

Anheuser-Busch Companies Environmental, Health & Safety Report 2003

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EHS Report Home

Welcome to the Anheuser-Busch Environmental, Health and Safety (EHS) Report for 2003. This document is a PDF version of the complete Web-based report, and the information presented here updates the company's report for 2002.

This report provides detailed information on our environmental performance including the use of energy and water, waste reduction and recycling), health and safety performance and efforts to engage stakeholders. The commitment of Anheuser-Busch to environmental protection and worker health and safety extends throughout the organization, from the leadership of Patrick Stokes, our President and Chief Executive Officer, to the hard work and dedication of every employee.

If you have any questions about Anheuser-Busch's environmental, health and safety programs, or would like to provide feedback on this report, please write:

John V. Stier, Director, Environmental Affairs, or
David E. Costello, Director, Corporate Safety, Health and Risk Management

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You can also contact Anheuser-Busch by email (<http://contactus.anheuser-busch.com/contactus/>) or phone at 1-800-DIAL BUD (1-800-342-5283). Visit www.abenvironment.com for the Web version of this report. A summary brochure with report highlights is also available for download from the Web site.

Anheuser-Busch products are brewed to be enjoyed responsibly by adults.
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Executive Summary And Key Indicators

Clear, Concise and Comprehensive Reporting

This report describes Anheuser-Busch's programs and performance with respect to environmental, health and safety (EHS) issues. The report includes a discussion and graphical display of the company's performance against key EHS indicators. Key indicator data are also presented below in table format.

Data Collection

Facilities gather data and confirm data accuracy before sending the information to either the EHS manager at the operating subsidiary or directly to Environmental Affairs and Corporate Safety, Health and Risk Management, as appropriate. At the corporate level, Anheuser-Busch verifies each location's data by comparing to previous years, analyzing in the context of overall operations, and re-checking with the facilities or subsidiaries if questions arise. If historical data change due to calculation methodology or inadvertent errors in previous years, those changes are included and explained in subsequent public reporting. Data are maintained securely back to at least 1991.

About the data: Environmental performance measures are normalized to net sales. Net sales, as defined in this report, have been adjusted using 1990 actual net sales as a base. For each year, 1990 net sales are increased or decreased to account solely for changes in production volumes.

(continued)

Performance data cover the company's major products and businesses, for those sites and services where Anheuser-Busch has operational control. Baseline environmental data and 2005 environmental goals apply to US facilities only. Non-US environmental data are included from 1999 forward; however, in some cases they may not be visible on the charts because they represent a negligible proportion of the companywide totals. Safety data for non-US sites are included for 2001 forward.

Indicator	baseline (1991)	1999	2000	2001	2002	2003	Change (99-'03)	Change (91-'03)
Electricity use including cogeneration (million kilowatt-hours per million dollars adjusted net sales, ANS)	0.212	0.221	0.218	0.215	0.219	0.218	-1%	+3%
Brewery biogas production (billion British thermal units, Btus)	281	1,409	1,507	1,685	1,792	1,975	+40%	+603%
Fuel use including biogas, excluding cogeneration (million Btus per million dollars sales, ANS)	2.37	2.11	2.03	1.99	2.07	2.03	-4%	-14%
Water use (million gallons per million dollars sales, ANS)	2.29	2.11	2.06	2.00	1.96	1.90	-10%	-17%
SARA releases and transfers (1) US only (pounds per million dollars sales, ANS)	540	490	480	440	457	na	-7% (99-'02)	-15% (91-'02)
Solid waste landfilled (tons per million dollars sales, ANS)	10.2	4.57	4.30	4.54	3.67	3.69	-19%	-64%
Hazardous waste generated, US only (pounds per million dollars sales, ANS)	118	39.3	37.1	32.2	52.6	35.8	-9%	-70%
Lost time injury rate (per 100 employees)	4.04	0.82	1.03	0.69	0.66	0.69	-16%	-83%
Total injury rate (per 100 employees)	17.8	10.1	9.9	7.9	6.7	6.0	-41%	-66%
Lost work days (total)	27,232	5,982	7,348	4,577	9,233	7,598	+27% (2)	-72% (2)

na: Not available. Data for 2003 are being verified and will be included on the Web site when available.

(1) Data on SARA releases and transfers have been revised from those previously reported to include several facility resubmittals that were not previously included, as well as new submittals for the Newark Brewery.

(2) Because of new OSHA reporting rules for lost work days in 2002, industries such as Anheuser-Busch experienced an increase in their total lost work days. Prior to 2002, OSHA reporting for lost work days counted only scheduled days of work. New OSHA rules for 2002 calculate lost work days by using calendar days (including weekends, for instance), thus increasing the number of days for each lost work day case. Therefore, statistics on lost work days in 2002 and 2003 are not directly comparable to those for prior years.

Vision and Strategy

Anheuser-Busch has a clear vision: through all of our products, services and relationships, we will add to life's enjoyment.

An important aspect of the Anheuser-Busch vision is to be good stewards of the environment and to promote the health and safety of all Anheuser-Busch employees.

The company's commitment to stewardship is supported by the values Anheuser-Busch believes in, most notably:

- Creating a safe, productive and rewarding work environment
- Preserving and protecting the environment
- Supporting communities where we do business

The company's values are very much alive and reflected in the decisions and actions taken by the people of Anheuser-Busch each and every day. They are, in essence, the foundation of the Anheuser-Busch strategy for achieving environmental, health and safety leadership. (More information on Anheuser-Busch values is available at www.anheuser-busch.com.)

The Anheuser-Busch Annual Report (www.anheuser-busch.com/annual) provides more information on the corporation, including financial performance.



A Message from Patrick Stokes, President and Chief Executive Officer

Quality for the Future

Dear Stakeholders,

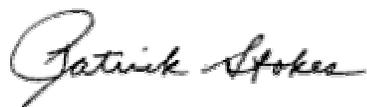
Spanning over a century and a half, Anheuser-Busch has a tradition of delivering quality products and services while promoting environmental stewardship and a strong commitment to employee health and safety. We are proud of our reputation as an industry leader. Today, we're focused on leveraging innovation and human ingenuity to make our company stronger than ever, while continuing the traditions that have made us a successful company.

Since our company was founded in 1852, our environmental philosophy has been based on a deep-rooted commitment to support the environment and conserve natural resources. Each year, we are making significant strides, conserving resources, improving efficiency and reducing waste. I am especially proud of our effort to reduce consumption of water and energy in our operations, driven by innovative use of technology. This past year, we received commendation from Keep America Beautiful, Inc., in recognition of our environmental stewardship.

We remain steadfast in keeping Anheuser-Busch a safe and healthy workplace. Educating and training our employees on the importance of safety in our operations has been a priority, and it has paid off. As we have incorporated new and more complex technology into our processes, we make certain that our safety, health and wellness initiatives are robust enough to meet any new challenges.

Our mission as a company is to add to life's enjoyment through our products, services and relationships. Having a healthy outdoor environment and safe and healthy workspaces are important elements of "life's enjoyment" - and this is the foundation of our environmental, health and safety commitment. We honor and celebrate our history, and we also recognize that time does not stand still. In order to strengthen our leadership position in the beverage industry, we must maintain our commitment to quality while developing new, innovative products for our consumers across the globe. At the same time, we must continue to hold firm to our conservation ethic and our efforts toward an injury-free workplace.

Anheuser-Busch promises to keep adding to life's enjoyment for years to come.



Patrick Stokes
President and Chief Executive Officer
Anheuser-Busch Companies



Photo courtesy of
Phil Shoulberg

Joint Message from the Director, Environmental Affairs, and the Director, Corporate Safety, Health and Risk Management

EHS Stewardship

With environmental, health and safety (EHS) stewardship comes a commitment to continuous improvement. At Anheuser-Busch, we will not sit back and be satisfied with the successes of last year. Instead, we are proactive and focused on making progress each day, improving on all aspects of our EHS performance. In 2003, we made substantial strides, reducing wastes and emissions, preventing accidents in the workplace and improving our process efficiencies.



John V. Stier



David E. Costello

Photos courtesy of Phil Shoulberg

Among the most significant environmental challenges facing the brewing industry today is the reliance upon energy and water. Using these resources efficiently is a goal that Anheuser-Busch is facing head-on as part of our Brewery of the Future initiative. Teams across our operations are working together to identify the "ideal" brewery of the future that, when achieved, will reduce waste during production, lower energy requirements and minimize water use. This companywide initiative has gained momentum over the past year, and we anticipate ongoing improvements as we continue to expand these efforts across the company.

We realize that in order to continue to progress, the health and safety of our employees must come before anything else. Since instituting a strong, structured safety program more than a decade ago, we have made tremendous strides in reducing accidents and injuries in the workplace. We firmly believe that the success we have in improving the health and safety of each of our employees ties directly into the overall success we enjoy as a company.

This EHS report site has been developed to meet your needs for clear and up-to-date information regarding our EHS performance. We encourage you to learn more by exploring this site in depth, and we welcome your feedback. Please take the time to email us your comments.

A handwritten signature in black ink that reads "John Stier".

John V. Stier
Director, Environmental Affairs
Anheuser-Busch, Inc.

A handwritten signature in black ink that reads "Dave Costello".

David E. Costello
Director
Corporate Safety, Health and
Risk Management
Anheuser-Busch Companies, Inc.

Corporate Profile

Continuous Growth in Economic Performance

From a small local brewery that opened in 1852, Anheuser-Busch has grown to be one of the world's largest beer companies, operating 12 breweries in the United States and two overseas. In 2003, Anheuser-Busch had net sales of \$14.1 billion, representing an increase over 2002 of more than four percent. The company's beer production increased one percent, with 111 million barrels of beer sold in 2003. Anheuser-Busch Companies is a publicly traded entity (NYSE ticket symbol BUD).

Anheuser-Busch's operations and resources are focused on beer, adventure park entertainment and packaging. The company also has interests in aluminum beverage container recycling, malt production, rice milling, real estate development, turf farming, metalized paper label printing, glass production and transportation services. Performance data included in this report cover major production and service businesses for those sites and services where Anheuser-Busch has operating control. Anheuser-Busch is committed to proper management of EHS issues at all company operations. The Anheuser-Busch EHS Policy and Management System apply to all of the company's subsidiaries, including those such as the media and real estate subsidiaries that are not part of the graphed data in this report.

