporate Citizenship goals.
- An annual global conference brings together teams working on Corporate Citizenship across InBev's operational Zones, to share best practices in implementing Corporate Citizenship strategies.

# Stakeholder Relations

With operations in more than 30 countries, we have a diverse range of stakeholders around the world.

## Stakeholder mapping

In 2007, we continued to engage our main stakeholders through various activities. Specifically, we strived to improve the way we prioritize and report on key issues. Our key stakeholder groups are:

- Consumers
- Customers
- Employees
- Investors
- Media
- Local communities
- Governments and regulators
- Suppliers
- Non-governmental organizations

We evaluated which issues are most relevant to our stakeholder groups from both an internal and external perspective, and we have:

- Continued through our Better World approach to enhance the way we measure our company reputation and how we analyze drivers of reputation,
- Tracked media reports on both InBev and the brewing sector over the last 12 months,
- Recorded the issues of concern of our key internal Corporate Affairs stakeholders at a global Senior Leadership Conference,
- Adapted our annual internal Corporate Affairs questionnaire to focus on key issues facing the company,
- Improved our annual external survey of 500 influencers known within the brewing sector so it now includes sustainability issues,
- Canvassed the views of experts at InBev for updates on Environment, Investor Relations and People related issues, and
- Tracked what Socially Responsible rating agencies are asking from us and fed this into the issues prioritization process.

Our analysis has again led us to identify Employees, Regulators and the Media as primary audiences for our 2008 Global Citizenship Report. Our key issue areas were identified as environmental responsibility, promotion of responsible drinking, people and community and wider economic impacts. Please see more online about the issues prioritization, or 'materiality', process.



## External Stakeholder communication

In our efforts to engage with our stakeholders, InBev has a range of global external communication tools and strategies. These include:

- Regular press releases and tailored media engagement events and road shows,
- Quarterly conference calls for investors to coincide with our financial announcements and dedicated investor information online,

- Reflecting on the importance of China to our business, we appointed a new Board position: Chairman InBev China. Through this position we aim to continue to build InBev's reputation in China, and strengthen our relationships with joint venture partners, the government, regulators and other key stakeholders,
- We engage with governments and policymakers on both national and international levels, including the EU, WHO and trade associations. For example, InBev is a founding signatory of the EU's Alcohol and Health Forum,
- Our program of consumer insight research helps us understand evolving consumer needs, values and concerns. InBev engages with organizations on consumer education, such as the International Center for Alcohol Policies to promote responsible drinking, and
- We continue to use our broad range of external communication tools to support stakeholder engagement. Examples include position papers on key issues, our Annual Report, Company Presentations, University outreach and training, and our global [www.InBev.com](http://www.InBev.com) website.

## Global Reporting Initiative

Our sustainability advisors Sd3 Global help us produce the Global Citizenship Report in alignment with the Global Reporting Initiative's third generation (G3) guidelines. We declare our 2008 report to satisfy Application Level B.

This year we applied greater rigor to the way we checked our compliance to GRI G3's core indicators. We asked sustainability advisors csnetwork to independently review the extent of our adherence to the requirements of each core indicator. We have improved our reporting accordingly and incorporated their conclusions into our final GRI Index.

We are making preparations for external assurance for the 2010 report.

## UN Global Compact

InBev is a member of the UN Global Compact (UNGC) to help stimulate our progress on corporate responsibility. We have progressed most tangibly this year in relation to environmental responsibility.

Our progress against the ten UNGC Principles is summarized in the table opposite. As required by the UNGC's rules regarding communications on progress, we endeavor to describe through this report, our practical actions and partnerships to implement the Global Compact principles. See also the GRI Index online at: [www.InBev.com/citizenship](http://www.InBev.com/citizenship).







## UN Global Compact Communication on progress

UNGC Principles	Key actions on progress
1 Businesses should support and respect the protection of internationally proclaimed human rights.	Our Global Code of Business Conduct prohibits human rights violations. In 2007 a new Corporate Audit Cycle was launched. Find out more on <a href="#">page 5</a> .
2 Make sure that they are not complicit in human rights abuses.	All country-level operations are subject to a compliance review between 2007 and 2009. In 2007, 36% of our business units were assessed for compliance to the Code of Business Conduct (up from 25% in 2006). Our new audit cycle tests knowledge of the Code, its procedures, legal compliance, discrimination cases and transgressions.
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	We continue to adhere to the collective bargaining agreements in place across our global operations. Employee involvement in decision-making (such as via works councils) varies across the organization. Find out more in our People and Community section online.
4 Business should support the elimination of all forms of forced and compulsory labor.	Our Global Code of Business Conduct and our procurement policy continue to prohibit these forms of labor in our operations. Find out more on <a href="#">page 5</a> .
5 Business should support the effective abolition of child labor.	
6 Business should support the elimination of discrimination in respect of employment and occupation.	Our Legal and Corporate Audit departments monitor legal compliance and conformity with principles of non-discrimination. In 2007, our audit process reported one substantiated case of discrimination which was resolved accordingly.
7 Businesses should support a precautionary approach to environmental challenges.	Our Voyager Plant Optimization (VPO) management system, our Environmental Policy and Operational Standards provide a precautionary approach to environmental management. Our mandatory Good Operating Standards-many of which focus on environmental issues-promote best practices in brewery management. VPO has now been implemented in all InBev Zones apart from the new Zone Latin America South. Find out more on <a href="#">page 12</a> . Our precautionary approach to product quality and safety can be found online under product information.
8 Undertake initiatives to promote greater environmental responsibility.	The Voyager Plant Optimization (VPO) management system promotes environmental efficiency throughout our operations. In 2008 we are conducting a study into the measurement and management of our greenhouse gas emissions at a global level. In Latin America we continue to invest in renewable energy generation in our plants focusing primarily on using biomass for fuel as well as burning the biogas byproduct of our anaerobic wastewater treatment with four biomass based Clean Development Mechanism projects up and running or in development in the region. Globally, we reused or recycled 97.2% of our waste in 2007. For the first time in 2008, we are stating externally three-year global targets for our key environmental indicators to help steer our environmental improvement. See <a href="#">page 12</a> and online.
9 Encourage the development and diffusion of environmentally friendly technologies.	We continue to use clean technologies in our products and processes to improve environmental, social, as well as financial performance. In Brazil, biomass fuel now accounts for 34% of our on-site fuel use, in the same time period oil use has dropped from 48% of our total to 10%. We also promote efficiency in water usage and other environmental best practices amongst our plants through our globally applicable Good Operating Practices and through emulation of best practices across our operations. Please see <a href="#">page 12</a> and online for examples in Brazil and China.
10 Work against all forms of corruption, including extortion and bribery.	Our Code of Business Conduct, and the InBev guide to gifts and political contributions strictly prohibits the facilitation of payments, and all political contributions must be approved by the Board. Donations are only acceptable if they reflect InBev's Corporate Citizenship commitment, InBev's values, our Code of Business Conduct and the UN Global Compact principles. Our new audit cycle tests knowledge of the Code, its procedures, legal compliance, discrimination cases and transgressions. There is a strong relationship with the InBev legal compliance audit cycle which includes awareness of the Code of Dealing and the Policy on gifts & political contributions. See <a href="#">page 4</a> and our online supporting information.

# Generating *Economic* Benefits

With operations in over 30 countries InBev has a far-reaching economic impact through the jobs we create, the taxes we pay and the business partners and communities whom we support. Our Better World approach is about creating long-term economic value and striving for sustainable operations that make a positive contribution to society.

## HIGHLIGHTS

- In 2007, we organically grew EBITDA\* 16.5%, and delivered on our commitment to create shareholder value through margin expansion and a disciplined use of capital for the third consecutive year.
- With top line growth of approximately 5.2%, 2007, we affirmed our strategic approach to brand-building and disciplined sales execution, with some good brand performances across our portfolio.
- Volumes of our global brands rose 3.2% in 2007.
- **Stella Artois** had very strong growth in 6 significant markets worldwide: Russia, Ukraine, U.S., Canada, Brazil, and Argentina.
- **Beck's** has achieved premium growth of 13% outside its home market. The #1 German beer brand in the world, Beck's is present in more than 120 countries worldwide.

\* Wherever EBITDA is mentioned it refers to normalized EBITDA. The term normalized refers to performance measures before non-recurring items.

# Creating Long-Term Economic Value

## Economic management

Going forward, we will build on our proven strengths and financial discipline to ensure strong profit growth continues. But we will also focus specifically on top line growth by drawing on best practices.

Top line growth combined with financial discipline, executed by the best teams of people united by InBev's culture, supports our unchanging resolve to become the Best Beer Company in a Better World.

The three long-term objectives of our business are: to deliver volume growth ahead of industry growth; to grow revenue ahead of volumes; while at the same time maintaining strong financial discipline and ensuring that costs remain below inflation.

Behind these long-term objectives are key focal areas, which are the hallmarks of our business model, and which unite us in working towards our dream:

- Execution in the marketplace,
- Brand-building,
- Innovation generated from consumer insights,
- Financial discipline in everything we do, and
- Effective resource allocation (The Cost-Connect-Win model demonstrates our operational approach).



Whilst never compromising the quality of our brands, strong cost management allows us to capture 'non-working' money from within our overall cost envelope, and convert it into 'working money' to increase brand support and sales and marketing activities.

## Wider Economic Impact

A key aim for InBev is to create value for shareholders and stakeholders, especially our employees and the communities in which we operate.