Within the beverage industry, Anheuser-Busch received the number one ranking on *Fortune* magazine's list of America's Most Admired Companies for 2004. The company ranked first in its industry in all eight categories: social responsibility, quality of management, innovation, employee talent, use of corporate assets, financial soundness, long-term investment and quality of products and services. Furthermore, in the quality of products and services, Anheuser-Busch ranked first among the 600 companies rated, across all industries.

Anheuser-Busch.com provides additional information on all corporate subsidiaries. More information about specific operations can also be found using the links on the Overview page of www.anheuser-busch.com:

- Anheuser-Busch, Inc. - brewery operations
- Anheuser-Busch International, Inc. - non-US breweries and equity investments
- Busch Agricultural Resources, Inc. - seed, malting and farming operations
- Metal Container Corporation - aluminum can and lid manufacturing
- Anheuser-Busch Recycling Corporation - aluminum beverage container recycling
- Precision Printing & Packaging, Inc. - label manufacturing
- Eagle Packaging, Inc. - crown and closure liner material
- Longhorn Glass Corporation - glass bottle production
- Busch Entertainment Corporation - adventure parks
- Manufacturers Railway Company - locomotive repair and maintenance

These Anheuser-Busch sites describe community outreach efforts, corporate philanthropy and education programs:

- *Making Friends, Making a Difference* booklet, which discusses Anheuser-Busch's investment in community initiatives and the environment - www.anheuser-busch.com/publications
- Efforts to curb underage drinking and alcohol abuse - www.beeresponsible.com
- Supplier programs, including outreach to minority- and women-owned businesses - www.a-bsupplierdiversity.com/main.asp
- Outreach to the Hispanic community - www.hispanicbud.com
- Efforts in the African American/Caribbean communities, including economic development activities - www.africanamericanbud.com
- Environmental partnerships, including education scholarships in the area of natural resource conservation - www.abenvironment.com

Changes Since Last Report

There have been no acquisitions, divestitures or facility openings or closings since the 2002 report that would affect the data provided in this report.

Governance and Management Systems

Organizing to Understand and Improve Operations

Anheuser-Busch has established standard practices and a corporate culture that promote excellence in environmental, health and safety (EHS) performance. This section of the report describes how Anheuser-Busch is organized to achieve its EHS vision and values, how the company integrates EHS operationally and how it engages stakeholders in its EHS efforts.

Governance and EHS Structure

The EHS Management System integrates responsibility for EHS performance among employees at all levels, from the individual to the corporate environmental and safety departments and through to senior management. The chain of accountability includes the following:

- individual employees
- line managers
- facility-based EHS professionals
- subsidiary EHS professionals
- corporate staff support functions including:
 - Environmental Affairs
 - Corporate Safety, Health and Risk Management

The Anheuser-Busch **Strategy Committee** is composed of the company's most senior managers and is responsible for decisions on all major business matters. Six of the eight members of the EHS Policy Committee are also Strategy Committee members.

At the highest levels, Anheuser-Busch has established a structure that facilitates strategic oversight and planning on EHS-related issues:

- The **EHS Council** is a working team made up of senior EHS managers from each business unit and key supporting staff groups. The Council works to continuously improve EHS practices through internal benchmarking and refinement of requirements across business units, and develops strategies for addressing emerging EHS issues.
- The **EHS Policy Committee** consists of senior operations executives who review key EHS issues on a quarterly basis. The EHS Policy Committee is responsible for assuring that sufficient resources are dedicated to EHS programs and that adequate progress is being made. The Committee reports directly to the Board of Directors' Audit Committee.

Anheuser-Busch also utilizes working groups as needed to focus on specific EHS topics to be addressed companywide. An example of such a working group is the Water Council, initiated in 2002. (See Environmental Performance section for more information on the Water Council.)

EHS Management System

The Anheuser-Busch Environmental, Health and Safety (EHS) Management System provides a framework for developing practices that are environmentally sound and that protect worker health and safety. The company has developed and refined its EHS Management System continuously to reflect evolving regulations and technological advancements, to provide current guidance to employees throughout the organization and to respond to changing business conditions.

Assessment

Anheuser-Busch developed its EHS Management System more than ten years ago using a self-assessment process, benchmarking against three primary sources:

- International Chamber of Commerce Business Charter for Sustainable Development
- International Standard for Environmental Management, ISO 14001
- study of Anheuser-Busch Workers' Compensation experience that identified safety improvement opportunities

Vision

EHS professionals set the vision by benchmarking the current state of EHS management against strategic business goals and objectives.

Strategy/Plan

Management at the corporate, subsidiary and facility levels define EHS strategy and plans. Strategic planning takes place annually, focusing on integrating EHS into the business decision making process.

Organization

The EHS Management System establishes a chain of accountability, starting with every employee's responsibility for working safely and managing environmental impacts in his or her job. The section of this report discussing governance and EHS structure provides more detailed information.

EHS Policy

The EHS policy sets corporatewide direction and expectations from the highest level of the company. (The EHS policy is included at the end of this document.)

Anheuser-Busch is undergoing an effort to develop and publish a set of consolidated EHS directives at the corporate level to support the EHS Management System. In addition, there is an ongoing effort to review and standardize the brewery operations and engineering EHS policies and procedures.

EHS Requirements

Twenty EHS requirements, defining performance expectations, serve as the foundation of the EHS Management System.

Management Systems - Environmental, health and safety (EHS) management systems will be designed, implemented and maintained to assure Anheuser-Busch Companies complies with all laws, regulations and internal requirements.

Employee Responsibilities - Every employee has a responsibility to understand the company's EHS policy, and to understand that success at Anheuser-Busch Companies includes a measure of the employee's commitment to the policy.

Property Management - Acquisition, ownership and divestiture of properties will be reviewed to identify EHS concerns and to evaluate and manage potential risks and liabilities.

Suppliers - Suppliers will be encouraged to provide products and services and use production processes consistent with the EHS policy.

On-Site Contractors - On-site contractors will comply with the law and be asked to provide services in accordance with the EHS policy and applicable internal requirements.

Product Stewardship - Product stewardship programs will identify and evaluate EHS impacts of products, services and packaging provided by Anheuser-Busch Companies.

External Communications - External EHS communications will exist for assuring that the community and the news media receive timely and accurate information regarding EHS incidents and the EHS operations of Anheuser-Busch facilities.

Regulatory Relationships - Regulatory relationship programs will provide guidance for EHS regulatory agency visits and information requests.

Variance from Internal Requirements - Variances from internal requirements may only be approved by authorized persons and must be documented prior to implementation.

Incident Response and Preparedness - EHS incident response and preparedness programs will address EHS incidents. The programs will be designed to provide emergency and hazard information to employees and the community for effective response to an EHS incident.

Awareness and Training - EHS awareness and training programs will educate and train all employees to conduct their activities in conformance with applicable laws, regulations and internal requirements.

Assessment - EHS programs and systems will be assessed to evaluate compliance with applicable laws, regulations and internal requirements.

Process Risk Reduction - Process risk reduction will provide assurance for the safe management of process risks to prevent significant EHS incidents and to protect the workplace, the community and the environment.

Pollution Prevention and Resource Conservation - Pollution prevention and resource conservation programs will exist to identify opportunities to reduce the generation of wastes, releases to the environment, and consumption of resources.

Capital Project and Process Change Review - Capital projects and process changes will be reviewed and executed to minimize the impact on safety, health and the environment.

Regulated Material Management - Regulated material management programs will be designed, implemented and maintained to comply with applicable laws, regulations and internal requirements.

Transportation - Transportation programs will be designed, implemented and maintained to comply with applicable laws, regulations and internal requirements.

Environmental Programs (air, water, wastewater, groundwater, storm water and waste) - Environmental protection programs will be designed, implemented and maintained for the protection of human health and the environment and to comply with applicable laws, regulations and internal requirements.

Safety Programs - Safety and occupational health programs will be designed, implemented and maintained for the prevention of injuries and to comply with applicable laws, regulations and internal requirements.

Employee Medical Care and Wellness - All employees will have access to medical response for on-the-job injuries and illnesses. Wellness opportunities will be made available to all employees.

Goals

The EHS Management System has four overarching goals that support the company's strategic business objectives:

- ensure compliance
- minimize EHS impact
- increase shareholder value
- serve as a role model

In addition, subsidiaries develop and integrate specific goals into their own strategic planning cycles.

Programs

Anheuser-Busch has established several programs aimed at improving performance and providing employees with the tools they need to carry out EHS requirements. Some of the most important companywide programs include:

EHS REVIEW PROCESS FOR CAPITAL PROJECTS AND PROCESS CHANGES

Anheuser-Busch uses a Web-based tool to review the potential EHS impacts of major projects and process changes. In 2003, based on constructive feedback from users, changes were made to increase the system's usability and functionality. The company is currently improving the tool to better track the impact of utilities.

As part of the capital project approval process, each project team must answer an on-line questionnaire that probes how construction and operation of its specific project may affect the environment and workplace safety. EHS professionals review this information to ensure that the company identifies risks, manages risks appropriately and takes advantage of opportunities to minimize impacts to employee safety and the environment. By considering EHS issues in the planning stage, teams can avoid potentially expensive and less effective retrofit solutions after the project is completed. In addition, EHS professionals review information on new products and packaging to help the appropriate teams address any EHS concerns.

In 2003, Anheuser-Busch also implemented a new computer-based training module that provides guidance to engineers in evaluating the EHS implications of their capital projects and process changes. The design of the training module was based on feedback received from users of the EHS review system.

"A key component of our capital project cycle is the EHS review process. Identifying environmental, health and safety issues as early as possible in the project life cycle and addressing them helps us keep focused on the business issues."

— Jeff Steinhart, Vice President, Engineering

EHS MANUALS

Each Anheuser-Busch location has a customized electronic manual describing the applicable EHS requirements and providing guidance on actions that the facility must take to meet both regulatory and internal company requirements. The facility manuals are key components in the companywide implementation of the Anheuser-Busch EHS Management System, providing compliance tools such as checklists, calendars, definitions of responsibilities and links to regulatory references. With support from Environmental Affairs; Corporate Safety, Health and Risk Management; and subsidiary staff as appropriate, each facility is responsible for maintaining its manual, reviewing and revising it periodically to address changing regulations, company programs and operating conditions.

The manual serves as a resource explaining all of a facility's detailed EHS requirements. Having up-to-date manuals at each facility helps ensure continuity in EHS compliance regardless of staff changes.

INTERNAL ENVIRONMENTAL AND SAFETY AUDITS

First established in 1981, the Anheuser-Busch environmental audit program currently involves teams of corporate environmental staff, on-site environmental staff and external consultants conducting audits at every facility. Commencing in 2003, some of the company's audits have been conducted wholly by third party consultants with no other business ties to Anheuser-Busch. These audits provide an objective check of the company's audit program and have confirmed the adequacy and comprehensive scope of the internal assessments performed by Anheuser-Busch staff.

The environmental audit program has continuously evolved since its inception. The program includes facility self-assessment and the establishment of a Facility Environmental Liaison for each location -- a corporate representative who supports facility-based environmental projects and initiatives. The frequency of environmental audits at individual facilities is directly correlated to the potential risk -- the greater the risk, the greater the frequency of audits. Potential risk is determined through such factors as previous audit results, the number of fines and penalties incurred and the existence of local issues. Facilities are typically audited every two to five years.

In addition to the environmental audit program, Anheuser-Busch regularly conducts safety audits at facilities to ensure compliance with both regulations and internal requirements. Teams are led by members of the corporate safety staff, and supplemented with facility EHS managers. This process provides additional assistance for corporate safety audits and includes hands-on training for facility EHS staff.

The program involves a facility walk-through inspection and a review of written procedures to ensure the procedures are being implemented. The safety auditors provide a formal written audit report summarizing the findings and follow up on any documented issues to ensure they are fully addressed.

The safety audit program is intended to help every Anheuser-Busch location maintain a safe and healthy workplace and ensure compliance with regulations and internal requirements.

CHEMICAL MATERIAL MANAGEMENT

The Chemical Material Management Program provides a system for tracking the use of chemical materials at Anheuser-Busch facilities. Domestic brewing, agricultural and packaging facilities, which represent the bulk of chemical use within Anheuser-Busch, are currently using the system. The program helps to ensure workplace safety and compliance with applicable laws and regulations and internal requirements.

The foundation of this program is a chemical management information system that tracks chemical use and contains information about a material's hazards, composition and regulatory status. The master chemical list and the associated facility inventories provide ready information on a chemical's regulatory status. EHS professionals within the company use this tool to manage chemical use and to reduce or eliminate the use of hazardous chemicals wherever possible.

Whenever new chemicals are purchased at a location, or a chemical is used in a new process, EHS management reviews their use.

PROCESS SAFETY MANAGEMENT

Anheuser-Busch has developed a comprehensive Process Safety Management (PSM) program that meets or exceeds regulatory requirements. The company takes a proactive approach to preventing hazardous chemical releases by identifying, evaluating and monitoring systems before an accident or failure occurs. Since 1993, Anheuser-Busch has invested more than \$30 million in capital improvement projects to upgrade brewery ammonia refrigeration systems. These improvements, together with extensive employee PSM training, have reduced operational ammonia releases by more than 80 percent since 1991.

The principal application of PSM at Anheuser-Busch is the company's ammonia refrigeration systems. The program also applies to water treatment processes that use chlorine, ethanol distillation and storage and solvent recovery operations.

WASTE SITE REVIEW BOARD

Anheuser-Busch subsidiaries and facilities are required to use only corporate-approved hazardous waste and used oil disposal facilities. Approval procedures, which have been in place since 1998, include a preliminary review of a waste disposal facility's regulatory compliance history, financial strength and insurance coverage. Once these three areas have been evaluated, an Anheuser-Busch certified inspector visits the site to review operations and management practices. These inspectors are qualified based on their education and experience and receive specific training to perform waste facility reviews.

Training/Awareness

HEALTH AND SAFETY TRAINING AND AWARENESS

A Safety Training Committee comprised of corporate and facility-based employees identifies the needs for corporate and facility safety training. The Committee works in conjunction with the Anheuser-Busch Training and Development Group to develop the facility-specific training content and select the delivery method, primarily either live classroom instruction or Web-based computer training. The Safety Training Committee is responsible for ensuring that the training meets the needs and requirements of the specific facility, while the Training and Development Group ensures the quality of

the instructional materials and delivery mechanism. Nearly all machine technical training begins with instructions on the safe operation of that particular piece of equipment. Most classroom training instructors are front-line employees who have gained expertise in a particular area, and then transfer their expertise to co-workers. Safety training is tracked in a centralized training management system; those lessons that are not yet included in the training management system are in the process of being rolled out or implemented at the facilities. Safety awareness is the subject of work team meetings and ongoing dialogue. Wellness fairs and events bring health-related activities to the workplace.

ENVIRONMENTAL TRAINING AND AWARENESS

Anheuser-Busch conducts environmental training at operating facilities for all levels of employees — from new employees to facility managers. Courses include general EHS awareness for all employees, as well as specific training required by environmental regulations (e.g., emergency response training, hazardous waste handling and emergency preparedness). Environmental training throughout the company is an essential component of Anheuser-Busch's continuous improvement efforts.

The company's work to engage stakeholders further improves EHS awareness among Anheuser-Busch employees and other stakeholders.

Measurement

Anheuser-Busch staff evaluate the effectiveness of the company's EHS management system by tracking a variety of environmental and safety metrics. For example, the brewing subsidiary tracks timely data on energy consumption, water use, solid waste generation and injury/illness rates. The Executive Summary section of this report includes more information on the data collection process at Anheuser-Busch.

In addition to direct reporting on metrics, internal environmental and safety audits are an important means of tracking performance. Senior managers review audit summaries and EHS data on a regular basis to assess progress and identify issues that need attention.

Continuous Improvement

Anheuser-Busch employees continually seek ways to reduce environmental impact, minimize injuries and illnesses and conserve natural resources. By measuring and tracking EHS performance, and by analyzing that performance, teams are able to focus on specific areas and implement targeted programs for improvement. Such improvements also enhance business performance by increasing operating efficiencies, worker satisfaction and customer loyalty.

Stakeholder Involvement

Anheuser-Busch collaborates and develops relationships with many groups and individuals who care about the company's EHS performance. This section of the report highlights outreach to five major stakeholder groups:

- Employees
- Community
- Suppliers and wholesalers
- Business and governmental organizations
- Non-governmental organizations

Employees

Teamwork

Employee teams throughout Anheuser-Busch are critical to EHS improvement — from the development of new programs to the support of ongoing activities. Employee ownership of projects is a major factor in the success of the company's EHS efforts.

Employees work together on a variety of team efforts:

- Facility Safety Committees establish and carry out safety initiatives and help develop annual strategic plans for safety.
- Teams identify, develop and implement programs to improve EHS and operational performance.
- Peer safety training enables employees to deliver training materials to their fellow employees, which enhances the effectiveness of the training.

Recognition

Anheuser-Busch has active programs for encouraging employee suggestions and rewarding good ideas. Two major initiatives are *Excellence Thru Ideas* for employees of all Anheuser-Busch domestic breweries, and *Partners In Quality* for St. Louis-based corporate employees. These programs recognize that every employee is responsible for quality performance and has special insight based on direct knowledge of the job at hand. Successful suggestions are those that contain detailed information leading to higher quality or productivity, waste reductions, safety or ergonomics enhancements or other process improvements. Even if not specifically targeted to EHS concerns, many suggestions for process improvements also benefit workplace safety and the environment. Suggestions relating to EHS activities are judged against program criteria and, if successful, employees receive recognition under these programs.

Communication

Anheuser-Busch encourages employee involvement in identifying, developing and implementing programs to improve EHS and operational performance, through these and other vehicles:

- A-B Web, the company's intranet, is a key resource for distributing EHS tools throughout the organization. Specific sites accessible from the intranet provide detailed information on EHS performance, internal and external reporting, benchmarking, events and reference materials. In addition to the corporate intranet, several facilities have established their own Web sites to disseminate information locally.
- A-B TV, an in-house television system used at the breweries, packaging plants and at corporate offices, regularly covers EHS topics and events.

- Green Week features employee-planned EHS activities centered around Earth Day. This event is combined with Bring Our Kids to Work Day to promote EHS awareness for employees and their families.
- Facility and corporate newsletters report on EHS activities. For example, electronic brewery and plant newsletters recognize employees for their EHS achievements and highlight successful programs.

The company has established a confidential 1-800 phone number reporting system to ensure that employees are encouraged to report any suspected problem or concern.

The company's commitment to communicating EHS values is evidenced at the highest levels of the organization. Doug Muhleman, Group Vice President, Brewing Operations and Technology, recently narrated a video for employees stressing the importance of environmental, health, safety and security issues across Anheuser-Busch operations. In the video, he calls on all members of the Anheuser-Busch family to assist on the path towards EHS excellence. He challenges plant managers and supervisors to exercise daily leadership and support in building on the company's ongoing EHS improvements.

"Environmental stewardship has long been part of the culture at Anheuser-Busch and ties into our company's overall commitment to quality, whether that is in our products or the way we conduct business."

— Doug Muhleman, Group Vice President,
Brewing Operations and Technology

Community

Community outreach and involvement is a long-standing practice at the corporate level, at operating subsidiaries and at individual facilities. One example of community commitment at Anheuser-Busch is the environmental speaker programs. The programs are focused on educational outreach and are designed especially for the Anheuser-Busch family of wholesalers to bring to their local schools. Educators from SeaWorld and Busch Gardens present the two 45-minute programs to students in kindergarten through 12th grade.

- *Wild Careers -- Working with Animals* introduces students to the world of animal care and the careers that revolve around them.
- *Pitch In -- Save Our Planet* encourages teachers, students and community groups to start environmental projects and suggests possible topics, tools and resources.