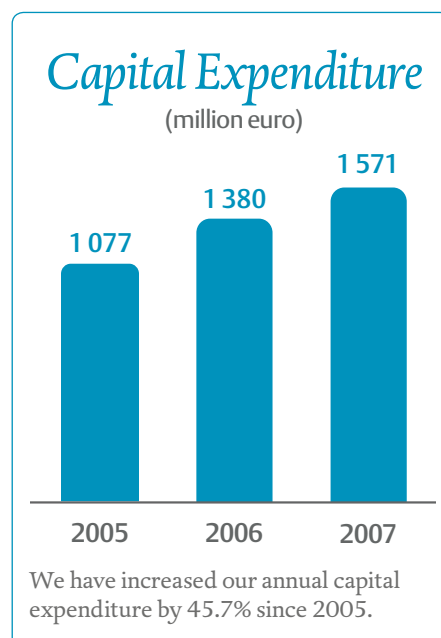
We are proud of the positive and meaningful impact our business has, in particular through our significant capital expenditures. We are improving our production facilities, modernizing logistics and commercial investments, creating jobs, as well as paying taxes and excise duties.

By constantly improving our operations, we aspire to continue creating new jobs, improving economic standards and adding value to the communities where we work. This is the basis for all our activity and is essential to becoming the Best Beer Company in a Better World.

Wider Economic Impact	
Total taxes	Income taxes : 649 million euro Excise taxes : 4 383 million euro
Value added (Europe only)*	Approximately 5.78 billion euro
Total wages and benefits	2 107 million euro
Full time equivalent employees	87 060
Capital Expenditure (Gross)	1.571 billion euro

\* 4 554.5 million pounds sterling at a conversion rate of 1.27 = 5 784.2 million euro.

Celebrating the re-opening of our Hoegaarden Brewery : a 30 million euro investment.



## InBev's Value Added

According to the U.K. Government's 2008 Value Added Scoreboard, InBev ranked first in the European beverage industry, up from second in its 2007 edition. Our value added increased by 25% from 3.35 billion pounds sterling in 2005/06 to 4.55 billion pounds sterling in 2006/07<sup>1</sup>.

Value Added is the value of a company's sales less the cost of its bought-in goods and services, which measures the amount of wealth created by a company. It provides a broader perspective on a company's economic contribution than operating profit and is a way of understanding its wider economic benefits.

This measurement does not account for the jobs InBev creates throughout its supply chain. Research carried out in 2006 shows that for each job in the brewing sector in Europe, two jobs are created in the supply sector, two in retail and almost 12 in hospitality<sup>2</sup>.

### Value Added Performance for European Beverage Companies 2008

Rank 06/07 (05/06)	Company Name	Value Added (million pounds sterling)	Change over 1 year
1 (2)	InBev, Belgium	4 554.5	25 %
2 (1)	Diageo, U.K.	3 471.0	-1 %
3 (3)	Heineken, The Netherlands	3 317.7	8 %
4 (4)	SABMiller, U.K.	3 046.8	18 %
5 (6)	Pernod Ricard, France	1 841.4	55 %

## Differentiating ourselves in Emerging Markets

InBev has grown rapidly in Latin America, Central & Eastern Europe and Asia Pacific and we are investing in these markets. In 2007 over two thirds of our EBITDA was generated in emerging markets. Our acquisitions in these markets in 2006 allowed us to implement the InBev way of doing business, delivering positive economic, social and environmental impacts. The InBev approach is simple, focused and disciplined.

### Gross Capital Expenditure in Emerging Markets

Latin America North	367 million euro
Latin America South	132 million euro
Central & Eastern Europe	415 million euro
Asia Pacific	158 million euro

## Government Assistance

On occasion we partner with local governments on specific projects, and receive financial assistance for doing so. Our information on this is currently based on recording instances of assistance that arise during the year, rather than by use of a formal global survey. In 2007 we received government grants worth 95 million euro relating to fiscal incentives given by certain Brazilian states to assist company investments in those states.

<sup>1</sup> Source: U.K. Government Department for Innovation, Skills and Universities. The 2008 Value Added Scoreboard - The top 800 UK and 750 European companies by Value Added. Commentary & Analysis and Company Data documents. [www.innovation.gov.uk/value\\_added/](http://www.innovation.gov.uk/value_added/)

<sup>2</sup> Ernst and Young Netherlands (2006) "The contribution made by Beer to the European Economy: Employment, Value Added and Tax."



### Angarsk Brewery Begins production (Russia)

First production at the new Angarsk brewery which will serve eastern Russia. The plant can brew 4.8 million hectoliters per year and will employ 480 people.

### Nickolaev site joins VPO (Ukraine)

Our Nickolaev site in the Ukraine successfully completed the three-day qualification audit to join the Voyager Plant Optimization (VPO) program. The brewery will now move to standardize its operations in line with best practices from across InBev including environmental and social initiatives.



*“We are committed to investment in new technologies to drive efficiency and performance.*

*Investment in high-efficiency technologies at our new sites at Zhoushan and Changsha enhanced environmental best practices. The water reduction program at the Ningbo brewery saved 15.9 million liters of water. Following our acquisition of the Golden Key brewery in the Shanghai/Fuzhou region of China, InBev Sedrin will invest 60 million Chinese yuan (approximately 5.5 million euro) in technical innovations at the site, as well as providing training for Golden Key’s 250 employees.”*

**Miguel Patricio,**  
Zone President, Asia Pacific

## Our Brands in the Community

InBev operates a broad range of community involvement projects across its business operations. In addition to the examples below, a full list can be found on our website at [www.InBev.com/citizenship](http://www.InBev.com/citizenship).

Since the occurrence of the Sichuan Earthquake in May 2008, InBev China breweries’ donations to local government and the Red Cross have exceeded 2 million Chinese yuan (almost 200,000 euro). Miguel Patricio, Zone President Asia Pacific, pledged that donations from employees across China will be matched by the company.

In 2008, Apatinska Pivara (InBev Serbia) donated 25,000 euro to construct “Apatinska House”, a pavilion in Pančevo, Serbia to accommodate blind or partially-sighted people lacking adequate accommodation.

In Argentina, InBev runs a program called Travelling Backpack (‘Mochila Viajera’) which is a traveling children’s library that aims to bring books to children and strengthen family gatherings around reading. The project, which operates in Tres Arroyos and Mendoza, has reached more than 5,500 students and approximately 4,500 families as well as 450 teachers who were trained to carry out and continue this major educational initiative.



More on  
**GCR 08 Online**  
[www.InBev.com/citizenship](http://www.InBev.com/citizenship)

## Charitable foundations associated with InBev

- In 2006, the Antônio and Helena Zerrenner Foundation (FAHZ) invested 83 million Brazilian real (32 million euro) in the Company’s employees and dependents, totaling some 53,000 people throughout Brazil. This comprises a medical, hospital and dental plan, scholarships, supplies of school materials for 12,832 students, and the distribution of 21,059 hampers and 12,899 Christmas toys.
- In 2008, the Verhelst Foundation will dedicate 3.5 million euro to support InBev employees by helping with extraordinary medical costs, operating a confidential counseling service and developing responsible drinking initiatives. This year, the Foundation initiated an additional one million euro annual scholarship program available to employees and their families in every region where InBev operates. The Verhelst Foundation is an independent organization created in 1949 to support InBev employees.
- The InBev-Baillet Latour Fund encourages accomplishments of high human value in the scientific, educational or artistic fields by rewarding prizes, study grants, trips or gifts in cash or goods. In 2007, the Fund invested 1.7 million euro in the community.





• Managing our  
*Environmental*  
Performance

Managing and minimizing our environmental impact makes good economic sense and we aim to be as efficient as possible in our use of natural resources. Our continuous improvement approach centers on Voyager Plant Optimization, our strict brewery management system, as well as sharing and instituting best practices across our brewery network.

#### HIGHLIGHTS

- We are reporting data from 124 plants for 2007, up from 92 in 2006.
- In 2007, we reused or recycled 97.2% of our total waste and byproducts.
- We have reduced the amount of energy required to produce a hectoliter of product by 22.2% since 2005.
- Since 2005, we have reduced CO<sub>2</sub> emissions per hectoliter of product by 13.6%.

# Ambitious but Attainable Targets for 2010

## The way we brew our beer is important to us

Our beers are based on natural ingredients, we use pure water in the brewing process, and we package and distribute our products for the enjoyment of consumers around the world.

In addition to being efficient and avoiding waste - which is an important part of our culture - we need to stay in tune with the world around us and play our part in tackling shared challenges such as climate change. Environmental protection is a key focus of our Better World approach and in 2008 we are carrying out an in-depth carbon emissions study in targeted geographies to help us better understand our greenhouse gas emissions and climate impacts. In Latin America North we are already trading carbon credits generated by good carbon management practices.

## Objectives and targets setting

We are sharing our forward looking targets so that we can continue improving internal performance while increasing external accountability.

### 2010 Environmental Targets

- Increasing our waste and by-product recycling to 98%
- Targeting our water use for beer and soft drinks plants to an industry leading 3.75 hl/hl
- Reducing our energy use per hectoliter by 10%
- Reducing CO<sub>2</sub> emissions per hectoliter by 10%

Key Performance Indicators (KPIs) and targets are fully integrated into InBev's Voyager Plant Optimization (VPO) global management system which is designed to bring greater efficiency to our brewery operations and generate cost savings, whilst at the same time improving quality and ensuring safety. VPO requires regular self-assessments and audits to ensure consistency and high standards.

In 2007 we initiated ongoing reviews of our environmental procedures, focusing on byproducts and eco-efficiency. As a result, new KPIs will be implemented during 2008, which we will report on in 2009.

## Scope of our Environment and Safety Performance Data

For 2007 we are reporting data from 124 plants compared to 92 plants in 2006. The increase mainly comes from a large number of newly acquired breweries in China and the Latin America South Zone reporting data for the first time. This means that our overall environmental indicators have increased, however all data is adjusted by production to show our environmental efficiency independent of the number of plants reporting data.



### Real-time eco indicators with new Ecological Meter (Latin American North)

Latin America North recently launched its Ecological Meter. The purpose of this tool is to present eco indicators in real time. The ecological meter illustrates the environmental results via the internet. The volume of recycled water can be monitored minute by minute or for a longer periods of time. The meter also show rates of solid residue reuse and overall recycling.



# Water Use

## Why water use is important

Water is fundamental to our business. It is a key ingredient in our beers and soft drinks and is also used in the brewing process for cleaning, cooling and steam production. We manage water use and quality as efficiently as possible.

Water use is also important to our stakeholders, especially in parts of the world where availability is limited. Looking to the future, climate change may also have an impact on water availability, which could impact our business and the communities in which we operate.

## Our water management practices

Our Environmental Policy and Operational Standards guide our water management practices and are supported by plant-level targets and global KPIs.

By the end of 2007, all our plants had implemented the new Operational Standards - InBev's baseline standards for environmental performance and management processes that all production plants must comply with regardless of location or regulatory structures. For more information on our environmental operational standards as well as information on waste water please see [www.InBev.com](http://www.InBev.com)



### Water Conservation Projects Show Great Progress (Canada)

In 2007 the Montreal brewery in Canada saved an estimated 1.7 million hectoliters of water with a range of process and equipment changes. To sustain this effort the brewery has proposed further water conservation projects for 2008 with estimated savings of 3.65 million hectoliters a year. The 2008 projects will reduce water consumption by 1.35 hectoliters of water use per hectoliter of beer.



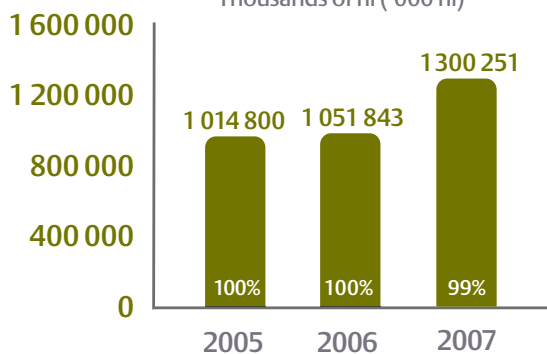
## Our global water performance

### How much do we use ?

In 2007 we used 1% less water per hectoliter of production than in 2006. However, because several newly acquired breweries reported data for the first time in 2007, our overall water use was 23.6% higher than in 2006.

### Total Water Use

Thousands of hl (\*000 hl)



### Water Use per Hectoliter Production

hl water per hl (hl/hl)



The figure on each bar indicates the percentage of our plants represented by this data



*“At InBev, improving environmental performance is everyone’s business.”*

*As a member of GHQ’s Sustainability team, I worked with my colleagues on a range of initiatives to reduce energy, solid waste and cost. We not only achieved our 30 per cent paper reduction target, but also identified other initiatives for ongoing improvement.”*

**Relinde Potoms,**  
Assistant to the CEO  
Member of the GHQ Sustainability Team, Belgium

### How efficient are we?

The table below gives an overview of water use per hectoliter of production for our three main types of production facilities. For malting plants, water use per ton of malt has decreased by 7.1% since 2006. Water efficiency for soft drinks production has decreased by 40% since 2006 due to the introduction of less efficient soft drinks plants in our Latin America South zone.

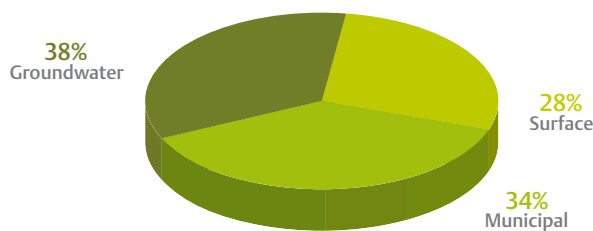
Water use ratios per activity	2005	2006	2007
Breweries and beer & soft drink plants (hl/hl)	5.52	5.29	5.29
Pure soft drink plants (hl/hl)	1.84	1.83	2.57
Malting plants (m <sup>3</sup> /ton)	7.08	6.80	6.32

### Best Performing Breweries for Water Consumption (2007)

Brewery	hl water / hl beer produced
Hannover	3,19
F. Brasília	3,32
F. Curitiba	3,32
Wernigerode	3,41
Branik	3,49

### Where does our water come from ?

#### Water Sources Used



Total Water Use 2007 = 130 025 thousand m<sup>3</sup>

### Exploring collaboration with NGOs

InBev knows that it can learn from collaborating with Government institutions and NGOs. Simply put, our company’s values and water management practices align with a great many organizations who want to ensure that people everywhere can have access to clean and safe water. We are actively seeking opportunities to collaborate with NGOs where skills transfers can occur. And we will continue exploring project-based partnerships that deliver educational or technical solutions in communities across the globe.

# Energy Use and Climate Change

## Why energy use and climate change are important

InBev is a significant energy user, consuming 36.8 million Gigajoules in 2007.

Climate change is predicted to have serious and far-reaching consequences. For our business it may directly impact the cost and quality of raw materials, lead to limits on water usage, increases in energy prices, unpredictable weather and changes in consumer demand. We recognize the collective challenge that climate change poses and we want to play an active role in the solution by becoming more efficient in our management and sourcing of energy.

As with other environmental challenges, there is a potential double benefit. In an atmosphere of rising energy and commodity prices we can become more effective in managing costs by being efficient in our use of energy.

## Managing energy and carbon reductions

As part of our Better World approach, we aim to reduce energy use and greenhouse gas emissions by 10 % between 2008 and 2010.

In May 2008 InBev participated in the Carbon Disclosure Project (CDP) for the first time. The CDP collects detailed surveys of corporations' carbon impacts and their responses to climate risks.

In 2008, we are conducting a carbon management study to identify opportunities relating to InBev's GHG emissions. The study will focus on our emissions and carbon footprint in the UK and China and will generate recommendations for improving our carbon management. The study commenced in May 2008 and will be completed by late September.

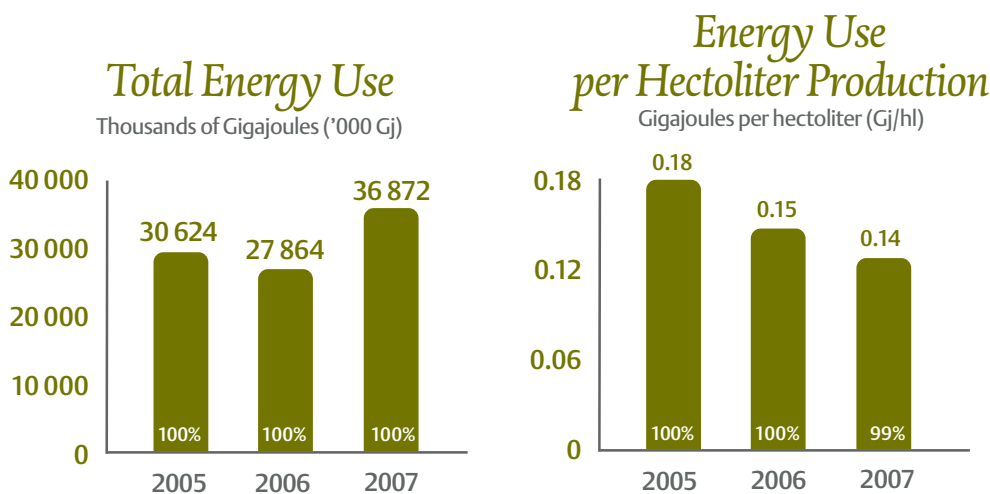
## Our global energy performance

We reduced our energy use per hectoliter by 22.2% since 2005. Our overall energy use increased by 32.3% in 2007 compared to 2006 because we are reporting data from 32 additional plants in 2007.



### InBev's First Clean Development Mechanism Project (Brazil)

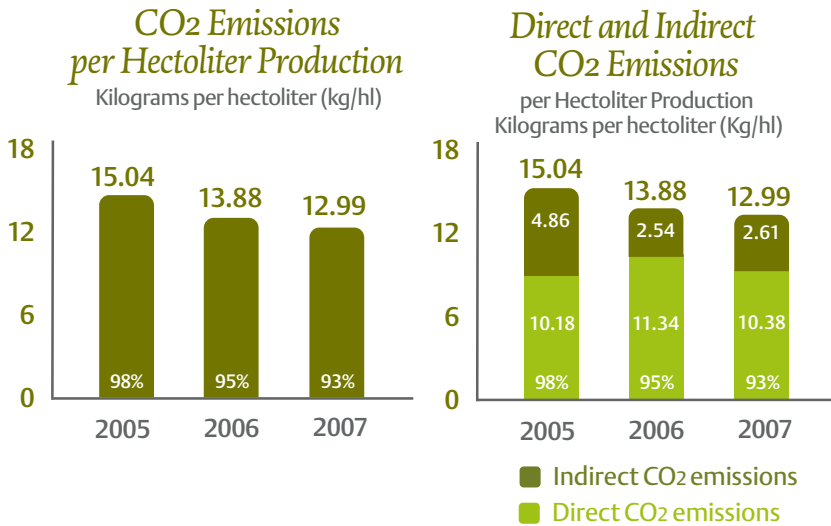
The *Burning Solid Biomass Project* at the Viamão brewery in Brazil replaces regular fuel for steam generation with renewable biomass produced from rice husks. This reduces CO<sub>2</sub> emissions in accordance with the Kyoto Protocol guidelines and the project was certified by the Brazilian Government in June becoming InBev's first Clean Development Mechanism (CDM) project. The approved emissions reduction is 188,000 tons of CO<sub>2</sub> over the next seven years. The Agudos and Teresina breweries have also been given approval by the Brazilian government to collectively reduce CO<sub>2</sub> emissions by 259,000 tons over the next five years. In Paraguay we anticipate registering a further CDM project at the Ypane brewery.