Another example of Anheuser-Busch's dedication to community outreach is the Budweiser Conservation Scholarship Program, sponsored jointly with the National Fish and Wildlife Foundation. This program aims to promote innovative research or study that addresses significant challenges in fish, wildlife and plant conservation in the United States, providing up to \$10,000 to support each successful applicant. In 2003, over 330 applications were received representing 135 different colleges and universities in 45 states. Fourteen scholarships were awarded to students who are poised to make a meaningful contribution to the field of conservation, researching a wide variety of conservation issues.

Amy DeLorenzo, a student at the University of Rhode Island, was one of the 2003 Budweiser Conservation Scholarship recipients. She is researching the diet and habitat of the critically endangered right whales at Cape Cod Bay, Maine and comparing her results with existing conditions

at other known feeding grounds for these whales in the northern hemisphere. The results of her studies will provide important new information on the nutritional intake of right whales, the annual variability in their nutritional intake and the extent to which yearly variations in food intake are correlated with reproduction.

"Winning the Budweiser Conservation Scholarship was wonderful not only because it will allow me to complete the research for my thesis, but also because it highlights the importance of research like mine that hopefully will one day help save the endangered right whale from extinction."

— Amy DeLorenzo, University of Rhode Island

In 2003, SeaWorld/Busch Gardens provided more than 550,000 students and guests with a variety of conservation education programs, from adventure camps and sleepovers to field trips and behind-the-scenes tours. In addition, park representatives joined forces with a diverse group of animal ambassadors to spread messages of conservation to millions of park guests, television viewers and consumers.

For nearly ten years, the SeaWorld/Busch Gardens education department has managed the ANIMALS Web site (www.seaworld.org/index.asp), designed as an educational resource for millions of students, teachers and animal enthusiasts around the world. In 2003, the Web site received over five million online visitors, on par with the number of guests who visit SeaWorld Orlando annually. The Web site, which contains 3,600 pages of content and profiles more than 200 species, has won numerous awards, including special recognition from the US Department of Education.

Anheuser-Busch was also a proud sponsor of the 2003 National Volunteer Conference convened by the Points of Light Foundation and the Corporation for National and Community Service. Conference attendees were able to learn about the company's long-time support of community charitable organizations, commitment to environmental conservation and efforts to promote the responsible consumption of its products.

For detailed information on the many environmental partnerships maintained by Anheuser-Busch, please visit www.abenvironment.com.

Suppliers and Wholesalers

Anheuser-Busch has taken on a leadership role in an effort to encourage EHS awareness and responsibility among its suppliers and wholesalers. The Supplier Certification program includes an EHS standard that assists suppliers in minimizing their environmental impact and creating a safe workplace. On the wholesaler side, the company has established an active Wholesaler Advisory Panel that, among many other activities, provides environmental, health and safety guidance to the independent wholesalers distributing Anheuser-Busch products.

N.H. Scheppers Distributing in Columbia and Jefferson City, Missouri, is an example of a wholesaler that is supporting community environmental programs. The wholesaler joined forces with other businesses in the area to form the group, RECYCLE COLUMBIA COALITION -- Business United for a Cleaner Columbia. The group implemented several recycling programs at key convenience stores such as Petro Mart, Fast Lane, Phillips and Breaktime.

"Our global supply chain is always evolving as we respond to market changes and opportunities. We will continue to look for ways to incorporate EHS improvements throughout our network of partners, while meeting the needs of our business and our customers."

— Tom Adamitis, Vice President, Corporate Purchasing

Business And Governmental Organizations

Anheuser-Busch participates in many regional, national and international programs and organizations that support sound environmental policy and advocate EHS best practices. These widespread activities have resulted in the company's recognition as a leader in EHS management. Three important examples are highlighted below:

The **Global Environmental Management Initiative (GEMI)** is a nonprofit organization of leading companies committed to fostering global environmental, health and safety excellence and economic success. Environmental professionals from Anheuser-Busch lead GEMI work groups in the areas of environmental information management systems and supply chain issues and participate on several other working groups.

The **National Association for Environmental Management (NAEM)**, the Premier Association for EHS Management, is a nonprofit educational association composed of professional environmental managers from the private and public sectors. Anheuser-Busch is a corporate sponsor of the association, and company management has been active in leadership positions at NAEM. Anheuser-Busch holds positions on the NAEM Board of Directors and participates in several committees.

The **National Safety Council (NSC)** is a nonprofit international organization founded in 1913 and chartered by the US Congress in 1953. The NSC and its more than 60 chapters have the mission of promoting policies and practices that can help reduce unintentional injuries and deaths in workplaces, on the highways and in the home and community. The council serves more than 37,000 member organizations and individuals. Anheuser-Busch holds a position on the Board of Directors and is active with the organization.

The company participates in Energy Star and WasteWise, two voluntary initiatives of the US EPA. Energy Star serves as an information and networking resource focusing on energy efficiency improvements, and supports the goals of the company's utilities management program. Under WasteWise, the company collects and reports to EPA annual information on its overall waste management performance and its achievements in source reduction and recycling. Anheuser-Busch has been a member of WasteWise since the program's inception in 1994 and has received formal recognition each year since 2000.

Non-governmental Organizations

Anheuser-Busch is involved with many non-governmental EHS organizations at both the national and community level. Some of the most active partnerships currently in place include:

- American Forests
- Ducks Unlimited

- Izaak Walton League of America
- Keep America Beautiful
- Living Lands & Waters
- National Fish and Wildlife Foundation
- Rainforest Alliance
- Restore America's Estuaries
- River Network
- The Conservation Fund
- Wildlife Habitat Council
- American Chemical Society
- American Industrial Hygiene Association
- American Society of Safety Engineers
- Grain Elevator And Processing Society
- National Fire Protection Agency
- National Hearing Conservation Association
- National Safety Council
- Organization Resources Counselors, Inc.

Visit www.abenvironment.com for a complete description of the many organizations partnering with Anheuser-Busch on environmental projects.

Environmental Performance

Conserving Resources for Future Generations

Anheuser-Busch seeks to continually improve its environmental performance by operating more efficiently, reducing waste and improving the environmental aspects of its products.

Energy

Improving Environmental Performance through Efficiency

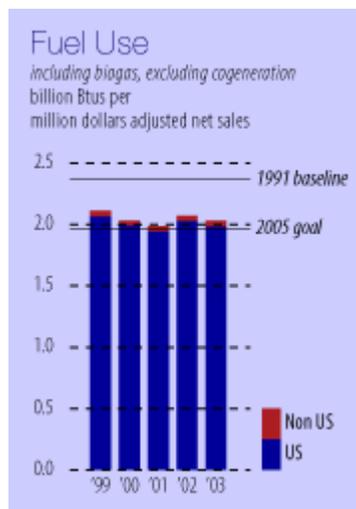
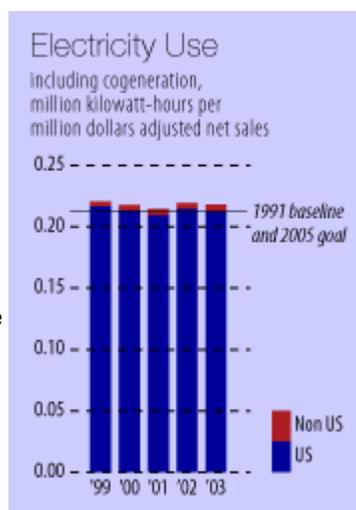
Reducing energy consumption throughout operations, particularly within the company's breweries, has been a top priority at Anheuser-Busch over the past several years. The brewing process is energy-intensive, and the breweries are the largest energy consumers within the company. Anheuser-Busch continuously searches for innovative approaches to utilize fuel resources in the most efficient manner, thereby minimizing associated air emissions.

Anheuser-Busch has funded capital projects, incorporated process changes and increased awareness of energy conservation across the company in an effort to increase energy efficiency. Innovations over the past several years included implementing a compressed air leak detection program and overall system review in an effort to minimize electricity use by compressors. Anheuser-Busch has contracted with compressed air specialty firms to identify opportunities for system improvements at its breweries and to help implement cost-effective improvements whenever feasible.

Across the company, electricity use has decreased by one percent since 1999, while overall fuel use has declined by four percent in the same period. Both electricity and fuel use decreased in 2003 compared to the previous year, in following the trend of steadily declining energy use. The company's sharpened focus on energy efficiency has led to such decreases.

Brewery Utility Initiatives

The Utilities Process Analysis (UPA) initiative, implemented in all of the company's breweries in 2003, is a vital part of the company's overall energy conservation effort. UPA is changing the way that Anheuser-Busch breweries manage their utility operations, including energy, residuals, wastewater and water, to achieve greater efficiency. Through UPA, the company has implemented a variety of practices to reduce energy use. This includes monitoring and managing steam loads, benchmarking best practices and utilizing cost effective energy and utility supply. UPA has incorporated a detailed review of more than 70 specific data points necessary to measure and produce results using process control, real time data and trend analysis. The initiative,



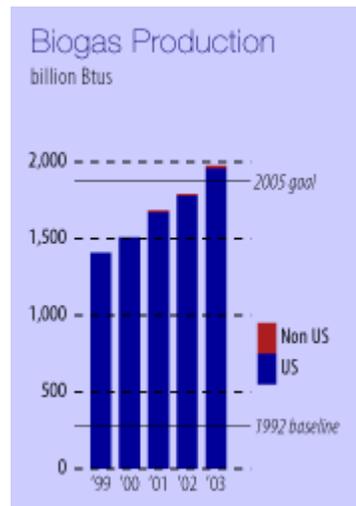
which began in March 2003, has helped make process control at the breweries more efficient, and is expected to produce significant environmental benefits and cost savings.

Energy conservation is the driving force behind another utilities initiative, Boiler Efficiency Tracking. Boiler performance often varies from plant to plant and boiler to boiler. The tracking program places renewed emphasis on proper tuning and testing of boilers across the breweries, with the goal of improving boiler reliability and safety as well as environmental performance (i.e., lower emissions for the same amount of heat energy produced). Under this initiative, breweries check each boiler's efficiency quarterly using a standard measurement method.