The figure on each bar indicates the percentage of our plants represented by this data

## CO<sub>2</sub> emissions

In 2007, InBev cut CO<sub>2</sub> emissions per hectoliter of production by 5.5% for a total reduction of 13.6% over the past last three years. As expected, with 32 additional plants reporting data for the first time in 2007 this represents a 16.8% overall increase as compared to 2006.



The figure on each bar indicates the percentage of our plants represented by this data

We calculate greenhouse gas emissions from our production plants using the widely accepted WBCSD/WRI Global Greenhouse Gas Protocol. For 2007 we have reported our direct and indirect CO<sub>2</sub> emissions based on scopes one and two of the Protocol. We measure CO<sub>2</sub> emissions from fuel use in our boilers and use of purchased electricity. Where possible we have included transport-related emissions but not emissions relating to CO<sub>2</sub> used in the brewing process due to uncertainties in the global data, particularly in China. We have estimated that, at current usage levels, our process-related CO<sub>2</sub> amounts to less than 4% of our total emissions and so is not material to our emissions calculations this year. We will be working towards including this component in future reporting. In 2007, InBev emitted the equivalent of 3.38 million tons of CO<sub>2</sub>, 79.9% of which were direct emissions and 20.1% of which were indirect.

## Breakdown of sources of energy

In 2007 energy generated from renewable sources such as biomass and biogas accounted for 13.75% of our fuel use. However our use of coal has risen this year as a result of 12 additional Chinese plants reporting environmental data for the first time.

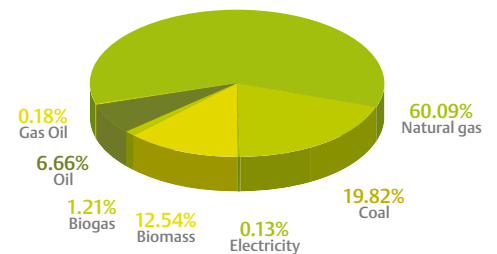


### Investing in renewables (Latin America North)

AmBev has invested over 4.8 million euro in renewable energy sources over the past four years as part of its Biomass Project. In 2007, AmBev has been burning a range of biomass including wood chips, coconut husks and farmed eucalyptus to generate heat at our Agudos, Lages, Teresina, Viamão, Minas, Cebrasa, Equatorial and Cuiabá plants in Brazil. In our Latin America North Zone biomass now represents 34% of total fuel use, up from 1% in 2004. The investment in biomass has mainly displaced oil as a boiler fuel and oil consumption has dropped from 48% in 2004 to 10% in 2007. Overall the move to biomass fuel will lead to emissions savings of 174,000 tons of CO<sub>2</sub> in 2007 and a cost saving of 6.6 million euro.



### Heat Generation



# Byproducts and Waste

## Why byproducts and waste are important

Waste management costs are increasing around the world, and landfill space is becoming increasingly scarce; customers are concerned about packaging impacts and our major retail partners require exacting environmental standards.

In terms of waste, our strategy is to divert byproducts with a residual value from our waste streams for recycling or reuse, and to recycle other waste such as on-site packaging waste.

## Our waste management processes

Waste and byproduct management is part of our VPO management system and is mainly driven by the secondary market value of byproducts, primarily for animal feed. We continue to improve at-source sorting and quality control to ensure that our byproducts satisfy safety regulations for animal feed and other applications.

### Secondary uses of our waste and byproducts

Waste / Byproducts	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



### Improving byproduct quality for reuse (Canada)

In 2007, the Halifax brewery in Canada invested 385,000 Canadian dollars (about 225,000 euro) to improve the quality of the brewery's spent grains and yeast that are reused as animal feed. The project upgraded collection equipment to improve consistency and quality of supply. In 2007, more than 18,000 tons of spent grains and yeast were collected and provided to local farmers.

*“New technologies are essential to reducing our environmental impact.”*

*Biomass energy now represents 34% of our total energy use in Brazil. Our investment in this technology has led to reductions in carbon emissions as well as reduced cost. Our Aguas Claras do Sul plant is fuelled by biomass and has been recognized as best practice for InBev globally.”*

**Beatriz Oliveira,**  
Environmental Manager, Brazil



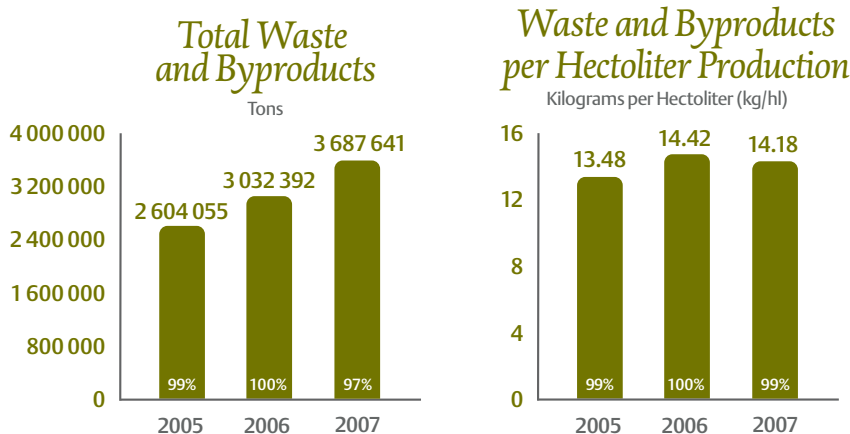
## Our waste and byproduct performance

We increased our global reuse/recycling rate to 97.2% in 2007 from 96.9% in 2006. In some areas of the business, the rate is even higher, for example in Latin America North we recycled 98.5% of the company's total waste and byproducts during 2007, and the top 13 plants globally reused or recycled 99% of their waste. We aim to increase our recycling rate to 98% by 2010.



### Investing in Recycling (Ukraine)

Our long-term environmental program, 'Come Together to Make Your City Clean' aims to increase awareness of the importance of separating waste for recycling. The program operates out of three breweries; Chernigiv, Kharkiv and Nikolaev and in Kiev. In Kharkiv in 2007 the program installed 345 recycling bins for glass, PET and paper, and 280 regular waste bins. In addition to supporting recycling infrastructure, the program also raises awareness through an educational film about recycling for school children, promotional material, and standard media channels such as press releases and press conferences.



The figure on each bar indicates the percentage of our plants represented by this data

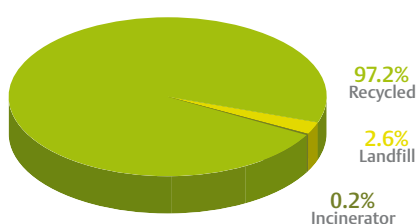
We have cut waste and byproducts per hectoliter of production by 1.6% since 2006. As a result of the increased number of breweries operating in 2007, our overall waste and byproduct production has increased by 21%.

88.6% of the total amount of byproducts and waste is organic residue from ingredients in our products. The breakdown of our waste and byproduct destinations is shown below.

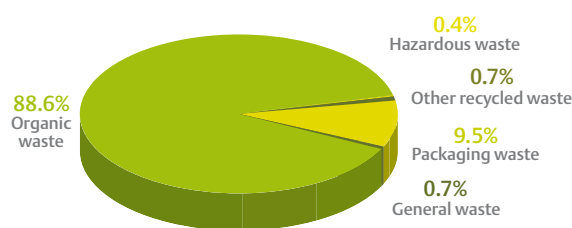
#### Historical Breakdown of Waste and Byproducts by type

Waste Type (Tons)	2005	2006	2007
Byproducts and organic waste	2 286 365	2 720 683	3 267 277
Packaging waste <sup>1</sup>	229 115	246 200	351 020
Other recycled waste <sup>2</sup>	57 129	16 714	25 787
General waste <sup>3</sup>	30 755	35 788	25 407
Hazardous waste	690	13 007	18 151
<b>Total waste</b>	<b>2 604 055</b>	<b>3 032 392</b>	<b>3 687 641</b>

### Waste and Byproduct Management Methods



### Waste and Byproducts By Type



Total Waste Production 2007 = 3 687 641 tons

1 Packaging waste collected in production plants.  
 2 Other recycled waste is non-ferrous and ferrous scrap, tires, wood and construction waste.  
 3 General waste is all waste that is not recycled.

# Packaging

Packaging ensures the quality and safety of our products, is part of the attraction of our products for consumers, and is essential to protecting our products when in transit. We acknowledge our responsibilities with respect to post-consumer packaging waste and, where applicable, we initiate or join producer recycling and reuse programs.

We use many types of product packaging including bulk packaging such as beer kegs, crates and pallets which are almost always returnable and reusable. Other packaging includes glass bottles, cans and PET (polyethylene terephthalate). Packaging has to account for regulatory requirements, environmental impacts, available recycling facilities, available technologies, various market needs, labeling requirements and customer/consumer expectations.

The breakdown of our packaging for domestic beer (excluding exported beer) and soft drinks by sales volume is shown below (the data accounts for 94.9% of sales in 2007). With the addition of soft drinks packaging data this year, which generally includes less returnable packaging than beer, the proportion of our packaging that is returnable (kegs and returnable bottles) dropped from 66% in 2006 to 56.5% in 2007. When considered separately, domestic beer packaging was 65% returnable in 2007 compared to only 10% returnable for soft drinks.

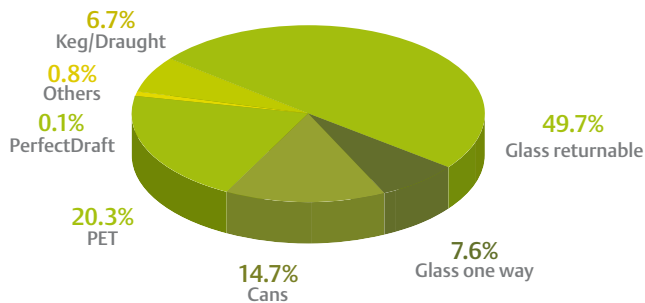


## Investing in Eco-efficient glass production (Brazil)

In April 2008, we opened a new eco-efficient glass plant in Rio Janeiro, Brazil. The plant, which can produce up to 120,000 tons of glass per year, has generated 1,800 direct and indirect jobs. The plant reaches new levels of material efficiency using 65% recycled content in the glass it produces compared to the Brazilian average of 45%. Water efficiency is also central to the plant. All cooling water is treated and reused, rainwater is harvested for production use, and the mains water is only used for drinking and hygiene purposes. To reduce the impacts on the local environment flue gases are treated to remove particles and other pollutants and early performance records show that emissions are over 25 times lower than public emission requirements.

## Global Packaging Breakdown 2007

Primary packaging of domestic beer and soft drinks by sales volume (hl)



The percentage of post-consumer packaging waste recovered or recycled is not available. InBev can educate and influence customers, consumers and partners to recover and recycle product packaging, but the data to describe performance which can be attributed to InBev products are not available due to the number, limited data reporting and complexity of all the municipal recycling schemes in the markets where our products are sold.

**100%** of our container packaging is either  
*reusable or recyclable.*



Guarulhos Brewery's Biodiversity Project

## Environmental Awards

Country/Plant	Award	Awarding body
Brazil/AmBev	Respect for the Environment	Valor Economico Newspaper
Brazil/Aquiraz	First Place : Clean production and water use	Industrial Federation of Cera State
Brazil/Goiânia	Second Place : Environmental Management	Goiás State
Brazil/Guarulhos	Environmental Seal	Guarulhos Municipality
Brazil/Cebrasa	Third Place : Environmental Management	Goiás State
Brazil/ Jaguaruina	Environmental Merit Certificate	Water Committee - Piracicaba, Capvaír and Jundiá River
Brazil/Curitiba	Environment and Ecology Award	Curitiba Municipality
China/Shiliang	Award for the efforts and contribution on water saving: 750,000RMB (75k-Euro)	Provincial Government of Zhejiang
China/Pingyang	Energy and Emissions award	Economy Trade Bureau of Pingyang County
Canada/Halifax	Mobius Environmental Award (Large Business category)	Resource Recovery Fund Board (RRFB Nova Scotia) a non-profit corporation focused on reducing, re-using, recycling and recovering resources



### Environmental Award recognizes Guarulhos Brewery Biodiversity project (Brazil)

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

There are 274 species registered, including 52 species of reptiles, 54 mammalian species and 168 species of birds. The animals include snake, castor, sloth, lynx, toucan, orangutan, and roe deer. In February of this year, the plant was also approved as an "Area of Preservation and Tracking Wild Animals" by Ibama, the National Environmental Agency.



More on  
**GCR 08 Online**  
[www.InBev.com/citizenship](http://www.InBev.com/citizenship)

# Promoting Responsible Drinking

Our primary responsibility to our consumers is to ensure that our products are safe and of the highest quality. However, as a leader in the beer industry we recognize that we have additional responsibilities relating to encouraging the responsible enjoyment of our products by consumers.

## HIGHLIGHTS

- Working closely with governments, NGOs and industry associations, we developed and promoted responsible drinking programs in ten key markets in 2007.

Pas de fête  
sans **BOB**.



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BEBER  
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DIRIJA.



PROGRAMA  
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DE CONSUMO



# Our Position

InBev's position on alcohol consumption is clear. We want our consumers to savor the quality and variety of our products rather than drink them inappropriately.

**InBev believes in moderate consumption, as demonstrated by the vast majority of our consumers.** This is not only more favorable for individuals and society; it is also in the long-term interest of our company and its brands.

**InBev believes that alcohol can have negative health consequences for young people because their bodies have not yet reached maturity, and below a certain age it is difficult to make responsible choices about alcohol consumption.** We support existing legal drinking age restrictions, and support their introduction where they do not currently exist. We also promote enforcement mechanisms such as training bar and shop staff, promoting age checks and raising awareness with young people, parents and teachers.

**InBev believes that drinking alcohol is not compatible with potentially dangerous activities such as drinking and driving.** This is why we support strong enforcement of Blood Alcohol Content (BAC) restrictions. We believe that proper enforcement is the key to tackling the problem of drinking and driving whatever the specific level of restriction, which varies from country to country. We support specific campaigns, for instance awareness raising programs for new drivers and for bar staff.

**InBev believes that drinking alcohol during pregnancy should be avoided.** During pregnancy, alcohol consumed will reach the unborn child. If an expecting mother abuses alcohol, she risks seriously damaging her baby's health. Although the medical world believes that an occasional drink will not damage the baby, we feel that it is better to be on the safe side and not to drink at all during pregnancy.

**InBev believes that drinking alcohol whilst on medication should be avoided.** Certain types of medication are not compatible with alcohol. We would strongly advise that safety advice on the medication is respected.

**InBev believes that drinking alcohol to excess will damage your health.** We know that immoderate drinking is not healthy and we support programs providing advice to consumers about how to enjoy drinking in moderation.

We support existing  
*legal drinking age restrictions and enforcement*  
of blood alcohol content restrictions on drivers.

# Responsible Drinking Issues

## What are the issues ?

Beer is regularly enjoyed by people the world over, and has been an integral part of society for centuries in many cultures. When enjoyed responsibly and in moderation it is compatible with a healthy and balanced lifestyle for most people.

While the vast majority of our consumers enjoy our beers in a responsible way, alcohol can be misused, leading to serious impacts for individuals and communities. Problems include driving when drunk, underage drinking or simply drinking too much. Personal choice and behavior play a large part in this, presenting us with an opportunity to educate and influence consumers on how to make responsible choices and enjoy our products responsibly.

## Health implications

The link between alcohol and health is complex. InBev welcomes research and debate around what are healthy and unhealthy levels of consumption. Alcohol abuse can lead to serious health consequences, particularly long-term excessive drinking. However, short bursts of excessive drinking, known as ‘binge drinking’, even when combined with periods of abstinence, can also have serious negative health and societal effects.

A list of external websites providing more information on the health aspects of alcohol can be accessed via our website.

## What is moderate drinking ?

Defining moderate drinking is not easy because the effect of alcohol differs from person to person due to physical differences (such as weight, height and sex), how quickly people drink, whether they drink with food, and how much alcohol has been consumed.

Widely accepted medical guidance is that 1-2 drinks (containing 10 grams of alcohol) per day for women and 2-3 drinks (containing 10 grams of alcohol) per day for men is moderate drinking. This medical guidance refers strictly to daily consumption.

The website [www.drinkingandyou.com](http://www.drinkingandyou.com) provides consumer guidance on sensible drinking and health issues, for a broad range of countries.



## Respect 16 - Supporting legal restrictions on drinking (Belgium)

In Belgium, it is illegal to serve alcohol to anyone younger than 16 in a bar or restaurant, but there is no mechanism allowing bartenders to easily check a consumer’s age. Similarly, legislation prevents minors from purchasing alcohol but beer is not included in the definition of strong beverages. At the same time, the problem of underage drinking is an increasingly hot topic in the Belgian media.

To address this situation, InBev Belgium has created the Respect16 campaign to increase awareness of the dangers of underage drinking. As part of the campaign, we aim to connect with those who may be providing minors with beer, such as bar staff, retail staff and parents, about the importance of not helping minors to drink. Please visit [www.respect16.be](http://www.respect16.be).



*“Responsible drinking* is a key element of  
InBev’s Dream to be  
*the Best Beer Company in a Better World:*

being credible and taking leadership in this area is the key  
to our business being aligned with society.”

**Carlos Brito**  
Chief Executive Officer

# Live the Commercial Communications Code

We ensure that our own marketing and sales activities support our strong position on responsible drinking and do not encourage alcohol misuse.

InBev believes in moderate drinking, as demonstrated by the vast majority of consumers. This is not only favorable for individuals and society; it is also in the long-term interest of our company and its brands. Our full position, including support for legal restrictions on drinking age, and support for enforcement of blood alcohol level restrictions to prevent drinking and driving can be found online at [www.InBev.com/responsiblebrewer](http://www.InBev.com/responsiblebrewer).

## Commercial Communications Code

InBev has a single global Commercial Communications Code which is the minimum standard we apply wherever we do business. If local rules are less strict than the Code, then the Code prevails. If local rules are more precise, then those are applied. In many cases our Code goes well beyond existing legal frameworks.

The main objectives of the Code are to make sure that our advertising and promotion does not encourage inappropriate behavior and it is not directed at those under the legal drinking age. The Code applies to all forms of brand marketing and commercial communications for all InBev products above 0.5% ABV.

The Code has specific principles relating to:

- Responsible drinking,
- Legal drinking age,
- Association with hazardous activities,
- Health aspects,
- Alcohol content and
- Performance and success.

## 2007 Audit

We have performed an internal audit on compliance with the Code and have targeted areas of improvement. There is a renewed focus on our Code of Commercial Communications. We are updating the electronic webtool which provides information for our marketing team as well as an updated electronic training tool that all marketing functions can use.

We are also raising the importance of self-regulation within the company through our regular contacts with senior management and senior marketing colleagues.

The Code is mandatory for all InBev operations and can be downloaded from [www.InBev.com/citizenship](http://www.InBev.com/citizenship).



## Raising Awareness: Vivamos Responsablemente 'Summer Plan' (Argentina)

To raise responsible drinking awareness and to help prevent alcohol sales to under-18's, Quilmes took its educational program Vivamos Responsablemente (Let's Live Responsibly) to Argentina's most prominent seaside resorts in early 2008. The sales force ran the "18+ = Responsible Sales" campaign at seaside locations during the summer months of January and February.

For the second year running the program delivered four events aimed at teenagers' parents helping them to understand the issues around young people and alcohol.

In 2007 the Vivamos Responsablemente program was acknowledged as being a program of educational interest by the Legislature of Buenos Aires City. For more information, please visit [www.vivamosresponsablemente.com](http://www.vivamosresponsablemente.com).