Using Biofuel

Anheuser-Busch is the world's largest operator of Bio-Energy Recovery Systems (BERS). Breweries, like many food plants, can exert a large demand on a community's wastewater treatment system because of the high organic load in the wastewater discharge. BERS is a method of pretreating the brewing-related wastewater anaerobically (in the absence of oxygen) and capturing biogas (methane) before discharging to the local sewer system. The recovered biogas is burned for fuel at the brewery, providing ten percent or more of the on-site fuel needs.

BERS provides a number of important environmental benefits. The use of biogas — a renewable energy source — offsets boiler fuel purchases, reducing the breweries' reliance on fossil fuels. Pretreating wastewater in this fashion reduces its strength (organic load) by up to 90 percent. The decreased organic load in the wastewater, in turn, places a smaller demand on community wastewater treatment facilities, which cuts down on overall electricity requirements. The resulting air quality benefits include substantial reductions (75 percent or more) in emissions of carbon dioxide, carbon monoxide, nitrogen oxides and sulfur dioxide that would otherwise result from traditional aerobic-only wastewater treatment. In addition, the biosolids generated are typically reused within the system, and they amount to only about 50 percent of the volume of biosolids produced in traditional wastewater treatment processes.



Brewery biogas production is a function of brewery output, process loss and bio-energy recovery efficiency. The graph on this page shows the significant increase in production of brewery biogas over the past five years, exceeding the company's goal. BERS operations at Anheuser-Busch breweries eliminate an estimated 200,000 tons of carbon dioxide emissions annually.

Anheuser-Busch uses BERS to treat brewery wastewater at eight of its 12 breweries in the United States and its two international breweries in Mortlake, UK, and Wuhan, China. At Mortlake, the company worked with the water utility to install BERS as part of the local wastewater treatment facility. Thames Water owns and operates the enhanced facility, while Anheuser-Busch provides ongoing technical support as needed. In Wuhan, BERS is used to treat brewery wastewater prior to discharge, and in 2001 the brewery also began capturing biogas for energy recovery.

Water and Wastewater

With water being one of the main ingredients in beer, high-quality water at Anheuser-Busch breweries is a priority. To that end, it is essential that the company utilize and conserve water in the most efficient manner possible. Anheuser-Busch invests in capital projects, process changes and general conservation education to use water in the most efficient manner. As the chart illustrates, Anheuser-Busch has reduced water use by about ten percent since 1999. In addition to conservation efforts, Anheuser-Busch also strives to reuse clean water for non-beer applications when quality standards will not be affected and when it is economically feasible.

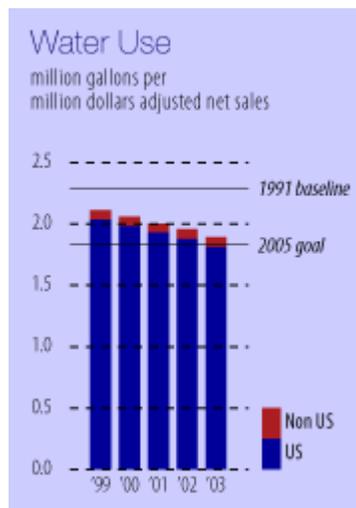
Water Council

Formed in 2002, the Anheuser-Busch Water Council focuses on strategic issues related to water management and use. It works to assure reliable supplies of high-quality water are available throughout the subsidiaries and the Anheuser-Busch supply chain. The Water Council is developing a companywide strategic plan for water use -- a long-term process that is showing some immediate results and will grow even more effective in the future.

Membership on the Council includes representatives from each subsidiary as well as members from corporate departments with an expertise in water policy. The Council shares information and best practices among its membership and communicates decisions and plans to the rest of the corporation. Reporting to the EHS Policy Committee, the Water Council is responsible for tracking regulatory developments and monitoring water supply, quality and rate issues. Subsidiary-level teams execute the Water Council strategy at the operations level. The subsidiary teams set the targets for their respective subsidiaries, implement programs for achieving those targets and ensure that each subsidiaries' policies are consistent with the overall corporate objective.

Conserving Water in the Supply Chain

Anheuser-Busch worked with packaging suppliers in 2003 to understand their water management strategies and potential supply chain risks related to water issues. This was accomplished by surveying suppliers on water usage and meeting with the highest volume users and those located in areas that could potentially face limited water availability. Overall, the suppliers have strong environmental programs with a commitment to conservation. The company and the packaging suppliers agreed to continue an ongoing dialogue on water issues and to share best practices where appropriate.



Improving Water Conservation at Fort Collins Brewery

At the end of 2003, the Fort Collins Brewery in Colorado recorded the best water use efficiency metric of all the Anheuser-Busch domestic breweries, reducing water use per barrel by nearly 12 percent over the previous year. To achieve this significant improvement, brewery employees first performed a water audit to quantify flows throughout the facility and identify opportunities for greater efficiency. Some of the key water conservation measures that were implemented include eliminating steam, condensate and water leaks; optimizing water use during cleaning processes and startup of equipment without affecting product quality; and installing a water recirculation system. The brewery also enhanced its employee education, awareness and training related to water conservation and provided incentives to employees for submitting water-saving ideas. Ongoing employee communications, such as newsletters, mailings to home and frequently posted bulletins, encourage water conservation at home as well as in the workplace.



Watershed Protection

Anheuser-Busch works to protect watersheds that provide a source of water to its facilities. The Water Council monitors activities within these watersheds that may affect water quality or availability. The company also contributes to the protection of the nation's watersheds through water use reduction measures and wastewater management techniques. Anheuser-Busch encourages individual responsibility at work and at home for protecting local watersheds through education and participation in volunteer events. In addition, the company has established partnerships with outside organizations working on enhancing water resources, such as River Network, Izaak Walton League of America, National Fish and Wildlife Foundation and Living Lands & Waters.

On October 17, 2003, dozens of Anheuser-Busch employee volunteers took to the riverbanks near the Gateway Arch in St. Louis, Missouri, to collect trash as part of an annual cleanup organized by Living Lands & Waters. Since 1999, Anheuser-Busch and its O'Douls brand have teamed with this nonprofit organization, which aims to improve the health of the Mississippi, Missouri, Ohio, Illinois and Rock Rivers. With O'Douls sponsorship, Anheuser-Busch provides financial support to the organization and helps with local cleanup campaigns. The company also helped the organization establish the "Adopt-a-Mississippi Mile" program, which is similar to the "Adopt-A-Mile" highway program. Living Lands & Waters founder Chad Pregracke and his volunteer crews have removed over 1.6 million pounds of litter and trash from a 1,000-mile stretch of shoreline along the Mississippi.



Wastewater

The two primary methods for handling wastewater at Anheuser-Busch are the Bio-Energy Recovery System (BERS), an advanced technology that captures energy from wastewater, and the land application system. (See more information on BERS in the Energy section of this report.) The Baldwinsville, New York, brewery also uses an aerobic polishing step to further treat its BERS effluent (see discussion below under Biosolids Use).



Baldwinsville, NY, brewery

LAND APPLICATION

Byproducts contained in wastewater from the brewing process are rich in nitrogen and can be a valuable source of soil nutrients. At the breweries in Fort Collins, Colorado, and Jacksonville, Florida, land application provides an environmentally sound method of returning water and nutrients to the soil to produce high-quality turf and forage crops such as alfalfa. This process saves the fuel necessary to produce fertilizer, reduces the demand for irrigation water and reduces the loading to municipal treatment facilities, conserving more energy.

BIOSOLIDS USE

The brewery in Baldwinsville, New York, utilizes an aerobic final polishing treatment process to further treat wastewater from the Bio-Energy Recovery System. As a result, all of the biosolids can then be reused in landscaping and agricultural applications instead of being disposed of in a landfill.

The facility mixes sawdust with biosolids and, after about three weeks, the resulting compost is ready for sale to local landscaping contractors. In 2003, the facility composted 21.2 million pounds of biosolids in this manner. The remaining biosolids — 23.3 million pounds — were distributed to area farms for soil enhancement.



Baldwinsville distributes millions of pounds of composted materials to area farms for soil enhancement.

Material Use and Recycling

Reducing Raw Material Use

Anheuser-Busch is continuing to make strides in minimizing the use of raw materials throughout its processes. Facilities analyze their operations, seeking to eliminate material losses whenever possible and enhance efficiency in the use of raw materials used in brewing, such as grain, and packaging materials such as cardboard and metal sheetstock.

The company has also found ways to minimize office paper use. Anheuser-Busch has now converted about 300 forms to an electronic format, providing an alternative to paper for approximately half of all company forms. Nearly 10,000 Anheuser-Busch employees utilize the company's "Web Forms Library" on the Anheuser-Busch intranet. The Library allows a user to retrieve forms electronically, fill them out online and mail them through the electronic mail system.

Beverage Containers and Packaging

Using its marketing and technological expertise, Anheuser-Busch has been a dominant force in making environmentally beneficial improvements to aluminum cans over the past three decades. Moreover, because Anheuser-Busch is one of the world's largest purchasers of aluminum cans, its lightweighting efforts have reduced material use throughout the beverage industry as can suppliers shift their manufacturing processes to lighter cans. Midway through 2002, Anheuser-Busch continued efforts in this area by changing the lid geometry on the 24-ounce aluminum can, allowing for a smaller seam joining the lid to the can body. In 2003, this modification, combined with lightweighting of the 24-ounce can, saved the company more than five million pounds of aluminum.

Anheuser-Busch is continuing to reduce aluminum usage, with the implementation of a lid diameter reduction project for the vast majority of the company's aluminum cans. This latest project utilizes a new technology to reduce the lid size and it is expected to provide an annual savings of about 20 million pounds of aluminum. Two breweries have already converted operations to this new technology and, by year end 2005, all Anheuser-Busch breweries are expected to have implemented the lid reduction technology.

The company made other packaging improvements in 2003. With the help of its suppliers, Anheuser-Busch reduced the thickness of one of its 12-pack bottle packages, reducing paperboard use by 7.5

million pounds. The company also continued the conversion from hardwood and plywood pallets to polypropylene pallets for finished products. The new pallet design is 100% recyclable, is more sanitary than wood and is proving to be very durable. In addition, the lighter-weight design allows for reduced energy use and transportation cost. Overall, the company's wholesaler customers are pleased with the transition and the conversion process is continuing in 2004.