# Responsible Drinking in a Better World

Surveys conducted by both InBev and third parties reveal that responsible drinking and responsible marketing score highly as areas of focus for our consumers, employees and other stakeholders.

It is in our long-term business interest to ensure that our consumers' wellbeing is protected and we are committed to promoting responsible drinking patterns and reducing alcohol misuse. This is why responsible drinking is an area of primary focus for our Better World approach.

It is our aim to create a Better World in which our products are enjoyed responsibly:

- Not excessively,
- Not by people who are too young to drink,
- Not when driving,
- Not when pregnant, and
- Not with medication.

We will continue to work with all relevant stakeholders, locally, regionally and globally to ensure that InBev and our industry plays its part in addressing the shared challenge of targeting negative drinking and the impacts this has on individuals and society.

Traditionally InBev has taken a two-fold approach to responsible drinking. Firstly, helping to tackle or prevent alcohol-related problems through targeted responsible drinking campaigns. Secondly, ensuring our own marketing and sales activities support our position on responsible drinking and do not encourage negative drinking patterns.

As part of our Better World approach we have added a third area in 2008; the development of global minimum standards that need to be reflected in local Employee Responsible Drinking Policies. Once we have achieved the implementation of these minimum standards, we will roll out local programs around them. The scope of this program has been established in early 2008 based on an internal employee survey on responsible drinking. Employee responses showed that they felt they still did not know enough about responsible drinking and that they would like InBev to provide more guidance and education on personal responsible drinking as well as providing more detail on our policies and consumer-facing programs.



## **Raising Awareness: “When I Drink I Don’t Drive” (Serbia)**

In 2008 in Serbia our Apatinska brand initiated the campaign “When I drink - I don’t drive” to raise awareness of the risks of combining drinking and driving amongst young adults. In addition to promotional activities linked to all music events organized by Apatinska, we cooperated with the Taxi Drivers’ Association to provide a 25% discount to event goers to encourage them to choose a taxi over driving.





Over 2.2 million passengers arriving at Brussels Airport's Schengen terminal were welcomed by InBev's responsible drinking themed billboards.

## Setting targets

We have set ourselves a number of Better World targets relating to these focus areas:

### Responsible Drinking Programs

We have set a goal to establish at least one responsible drinking program in 30 countries we operate in by the end of 2008. To avoid diluting our collective impact we have chosen three universal responsible drinking themes to focus on: drinking and driving; binge drinking; and underage drinking.

Being proactive in this area is not new to InBev. In many parts of the world we have well-established and effective programs in place. In others, the focus on responsible drinking is only just starting and we will use our considerable experience to implement credible and effective programs to target irresponsible drinking and promote a positive drinking culture.

Our Better World vision provides a structure for developing programs that build on best practices while responding to local circumstances and drinking cultures.

### Responsible Marketing

We will assess the implementation level of our Commercial Communications Code through annual audits which will identify areas of best practice and areas requiring improvement. This will be backed up with electronic surveys on the knowledge of the Code for our marketing and public affairs teams, with regular reminders on some of the sensitive elements.

### Employee Responsible Drinking Program

We have set a target to develop our Employee Responsible Drinking Program over the next three years. We will establish a harmonized, global Employee Responsible Drinking Policy as a minimum standard; foster positive attitudes to drinking amongst employees through information and education; and encourage employees to promote responsible drinking with family and friends.

**In 2008 all operating countries will establish a local employee responsible drinking policy.** Different InBev operations are at different levels of evolution in this area. We have defined a set of minimum standards that must be contained within all local employee alcohol policies regardless of location or local circumstances.

By the end of 2008 we expect three main outcomes: a range of new local employee alcohol policies that meet, and in many cases exceed, the global standard; a range of adapted policies; and a range of revitalized policies. We will repeat our employee responsible drinking survey in early 2009 to assess the effectiveness of this target on employee awareness of InBev's responsible drinking policies.



### An Effective Partnership: 'People who care' (Brazil)


Approximately 45,000 employees and guests took part in AmBev's second 'Gente do Bem' ('People who care') program across Brazil in August 2007. The program once again had responsible drinking, and particularly drinking and driving, as a key theme. Through the course of the program 6,200 breathalyzers were donated to public transit authorities in six Brazilian states. Other aspects of the program included an awareness raising campaign and educational video produced by respected Brazilian NGO, the Centre for Information on Health and Alcohol.



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# Our People

and the Community



Talented people continue to represent our most important, and indeed only, sustainable competitive advantage.

## HIGHLIGHTS

- InBev is recognized on the Fortune 500 list of the World's Most Admired Companies, ranking second among major brewers, and moving up one spot from 2007 to fifth overall in the beverage sector.
- Total lost work days per 1000 full time equivalent employees down 16%.
- In 2007, all senior managers received training on our guidelines on gifts and political contributions, addressing our global anti-corruption measures.

# Dream, People, Culture and the Better World approach

Our mission is to get the right people in the right roles at the right time, drawing on their capabilities in an engaging professional environment. This guides our entire People strategy. Our ownership culture unites our people providing the necessary energy, commitment and alignment to support the pursuit of our dream of becoming the Best Beer Company in a Better World. To do this we must attract and retain the best people, develop them at the pace of their talents and compensate them accordingly.

Our 'People' principles underpin our entire culture. Our employees are encouraged to grow at the pace of their talent and they are rewarded for delivering results. Our culture is informal, and characterized by employees as 'owners' who espouse openness and honesty, who focus on problem-solving for better results and who act quickly and decisively.

We recognize that, when fully engaged, our people have ambition for growth and performance that can be observed in their daily habits and routines. InBev supports staff development with our organizational learning and leadership development initiatives. By engaging with and training the right people we will get great results.

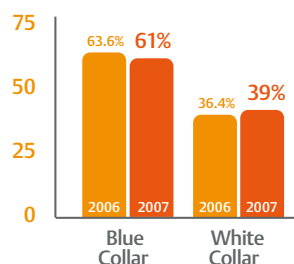
## InBev People

On 31 December 2007, InBev employed 87 060 full time equivalent employees worldwide.

In 2007, the average employee age was 37 years and the average length of service was nine years (both unchanged from 2006).

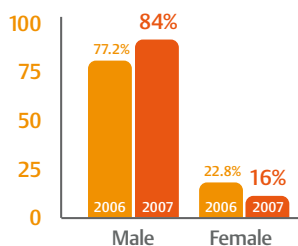
The graphs below show the gender breakdown of our employees and the breakdown between blue collar and white collar workers.

### Blue Collar/White Collar breakdown



\* Excludes China (data system currently does not collect this), Australia, Singapore, Italy, Spain, Czech Republic.  
 \* Variance with other published figures on workforce total arises due to differences in legal definitions and limitations in the scope of the data sets available.

### Employee Gender breakdown



\* Excludes Italy, Spain, Hungary, China, Australia, Singapore.  
 \* Variance with other published figures on workforce total arises due to differences in legal definitions and limitations in the scope of the data sets available.

**Our 10 Principles**

**Our Dream**

1. A big and challenging dream energizes us. We want to be the world's best, most profitable, beer company in a better world.

**Our People**

2. Great people, allowed to grow at the pace of their talent and compensated accordingly, are the most valuable assets of our company.
3. We must select people who can be better than ourselves. We will be judged by the quality of our teams.

**Our Culture**

4. We are never completely satisfied with our results. Zero-complacency helps guarantee a lasting competitive advantage.
5. Our focus on results helps us to devote our time and energy on what is essential. Results are the fuel of our company.
6. We are a company of owners. Owners take results personally.
7. We believe common sense and simplicity are better than unnecessary complexity and sophistication.
8. We manage our costs tightly, to free up resources that will support top-line growth.
9. Leadership by personal example is the best guide to our culture. We do what we say.
10. We don't take shortcuts. Integrity, hard work and consistency are key to building our company.

# Learning and People Development

## Opportunities for our people

### 'Own Your Future' - Global Management Trainee Program

Now entering its third year as a truly global initiative, our Management Trainee Program attracts talent from around the world and aims to find and develop InBev's future leaders. In 2007, a total of 122 trainees were recruited (104 in 2006). For the 2008 program, InBev received over 60,000 applications from recent graduates across the world. The best 128 have been selected.

### Opportunities for AIESEC interns

Through AIESEC, the world's largest student organization, InBev provides international one-year assignments to recent graduates from around the world. Over the last three years InBev has recruited over 70 AIESEC interns comprising 18 different nationalities, of which 60% remained with the company after their one-year assignment. The program offers an opportunity for talented individuals to develop their skills after university and to grow within the company. See [www.aiesec.org](http://www.aiesec.org).

### Accelerated InBev Global Leadership Experience (AIGLE)

The sixth installment of InBev's AIGLE Program took place in 2007, with 26 participants from 13 countries. This intensive program is organized in collaboration with INSEAD and Wharton business schools, and represents 22 days of learning, with further projects undertaken subsequently. The program aims to prepare selected managers for key positions within the InBev global leadership team in the near future. In the last five years there have been 180 graduates, with a further 36 of our managers due to graduate in 2008.

Other global leadership development programs at InBev include:

- **'Leadership, Performance and Change'** - Designed to bring our zone "partners" together to engage on key business issues, share best practices and further develop their skills as leaders.
- **'Leading @ InBev'** - An intensive, action-oriented leadership experience designed to prepare zone talent for future roles at InBev: offers a deep dive into "getting results, with teams, the right way" with a focus on leadership.
- **'Managing @ InBev'** - A program for new leaders, designed to help them focus on the basics of performance management and managing a team.