"What separates us from our competitors is our single-minded pursuit of quality and our commitment to continuous improvement. Each year, we are developing new and innovative ways to minimize raw material use and make our packaging better."

— Bob Darnell, Senior Director, Packaging Technology

Purchasing Recycled Materials

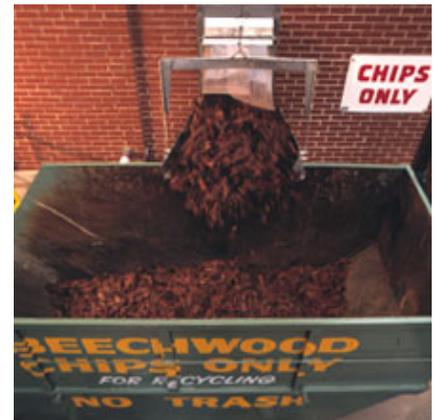
Anheuser-Busch seeks to stimulate the market for recycled materials through its purchasing decisions. The company spends roughly \$2 billion annually buying products and materials containing over one billion pounds of post-consumer material, including substantial amounts of packaging materials and recycled paper products such as office supplies, towels and tissues. The Corporate Graphics Department has implemented the use of recycled paper for company letterhead, business cards and envelopes, and actively promotes the use of recycled stock with their customers throughout Anheuser-Busch.

Recycling

The company's founder, Adolphus Busch, took steps in the late 1800s to find uses for brewing byproducts instead of discarding them as waste. Beginning as early as 1899, Anheuser-Busch utilized spent brewers' grain as protein-rich cattle feed, and has since expanded recycling efforts to include a wide variety of materials. Today, the company recycles more than 97 percent of all its solid waste generated, more than five billion pounds of material each year. In 2003, these recycled waste streams included:

- 72 million pounds of glass
- 166 million pounds of aluminum
- 3.8 billion pounds of spent grains
- 14 million pounds of diatomaceous earth into compost or cement
- 52 million pounds of cardboard
- 10 million pounds of beechwood chips into compost
- 599 million pounds of farm materials into compost
- 6.5 million pounds of animal pen and landscape waste into compost
- 2.9 million pounds of plastic strap
- 6.7 million pounds of office paper and industrial scrap paper
- 9.4 million pounds of scrap metal
- 46 million pounds of miscellaneous materials

The Anheuser-Busch Recycling Corporation (ABRC), founded in 1978, is the largest recycler of aluminum cans in the world. Through a widespread network of aluminum recycling suppliers, the company recycles more than 100 percent of the aluminum cans sold domestically by Anheuser-Busch, Inc.



Anheuser-Busch recycles ten million pounds of beechwood chips annually.

In 2003, ABRC recycled 753.6 million pounds of aluminum beverage containers. The Products and Services section of this report has more information on ABRC's efforts to encourage consumer recycling.



Anheuser-Busch Recycling Corporation is the world's largest aluminum can recycler and is developing initiatives to increase recycling rates.

Cooperating with Wholesalers

Anheuser-Busch extends its recycling commitment to its supply chain partners as well. In 2000, the company began a program to help wholesalers recycle the stretch film used to secure pallets of Anheuser-Busch beer during transportation. ABRC coordinates pickup of recovered film from the 23 participating distribution sites and delivery of bales to film recyclers. Anheuser-Busch has partnered with the distribution centers to help finance the cost of balers. The program has now expanded to more than 250 wholesalers and continues to grow. In 2003 alone, the wholesalers baled and shipped more than 900,000 pounds of stretch film.

Houston Brewery Achievements in Recycling

The Anheuser-Busch brewery in Houston, Texas, has established a strong recycling culture throughout its operations. In 2003, the brewery's level of recycling amounted to 400 million pounds -- including spent grains and yeast, glass, wood, cardboard and other materials -- representing 99.7 percent of the facility's total amount of wastes and byproducts. This level of recycling is possible because brewery employees understand that recycling is a required part of their job duties. Proper waste segregation, collection and management procedures are covered in annual training that is given to the more than 800 full-time employees. In addition to conserving landfill space by recycling, the Houston Brewery also helps the community by conducting annual Green Week environmental projects such as household hazardous waste collections and improvements to parks and open spaces.



Wastes and Emissions

Anheuser-Busch seeks innovative ways to reduce wastes and emissions associated with its operations. Through measures such as increasing process efficiency and maximizing the use of recycled materials, the company strives for continuous improvement in waste reduction.

Transportation Advantage

Through a company initiative called Transportation Advantage, Anheuser-Busch is reviewing and reconfiguring the movement of raw materials and finished goods going to and coming from its breweries. The results have been dramatic, with the company completely re-engineering transportation at its production facilities. Through Transportation Advantage, Anheuser-Busch is lowering costs and improving service by managing transportation centrally. The company is able to improve the utilization of available vehicles, identify when and where lighter-weight vehicles can be used and maximize the use of empty trucks to transport other materials on return trips.

One of the success stories from Transportation Advantage is a recycling program with wholesalers for the packaging materials used during transport. Empty vehicles returning from deliveries collect and transport recyclables from wholesalers to recycling plants. The program provides numerous benefits: increasing the efficiency and productivity of the truck fleet; reducing fuel consumption; lowering the associated greenhouse gas and other air emissions; and improving the cost-effectiveness of packaging recycling.



Solid Waste Landfilled

Anheuser-Busch has reduced solid waste disposal significantly through recycling and other companywide, employee-supported waste reduction programs. The company is an active participant in WasteWise, a US Environmental Protection Agency (EPA) voluntary program that encourages organizations to establish waste reduction goals, implement waste reduction programs and track performance. Since 1991, Anheuser-Busch has achieved a 64 percent reduction in solid waste disposal, per unit of sales.

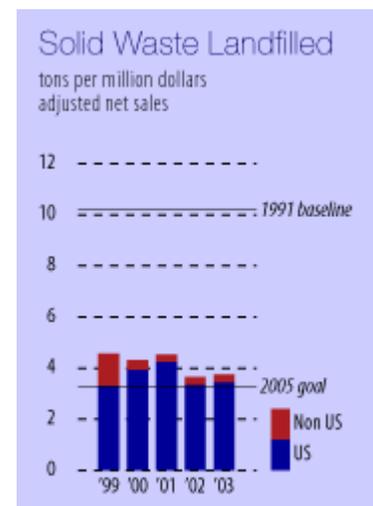
The company's efforts to minimize packaging and other raw material use, and to recycle as much material as possible, have been key drivers in the solid waste reductions that have been achieved at Anheuser-Busch.

Hazardous Waste Management

EFFORTS TO REDUCE HAZARDOUS WASTE

Anheuser-Busch sees hazardous waste reduction as a means of providing safer workplaces, reducing the company's impact on the environment and decreasing future liabilities. The company has made a concentrated effort to reduce waste through strategies such as:

- improving inventory control
- substituting non-hazardous materials
- carefully segregating waste streams to facilitate reuse and recycling



- installing solvent recovery systems

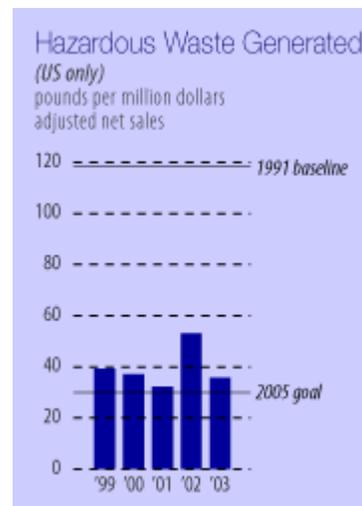
EHS coordinators at facilities work with employees to increase awareness of the importance of hazardous waste minimization and to integrate EHS concerns into business decision making processes. One important method Anheuser-Busch uses to promote environmentally sound hazardous waste management is the Waste Site Review process, which reviews and approves all waste management contractors and handling and disposal sites (see more information in the EHS Management System portion of this report). In accordance with the company's waste management requirement, all Anheuser-Busch subsidiaries and facilities must use only approved hazardous waste and used oil disposal facilities.

HAZARDOUS WASTE GENERATION

In 2003, 11 of Anheuser-Busch's 12 domestic breweries were classified as small-quantity hazardous waste generators. The exception was the brewery in Newark, New Jersey, which generated freon-contaminated waste oil as a result of a major refrigeration maintenance project. The majority of the waste generated by the 11 small-quantity generators is paint waste related.

It should be noted that the data for 1997-2001 has been adjusted slightly from previously reported figures to exclude "universal wastes" -- materials that are regulated as hazardous waste in some US states but not in others. As a result, historical data are slightly lower (one to two percent) than those previously reported.

The company is continuing efforts to find non-hazardous substitutes and to minimize hazardous material use as a means of reducing hazardous waste.

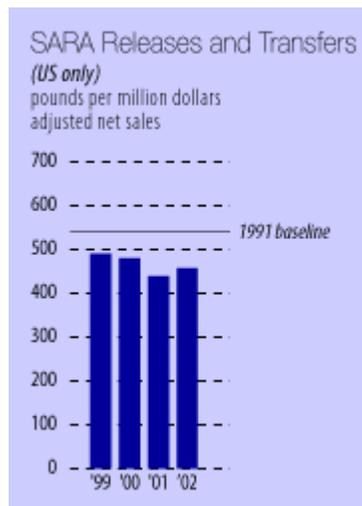


Toxic Releases

As required by the US EPA under the Superfund Amendments and Reauthorization Act (SARA), Anheuser-Busch reports annually on releases of toxic chemicals to the environment.

In 2002, nearly 43 percent of Anheuser-Busch's reported SARA releases were to the air and approximately 56 percent were to water. Glycol ethers and n-butyl alcohol comprised approximately 71 percent of reported air emissions. Glycol ethers and n-butyl alcohol are contained in the inside sprays and exterior coatings used to prepare bare aluminum cans for beverage container use. The remaining air emissions, primarily reported by the breweries, were comprised of compounds released during fuel combustion and ammonia released from cooling systems.

SARA reportable releases to water consisted almost entirely of nitrate compounds, which are produced naturally during wastewater treatment from the biological degradation of organic nitrogen found in grain and hops.