## Recognition

Along with recognition on the Fortune 500 list of the World's Most Admired Companies in 2007 InBev was also recognized in the following:

- Ranking amongst the best Brazilian companies to work for by Brazilian journals Época and Exame;
- InBev Netherlands was recognized by the Corporate Research Foundation as a 'Top Employer';
- SUN Interbrew Ukraine was rated as an employer of choice by InvestGazeta, Delovoy Zhurnal, and Ernst & Young Human Capital.





## The importance of learning and people development

Our people mission, strategy and management aim to improve our people's performance. Our 'People Cycle' helps our leaders govern performance and people development. It maps out how our people focus on targets, how they are compensated, how they are evaluated (targets and behavior), their career goals and their potential to grow through personal development.

Each year our people are evaluated on performance and potential. Good performance is judged on a combination of results against a set of business targets and behavioral competencies. The five global competencies include:

- 1 We think big and take on big challenges.
- 2 We lead by personal example.
- 3 We reach our goals the InBev way: simple, focused, and disciplined.
- 4 We think and act as owners.
- 5 We develop the best people and teams.

Please refer to the online materials for detail on how we assess competency.



## Employee Engagement

Research suggests that the connection, or engagement, people have with the work they do and their assessment of the significance of their contribution are what make the most difference to them, above and beyond their compensation package. We encourage line managers to ensure employees feel appreciated and we have developed three types of global recognition programs to reinforce our culture and principles:

- InBev Owners Program
- Functional Excellence Programs
- Best practice sharing and implementation

Our latest employee opinion survey, carried out in February 2008, shows an employee engagement index of 65%, up from 63% in 2007 and 58% in 2006. The data are taken from 43,583 interviews in 33 countries, representing a 67% response rate (+38 percentage points compared to 2007) among those invited to participate. The employee engagement responses are used to develop action plans to improve our responsiveness to employees on the issues that matter to them.

## Best Practice Sharing Initiatives in 2008

The ability to identify and implement 'good' or 'best' practices adds to our competitive advantage as a global company. In 2008, InBev initiated a Global Best Practice sharing event for regional implementation through the year. There are five categories for best practice sharing: cost reduction & elimination, supply & logistics, commercial, people and miscellaneous. They are judged on their impact and replicability. These reward initiatives are also important to employee engagement.

*"We are committed to providing our people with the training and tools they need to develop."*

*Our Global Management Trainee Program offers recent graduates a chance to immerse themselves in all aspects of our business. During their induction week at our Global Headquarters in Leuven, trainees have the opportunity to meet their peers as well as senior business leaders and area specialists."*

Nigel Miller,  
VP People Continuity

# Health and Safety

InBev is committed to ensuring that everyone who works for us returns home safely. Our safety culture focuses on openness, effective reporting, and appropriate behavior, policies, practices and procedures.

## Our progress in improving Workplace Safety

- Accident rate (per 1000FTEs) down 13% from 2006
- Lost work days rate (per 1000FTEs) down 16% from 2006

## Management and performance

Our sites are responsible for implementing our global Environment, Health & Safety (EH&S) Policy, our Operational Standards, and the Voyager Plant Optimization (VPO) management system. VPO also complements OHSAS18001 at the sites which have installed it. Safety Committees are a legal requirement in many countries, and are mandatory in all our plants to facilitate dialogue between InBev and employees' representatives. They aim to eliminate unsafe conditions, identify improvements, review accidents and communicate effectively.

### Fatalities

In 2007, there were six fatal accidents related to InBev's operations. This is a matter of serious regret, which is considered wholly unacceptable by InBev's management. We are working hard to learn as much as possible from safety incidents to prevent their recurrence.

As part of improving our response to accidents, we share information on incidents and accidents via Safety Alerts which describe the accident and the preventive measures that are put in place. Other plants must apply the same preventive measures if applicable. On a Global level, we will review the safety aspect of the VPO system in 2008 to increase focus and awareness.

In 2007 we recorded five cases of permanent disability from occupational accidents, a 50% reduction since 2005.



### Safety First!

Following the launch of the Safety First! awareness raising program in 2006, the 2007 program covered additional areas including contractor safety, emergency equipment, accident reporting, handling of bulk chemicals and safe use of ladders.

In Europe, we launched a Safety Index for all managers and supervisors of plants and primary logistics operations. The index comprises 'lagging' KPIs, relating to accident data and 'leading' KPIs relating primarily to accident investigations, safety checks, and safety day events. Our VPO management system links safety performance to the annual site performance evaluation using a rewards system. We are working on linking the reward system to the safety performance of plants globally.



### Safety Days

In 2007, Safety Days took place in all plants in Western and Eastern Europe. During Safety Days production is stopped and all operators are involved in workshops and training focused on improving safety behavior and awareness. Themes covered included risk assessments, stress management and safety leadership.

“Health and Safety is a top priority and we are always looking for ways to improve our performance.”

A focus on implementation of safety measures has allowed us to record the lowest ever number of lost time accidents for Samlesbury in 2007. The improvements made in a relatively short period of time clearly show what can be done through hard work and an absolute determination that zero lost time accidents can be a reality. The support of our employees and in particular the trade unions has been excellent. As a team, we continue to work toward our goal of zero LTAs in 2008.”

John Wells,  
EHS Manager Samlesbury, United Kingdom

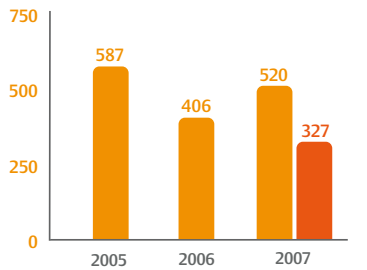


## Occupational accidents and diseases

While our accident rate and lost work days rate per 1000FTEs has gone down in 2007, due to an expanding reporting scope (for the first time including data from Latin America South Zone and more coverage of our Chinese breweries), the absolute number of accidents and number of lost work days are up 28% and 23% respectively since 2006.

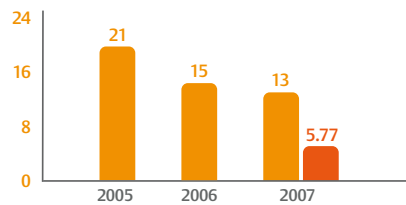
In relation to occupational diseases, we recorded four cases in 2007, down from six cases in 2006 and from 24 cases in 2005 (revised from 17 in 2005). Last year all occupational disease cases involved hearing loss.

Total Accidents



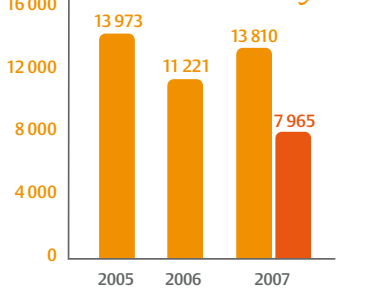
■ 2007 results for plants that were reporting in 2006.

Accident Rate



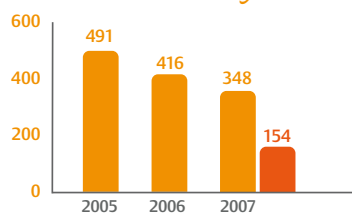
■ Accident rate (# accidents/1000 FTE)  
■ Frequency rate (# days lost/1,000,000 worked hours)  
Accidents based on new metric (hours worked from 2007).

Total Lost Workdays



■ 2007 results for plants that were reporting in 2006.

Lost Work Days Rate



■ Lost Workday rate (days/FTE)  
■ Severity Rate (Day lost/million hours)  
A new metric was introduced in 2007 to measure severity rate, expressed in number of days lost per million hours worked.

### Reducing Lost Time Accidents

The following plants have reached **one or more calendar years without a lost time accident (LTA)** among our employees (shown by zone).

- Western Europe - BelleVue
- Central & Eastern Europe - Ivanovo, Klin, Novocheboksarks, Povolze, Plojesti and Proberco
- Latin America North - Brasilia, Goiania, Manaus, Contagem, Natal, Teresina, Aguas claras do sul, Curitiba, Santa Catarina, Faz. Maues, Maltaria Navegantes, Maltaria Uruguai, Equador (cervesura rio), Guatemala and Peru (sullana)
- Latin America South - Corrientes, Mendoza, Acheral, Monte Grande, Tres Arroyos, Agrobusiness, Coroplas, Huari and Tarija
- North America - St. Johns and Halifax
- Asia-Pacific - Gwangju

# Business Conduct and Integrity

## Accounting for business conduct

InBev's Global Code of Business Conduct establishes parameters and safeguards to ensure high standards of integrity are upheld; and our global whistleblowing procedure ensures that potential violations of the Code can be effectively and independently reported without fear of recrimination.

The Code covers compliance with laws, including competition and antitrust laws; dealing with potential conflicts of interest; use of company assets; prevention of human rights violations; and together with specific guidelines on gifts and political contributions, includes safeguards against bribery and corruption.

Extensive training has been carried out, including induction training for all new staff, to ensure our people are aware of and understand their responsibilities under the Code. A global e-training course on the Code of Business Conduct is executed annually. In 2007, as with last year, all senior managers worldwide (700 in total, 0.82% of the workforce), have participated in the e-training which included specific training modules on conflicts of interest, confidentiality and trading in shares of the company. All senior managers have certified that they know the Code and will comply with it. Our goal for 2009 is to enable 3,000 of our managers to complete the course.

To ensure that the Code of Business Conduct is properly enforceable, an independent telephone line is available 24 hours per day, seven days per week. Employees can also register concerns via an independent website. Privacy and confidentiality reasons restrict us from publishing statistical details on active cases or calls received, however we monitor the number and type of case by Zone internally, and provide reports to the Board level Audit Committee.

### Buying Products and Services at InBev

Our general terms and conditions for the purchase of products or services place robust demands on our suppliers.

All employees of suppliers on InBev's premises have to comply with all applicable environment, health and safety laws. No supplier shall utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices. Suppliers must make provision for subcontractors and their employees to comply with the terms and conditions.