Note that historical data for SARA releases and transfers differ somewhat from previously reported data. Historical data for SARA releases and transfers have been revised to include several facility resubmittals that were not previously included, as well as new submittals for the Newark Brewery. Data for 2003 will be reported at this Web site when they become available.

Ozone-Depleting Substances

Anheuser-Busch implemented a program in 1995 to minimize the use of ozone-depleting chlorofluorocarbons (CFCs) throughout operations. All but one of Anheuser-Busch's breweries use ammonia instead of CFCs in their refrigeration systems. Busch Entertainment Corporation (BEC) uses CFCs in the cooling systems that are necessary for ice machines and for life supporting systems for the animals. Wholesalers use similar cooling systems for storage of finished product.

Innovation in Pest Control

Busch Agricultural Resources, Inc., (BARI) has been successfully piloting heat treatment as an alternative to the use of methyl bromide as a pesticide in its rice milling operations. This approach is based on an innovative use of century-old technology. By raising the temperature of an area to 140 degrees F for 24 hours, BARI is achieving better results than with methyl bromide. While additional natural gas is used to heat the process areas adequately, the increase in fuel use is small because treatment is only needed about four times a year. Not only does heat treatment reduce adverse environmental impacts, it also eliminates the need to shut down operations during treatment. Two BARI facilities have incorporated heat treatment technology, and one facility is researching its use.

BARI has used methyl bromide as a pesticide in its rice milling operations to protect the quality of its brewing ingredients. Since the US EPA is planning a complete phase-out of methyl bromide by 2005 (methyl bromide is an ozone-depleting chemical), Anheuser-Busch has been seeking alternatives to this highly effective pesticide.

Greenhouse Gases

In keeping with the company's climate change position (included at the end of this report), Anheuser-Busch has begun taking steps to reduce emissions that could contribute to climate change. Anheuser-Busch is focused on reducing fossil fuel use and improving energy efficiency. Furthermore, through the use of biogas fuel -- a renewable energy technology -- the company is not only displacing fossil fuel consumption, but also reducing the wastewater load on local communities. This, in turn, reduces the energy demand at the local wastewater treatment plant. The Transportation Advantage initiative leads directly to reductions in greenhouse gas emissions, while providing numerous other environmental and business benefits. The breweries have also upgraded equipment and made process changes to minimize direct release of carbon dioxide (CO₂), a greenhouse gas, during the fermentation process.

Anheuser-Busch is currently conducting an inventory of greenhouse gas emissions, following internationally accepted protocols. The initial inventory is addressing companywide CO₂ emissions; the next phase of the inventory will include the remaining greenhouse gases that are relevant to the company's business and operations.

Reducing Carbon Dioxide Emissions at Mortlake

In 2002, the Mortlake Brewery signed onto the U.K. Emissions Trading Scheme, pledging to reduce CO₂ emissions by 28.5 million pounds over five years (compared to the average of the 1998-2000 period). The potential exists for recycling CO₂ within the facility since breweries produce CO₂ during fermentation and also require the gas as an input to packaging processes. Mortlake is working to optimize its processes to brew beer at full capacity with as little disruption as possible. Long, continuous brewing periods improve CO₂ capture efficiency and the ability to use the recovered gas.

Products and Services

Being Responsible to Consumers

Anheuser-Busch and its family of wholesalers have invested more than \$465 million since 1982 in a comprehensive portfolio of more than two dozen community-based programs and national advertising campaigns to promote responsible drinking and help prevent underage drinking and drunk driving. The company has been at the forefront of public awareness advertising in this area since the early 1900s, when Anheuser-Busch ran a series of print ads, which carried the tag line, "Budweiser Means Moderation," reminding Americans to drink responsibly. In 1985, the company became the first in the brewing industry to bring responsibility messages to network television with its "Know When To Say When" campaign, which encouraged adults to drink responsibly.



Anheuser-Busch's newest alcohol awareness initiative, "Responsibility Matters," encourages adults to drink moderately, designate a driver or call a cab if they may have had too much to drink, and talk to their children about underage drinking. The new campaign includes television ads on national prime time network, cable programs and sports programming, as well as radio, print and billboard ads.

Some current Anheuser-Busch programs include:

- *Family Talk About Drinking*, which helps prevent underage drinking by encouraging open, honest communication between parents and children.
- *TIPS* (Training for Intervention Procedures), which trains bartenders, waiters and store clerks in methods to help prevent alcohol abuse situations.
- *Good Sport*, which is a communications, training and fan management program, designed to help stadium operators, team owners and concessionaires address and prevent the problem of disruptive crowd behavior.
- *Designated Driver* programs, including the *O'Doul's Designated Driver* program, which promote the use of designated drivers at bars, restaurants and home parties. Consumers typically receive free non-alcohol beverages or discounts on food from bars or restaurants in exchange for being named the designated driver in a group and refraining from drinking on that occasion.
- *Alert Cab*, which fights drunk driving by providing bar and restaurant patrons with a free or reduced-fare cab ride home.
- *Sound Attitude*, which is designed to help music and other entertainment venues, facility managers and concessionaires promote positive fan behavior by encouraging personal responsibility, respect for other fans and respect for the law.

Visit the company's Consumer Awareness & Education site at www.beeresponsible.com to learn more about the history of these programs and what Anheuser-Busch is doing today.

Promoting Product Stewardship

The goal of product stewardship at Anheuser-Busch is to reduce EHS impacts while upholding the standards that result in high-quality products and services. Since 1899, Anheuser-Busch has recycled spent brewers' grain as cattle feed. Today, product stewardship efforts are being integrated into all aspects of the company's operations.

Anheuser-Busch has actively led the way in the fight against litter, and has supported a number of anti-litter campaigns throughout the country. In 1953, the company helped found Keep America Beautiful, Inc., and in 1972, it joined forces with the Izaak Walton League of America to inaugurate the Pitch In! campaign, a legacy that endures today.

Litter problems and solutions can vary greatly across different communities. However, regardless of location, effective litter prevention requires a few necessary elements: an understanding of the problem, organization, enthusiasm and ongoing commitment. Anheuser-Busch has developed a guidebook to establishing community litter prevention efforts, *Closing the Lid on Litter*, in partnership with the Izaak Walton League of America and Keep America Beautiful. Anheuser-Busch also communicates positive messages about recycling and litter prevention through a variety of print advertisements, encouraging people to dispose of waste properly and to sort and recycle whenever possible.

Anheuser-Busch Recycling Corporation is taking an active role in encouraging aluminum can, glass and plastic bottle recycling. The company has partnered with leading beverage producers from the beer, soft drink and water industry to form the Beverage Packaging Environmental Council. This council has a united mission to increase beverage container recycling through innovative, comprehensive long-term solutions and partnerships. In addition, Anheuser-Busch Recycling partners with local recyclers and Anheuser-Busch distributors



At participating NASCAR tracks, campers are given recycling bags and encouraged to recycle their beverage containers. Recycling containers are also placed around the concourse to facilitate recycling during races.

to promote "event recycling" at a variety of venues, including music festivals, beach venues, golf tournaments and NASCAR tracks. The goal is to keep recyclable beverage containers out of the waste stream and create a habit for event-goers to repeat at home.

Land Use and Biodiversity

Supporting Animal Rescue and Wilderness Preservation

In early 2003, Busch Entertainment Corporation (BEC), the family entertainment subsidiary of Anheuser-Busch and operator of the company's nine Adventure Parks, launched the SeaWorld & Busch Gardens Conservation Fund (www.swbg-conservationfund.org) to support environmental, research, education and animal rescue programs. The charitable, private foundation seeks corporate and individual donations that are used to fund important initiatives around the world. For the first time, SeaWorld and Busch Gardens guests will have an opportunity to contribute to BEC's conservation efforts by making donations to the Conservation Fund at park gift shops and other outlets. The foundation's first expenditure was made in the form of eight \$10,000 grants to student winners of the annual SeaWorld/Busch Gardens Environmental Excellence Awards.

The SeaWorld & Busch Gardens Conservation Fund has teamed up with National Geographic in a joint annual conservation initiative, in which the organizations support and promote two conservation projects each year. This year, the two projects will focus on Florida manatees and wild lions in Kenya. Collisions with boats represent the majority of human-caused manatee deaths, causing a distressing population decline in this endangered species. The manatee project is analyzing new sonar technology that could be used to curb such manatee fatalities. The wild lion population in Kenya is experiencing a sharp decline, due in large part to humans killing lions in an effort to protect livestock. The Kenyan conservation project is focusing on community education and conservation measures designed to alleviate the predator-human conflict.

"By joining forces with National Geographic, we want to shine some much deserved light on innovative, solution-oriented projects that benefit both animals and people. Together, our two organizations hope to make significant strides in wildlife conservation."

— Virginia Busch, President,
SeaWorld & Busch Gardens Conservation Fund

In addition to the foundation, BEC continues its long-standing support of wildlife programs through financial donations (totaling some \$2.5 million annually), expertise and involvement. The Anheuser-Busch Adventure Parks support and work with over 40 environmental organizations across the world. Ranging from local community initiatives to global conservation programs, these environmental partnerships allow the parks to share animal expertise, strengthen efforts to protect wildlife and reach millions of people with conservation success stories. One such partnership is with the Conservation Breeding Specialist Group (CBSG), an organization that plays a vital role in developing practical and sustainable survival plans for a diversity of at-risk species. For over a decade, Anheuser-Busch Adventure Parks have supported CBSG's Population and Habitat Viability Assessment workshops, which bring together leading scientists, researchers, community representatives and government officials to develop a species protection and long-term management plan. The company has supported workshops for a wide variety of species, including Galapagos penguins, Mediterranean monk seals, manatees, African frogs and the rare Chinese river dolphin.



For the first time in SeaWorld San Diego's 39-year history, aquarists successfully incubated and hatched green sea turtles, providing both researchers and park guests the rare opportunity to witness the early development of this endangered species.