## Managing restructuring and change

In contrast to 2006 when we made a number of changes to our operations in Europe and the USA, 2007 saw no significant changes to operations. There were no closures in 2007, and no changes to our business in 2007 have required restructuring or involved negative local social impacts. Any minor re-sizing of operations involved the natural attrition of staff and some outsourcing.

Where increases in efficiency are required or where changes are necessary to align operations with market performance, job losses and restructuring could result. When dealing with job losses, we aim to minimize the impacts on employees. This is achieved by:

- Using natural in employee numbers fluctuations,
- Providing alternative opportunities within InBev,
- Providing retraining and other support,
- Identifying a purchaser that will continue operations or redeploy employees, and
- Providing financial compensation and assistance.

We always apply our Code of Business Conduct at such times, and aim to involve employees as key stakeholders.

We have collected information on the minimum notice period regarding significant operational changes. Further details can be found online, together with details on relations with unions, and our process for announcing changes.



## Equal opportunities, non-discrimination and human rights

Equal opportunities and principles of non-discrimination are central to InBev's day-to-day legal compliance and in some areas of the business such principles are unambiguously part of local Codes of Business Conduct.

The protection of human rights falls under the scope of our Code of Business Conduct, which includes 'harm against the person' as a specific violation. Local Codes in North America and Latin America specifically address human rights and child labor, recognizing our responsibility to promote our values through the supply chain. Furthermore, InBev is a member of the UN Global Compact (UNGC) which supports the principles of protection of human rights. There is no specific, formal process of human rights screening of major investment transactions although the Code of Business Conduct provides a robust guide to appropriate corporate commercial behavior at InBev.

Our legal and internal audit departments monitor legal compliance and conformity with principles of non-discrimination. We track substantiated cases of discrimination arising on the grounds of race, gender, age, sexual orientation or disability. There was one case of discrimination during 2007 which was dealt with accordingly. In 2007, a new Corporate Audit Cycle was launched, with all 44 country-level operations being subject to a compliance review between 2007 and 2009. In 2007, 16 business units, or 36% of 44 country level business units covered by the audit, were assessed for compliance to the Code of Business Conduct (up from 25% in 2006). Our new audit cycle tests knowledge of the Code, its procedures, legal compliance, discrimination cases and transgressions. There is a strong relationship with the InBev legal compliance audit cycle which includes awareness of the Code of Dealing and the Policy on gifts & political contributions.

## Diversity

We have newly developed formal diversity policies and programs in many of our Zones. InBev's employment regulations, our Code of Business Conduct and other human resources processes work to ensure that opportunities are available without prejudice to race, color, religion, disability, sexual orientation or creed. Please refer to the online materials for more information.

Sixteen percent of employees are female (23% in 2006). In 2007, the average employee age was 37 years and the average length of service was nine years (both unchanged from 2006). Our Executive Board of Management (EBM) comprises 12 men, and one woman. No ethnic minority groups are represented - EBM members are either white Caucasian or white Hispanic from Europe, North America and Latin America. Sixty two percent of EBM members are between 30 and 50 years old, while 38% are older than 50 years old.



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## About InBev

InBev is the world's leading brewer, realizing 14.4 billion euro in 2007. The company has a strong, balanced portfolio, holding the number one or number two position in over 20 key markets - more than any other brewer. It has a key presence in both developed and developing markets.

Headquartered in Leuven, Belgium, InBev employs almost 89 000 people worldwide. With sales in over 130 countries, the company works through six operational zones: North America, Western Europe, Central and Eastern Europe, Asia Pacific, Latin America North, and Latin America South.

With operations and license agreements around the globe, InBev is a truly global brewer.

Stella Artois and Beck's connect with consumers across the Globe; InBev also has a premium brand portfolio across continents through multi-country brands such as Leffe, Brahma, Staropramen and Hoegaarden.

A portfolio of around 200 local brands forms the bedrock of the business including in Latin America: Skol, the leading beer brand in the Brazilian market. In Western Europe: Jupiler, the number 1 selling beer in Belgium. In Central and Eastern Europe: Siberian Crown, a leading premium brand sold throughout Russia. In North America: Labatt Blue, the number one Canadian brand in the world; and in Asia Pacific: Cass from South Korea, and Sedrin in China.

## A brief history of InBev

InBev's roots can be traced back to Den Horen in Leuven, which began making beer in 1366. In 1987 the two largest breweries in Belgium merged: Artois, located in Leuven, and Piedboeuf, located in Jupille signaling the formation of the single company which was to become InBev.

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

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

In 2002, InBev strengthened its position in China, by acquiring stakes in the K.K. Brewery and the Zhujiang Brewery. 2004 marked the most significant event in the company's recent history: the combination of Interbrew and AmBev to create InBev.

In 2006, InBev acquired the Fujian Sedrin brewery in China, making InBev the No. 3 brewer in China - the world's largest beer market. Most recently, Labatt acquired Lakeport in Canada, and InBev increased its shareholding in Quinsa, strengthening the company's foothold in Argentina, Bolivia, Chile, Paraguay and Uruguay.

For further information visit [www.InBev.com](http://www.InBev.com).

## At InBev, good corporate citizenship is everyone's responsibility. We would especially like to thank the following InBev employees who contributed to building this report.

Leonardo Aguzin, Marianne Amssoms, Charlotte Armstrong, François Berghmans, Edward Boute, Sabine Chalmers, Jinho Choi, Peter Copermans, Thomas Coremans, Genevieve Cornet, Marc Croonen, Miguel Daves, Marjolijn De Weerd, Washington Dutra, Elena Eshilova, Thelke Gerdes, Raul Gervasoni, José Gretry, Anne Henrot, Peter Hill, Fernando Hussuh, Pascal Josseaux, Denis Kerrigan, José Laguna-Rodriguez, Benoit Loore, Duke Maines, Frank Mettgen, Nigel Miller, Elliot Morris, Daniel Navarasse, Jelle Neyens, Colleen O'Neill, Beatriz Oliveira, Gwendoline Ornigg, Luiz Eduardo Osorio, Els Overbergh, Hugo Pagliotti, Melissa Palomba, Amanda Paradine, Cindy Pollet, Ekaterina Porotnikova, Julia Pylypenko, Brent Quartermain, Johan Robbrecht, Juan Rodriguez, Geert Rogiers, Karen Rombaut, Sergio Saraiva, Kylie Sturtz, Eric Tang, Bieke Teerlinck, Jean-Louis Van de Perre, Christina Van de Put, Tanguy Van Der Elst, Toon Van der Veer, Kris Van Ostaeyen, Catherine Van Reeth, Ann Viaene, John Wells.

## Registered Trademarks

### 1. The following brands are registered trademarks of InBev SA/NV or one of its affiliated companies:

#### Global brands:

Stella Artois and Beck's.

#### Multi-country brands:

Brahma, Leffe, Staropramen and Hoegaarden.

#### Local brands:

Alexander Keith's, Andes, Antarctica, Apatinsko Pivo, Astika, Bagbier, Bai Sha, Baltica, Bass, Baviera, Beck's Vier, Beck's Green Lemon, Beck's Chilled Orange, Beck's Gold, Becker, Belle-Vue, Bergenbier, Boddingtons, Bohemia, Boomerang, Borostyán, Borsodi Barna, Borodi Bivaly, Borsodi Polo, Borsodi Sör, Brahma Light, Brahma Ice, Branik, Burgasko, Cafri, Caracu, Cass, Cass Red, Chernigivske, Cintra, Concordia, Diebels Alt, Diebels Light, Diekirch, Dimix, Dommelsch, Double Deer, Ducal, Franziskaner, Guaraná Antarctica, Haake-Beck, Hasseröder, Hertog Jan, Iguana, Jelen Pivo, Jinling Yali, Jinlongquan, Jupiler, Kamenitza, Kelt, KK, Klinskoye, Klinskoye Freez, Kokanee, Kronenbier, La Bécasse, Labatt Blue, Labatt Blue Light, Labatt Ice, Labatt Sterling, Labatt Wildcat, Lakeport, Loburg, Löwenbräu, Lu Lansha, Malta Caracas, Mestán, Mousel, Nik Cool, Nik Gold, Niksicko Pivo, Niksicko Tamno, Noroc, Norte, Norteña, OB, Ostravar, Ouro Fino, Ozujsko, Paceaña, Patricia, Pikur, Pilsen, Pleven, Polar, Premier, Quilmes, Quilmes Cristal, Red Rock, Shiliang, Rifey, Rogan, Santai, Sedrin, Serramalte, Sibirskaia Korona, Skol, Slavena, Spaten, St. Pauli Girl, Staropramen Granát, T, Taller, Taquiña, Tennent's, Tennent's Super, Tinkoff, Tolstiak, Velvet, Volzhanin, Vratislav, Yantar.

### 2. The following brands are registered trademarks of our:

- Joint-venture with Cerveceria Bucanero SA: Bucanero, Bucanero Malta, Cristal, Mayabe.
- Partnership with Zhujiang Beer Group Company: Zhujiang, Supra Beer, Zhujiang Fresh.

### 3. The following brands are registered brands under license:

- Budweiser and Bud Light are registered trademarks of Anheuser-Busch, Incorporated.
- Pepsi, H2OH!, Triple Kola are registered trademarks of Pepsico, Incorporated.
- 7UP is a registered trademark licensed by Seven Up International.
- Castlemaine XXXX is a registered trademark of Castlemaine Perkins Pty Limited.
- Murphy's is a registered trademark of Heineken Ireland Limited.

### Responsible Editor

Jean Lépine,  
Head of Corporate Social Responsibility

### Project Management

Laura Vallis

### Citizenship Advisors

Sd3 Global

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InBev NV/SA

Brouwerijplein 1

B-3000 Leuven

Belgium

Tel +32 16 27 61 11

Fax +32 16 50 61 11

more at [www.InBev.com/citizenship](http://www.InBev.com/citizenship)