Anheuser-Busch, Natural Light and The Conservation Fund (TCF) rolled out a national campaign, "Keep It Natural," during April 2003. As part of this campaign, Anheuser-Busch is serving as a key sponsor for TCF's new program focused on preserving one million acres of national wildlife refuge lands by 2005. TCF launched a traveling exhibit from the company's headquarters in St. Louis, Missouri, to celebrate and publicize the "Keep It Natural" initiative. Anheuser-Busch and TCF have been working together since 1994.

Since 1995, Anheuser-Busch has teamed up with the National Fish and Wildlife Foundation (NFWF) on the "Budweiser Outdoors" program. Through its NFWF partnership, Anheuser-Busch has delivered more than \$5.2 million to 80 conservation projects in 44 states.

More information about conservation efforts at Anheuser-Busch is available at www.abenvironment.com.

Helping to Preserve Endangered Species

Busch Gardens Tampa Bay welcomed a new member, baby Alina, to its endangered orangutan family in March 2003. Her birth, the first ever orangutan birth at Busch Gardens, was part of an American Zoo and Aquarium Association-approved Species Survival Plan, a program developed among accredited zoological institutions to conserve at-risk species. Throughout the year, Alina engaged millions of guests at the Florida park, as well as television viewers, with the compelling story of orangutans and other critically endangered species.



Alina with Virginia M. Busch, President, SeaWorld & Busch Gardens Conservation Fund

Managing Land Resources Wisely

Anheuser-Busch has a long-standing relationship with the Wildlife Habitat Council (WHC) through its Corporate Wildlife Habitat Certification and Corporate Lands for Learning programs. Created in 1988, WHC is a non-profit coalition of corporations, conservation organizations and numerous individuals dedicated to protecting and enhancing wildlife habitat by helping corporate landowners manage their unused lands in an ecologically sensitive manner for the benefit of wildlife. WHC projects are corporate-driven, cooperative efforts between management, employees, community members, local conservation groups and government agencies.

Anheuser-Busch employees have volunteered countless hours to WHC projects over the years, forging a strong commitment and spirit of pride in their accomplishments. Six Anheuser-Busch locations have achieved WHC certification.

"One of the things I always look for to tell how deep a company's environmental values really run is how they manage their own lands. Do they do things that protect and enhance biodiversity? Do they look for how their land management practices fit in with neighboring land owners in their community and projects that look at entire ecosystems and migratory species? Do they provide opportunities for employees and community partners to be part of the team considering the management and uses of their lands? In all cases Anheuser-Busch is one of the most progressive among businesses."

— Bill Howard, President, Wildlife Habitat Council

Elk Mountain Farms in Bonners Ferry, Idaho - recertified by WHC in 2003; certified 2000 in the WHC Corporate Lands for Learning program (recertified 2002)

Employees manage on-site ponds for waterfowl and monitor nest boxes for songbirds such as mountain bluebird and mountain chickadee at the farms. Turkeys are common at the site. Since 1993, more than 2,000 pheasants have been released into the wild from the pheasant reintroduction program at this site, and the birds are beginning to be seen throughout the farm grounds and in surrounding areas. The Corporate Lands for Learning program partners with local schools and organizations to promote environmental awareness and education.



Turkeys are a common occurrence at the WHC-certified Elk Mountain Farms site.

WHC Rookie of the Year - 1998; Habitat of the Year Nominee - 2000

Jacksonville, Florida, Nutri-Turf Land Application - recertified 2002

WHC-certified since 1997, Anheuser-Busch's Jacksonville Brewery Land Application system consists of two farms known as the Main Street Farm and the Lem Turner Farm. Many species of wildlife are present at the farms, including the wood stork (*Mycteria americana*), which is listed by both Federal and State agencies as Endangered. The wood storks feed in the stormwater runoff collection ponds and the recreational ponds on both farms. Employees at the farms have observed as many as 135 wood storks at a time feeding at the ponds. The site management and employees have worked with the Florida Department of Environmental Protection and the US Fish and Wildlife Service to develop a management plan to enhance wood stork foraging habitat at both the Main Street and Lem Turner sites. The management plan also proposes installing man-made nesting structures to encourage wood storks to nest on the two sites.



The Jacksonville site attracts as many as 135 of these wood storks at a time for feeding.

Manitowoc, Wisconsin, Malt Plant - recertified 2003

Partnering with the Wisconsin Peregrine Society, Manitowoc Malt Plant employees monitor an active peregrine falcon nest on top of one of the facility's buildings. The Society built the nest in 1990 and placed it on the building. Eyases (baby peregrine falcons) have hatched and fledged every year since 1998.

Fort Collins, Colorado, Nutri-Turf Land Application - recertified 2003

The wildlife team at this site identified 11 habitats within the property that can be enhanced to protect and nurture wildlife without interrupting normal business operations. The main goal with each habitat is to create a self-sustaining ecosystem that encourages permanent and seasonal wildlife residency.



Antelope run freely at the WHC-certified Fort Collins site.

Habitat of the Year Nominee - 2003

Jonesboro, Arkansas, Southern Rice Operations - recertified 2003

The Jonesboro wildlife team -- Renewing Issues Concerning the Environment (RICE) -- has set a goal of developing a community-involved wildlife habitat program to complement its existing grounds and to enhance the present habitat conditions for native Arkansas wildlife.



These strolling goslings were raised by a pair of wild Canada Geese that nested on the grounds of the Jonesboro Rice Mill.

Rome, Georgia, Can Plant - certified 2002

To enhance wildlife habitat opportunities on site, employees constructed and installed nesting structures for bluebirds, purple martins and American Kestrel, and place raptor perches to enhance habitat for birds of prey. Employees established wildflower gardens to improve habitat for native pollinators, and built hummingbird feeders to ensure habitat requirements are met while the native gardens are still developing.



Bluebirds nesting at the Rome Can Plant site

Environmental Compliance

Audits

A total of 26 Anheuser-Busch facilities underwent environmental audits in 2003. See the Programs section of this report for more information on the audit program at Anheuser-Busch.

Liabilities

As of year-end 2003, Anheuser-Busch has received notification that it is a potentially responsible party at 18 waste disposal sites. The company's involvement in these sites is *de minimis*, representing a total anticipated liability of \$400,000. Four other properties presently owned by the company and one formerly owned property are undergoing remediation at an estimated additional cost of \$900,000.

Compliance

Anheuser-Busch paid five penalties during 2003 for environmental noncompliance. The fines that were greater than \$1,000 are discussed below.

Air

- *Houston Glass Plant Air Emissions - \$3,938*: The glass plant's glass furnaces exceeded sulfur dioxide limits during a compliance test. The combustion unit and the feed stock mix were adjusted. Retesting has confirmed that the facility can operate in compliance with its emission limits.

Hazardous Materials Transportation

- *SeaWorld Orlando Hazardous Materials Shipment - \$31,000*: Compressed air in self-contained breathing apparatus units was improperly presented for shipment by air from SeaWorld Orlando in 2000. The company immediately reinforced training of personnel and compliance with its hazardous material shipping policy that prohibits this type of shipment by untrained employees.

Reporting

- *Fort Collins Brewery Reporting Deficiencies - \$48,164*: In 2002, the company discovered deficiencies in air program monitoring, record keeping and reporting at Fort Collins. The brewery has since reviewed and modified its EHS management system to correct these deficiencies and prevent them in the future.
- *Newark Brewery Late TRI Reporting - \$4,526*: In 2000, the company failed to timely report the use of certain refrigerants as required. The brewery late reported the required information in 2001 and has implemented a system to prevent future omissions of this type.

Health and Safety Performance

Promoting Safe Operations and Employee Health

Providing a safe workplace is a fundamental business responsibility, and one that Anheuser-Busch takes very seriously. The company has developed a strong corporate culture focused on injury and illness prevention.

Safety Results

Anheuser-Busch continues to show improvement in safety performance. The company has developed a strong, proactive approach to health and safety with the backing of senior management and EHS teams at the subsidiary and facility level.

Safety is an overriding value at Anheuser-Busch, and no accident is acceptable. The company created a Senior Management Challenge in 1992, establishing yearly goals for improving safety performance. Internal communications — such as safety meetings and training — promote the safety message throughout the organization.

In 2003, the company reduced its total injury rate by ten percent compared to 2002. Compared to the baseline year of 1991, Anheuser-Busch has achieved a 66 percent reduction in total injury rate. While the company also reduced its rate of lost time injuries by 83 percent from 1991 to 2003, there was a small increase (four percent) in this metric compared to 2002. Individual subsidiaries have included initiatives in their annual strategic plans to address the recent increase and to ensure continued improvement in safety performance. Examples of strategic initiatives include:

- Completing EHS Leadership and Personal Risk Management training
- Integrating EHS compliance task and self-assessments into existing control systems to increase efficiency and reliability



* Statistics on total lost work days in 2002 and 2003 are not directly comparable to those for prior years because of new OSHA reporting rules effective in 2002.

Windsor Can Plant, Colorado

The Metal Container Corp. facility in Windsor, Colorado has compiled an extraordinary safety record over the past decade. They have worked since October 2002 — over 298,000 hours — without an OSHA recordable injury. In addition, they have worked since November 1996 without a lost time accident, more than 1.8 million hours. These accomplishments were made possible through the implementation of a variety of facilitywide safety policies and programs. Windsor's safety practices include a pre-shift safety discussion, incentive program, safety audit program and a safety suggestion form.

Compliance

Anheuser-Busch received five OSHA citations that were paid during 2003 for safety noncompliance.

- The Baldwinsville Brewery in New York received three citations, with a total fine of \$7,637, involving miscellaneous guarding, maintenance, personal protective equipment and material storage and separation issues — all of which were corrected. Where appropriate, personnel were retrained on applicable requirements and responsibilities.
- Busch Gardens in Tampa, Florida, received a citation and fine of \$975 when a latch for a portable platform was discovered to be defective. The problem was corrected immediately.
- The Mira Loma Can Plant in California was cited and fined \$18,300 because equipment was not de-energized prior to cleaning. The existing written Standard Operating Procedure for servicing equipment was reviewed with all affected and authorized employees.

On-site Contractor Safety

Anheuser-Busch strives to select contractors with a safety record demonstrating a strong, well-designed and well-executed safety program consistent with Anheuser-Busch's aggressive safety goals. In the course of project execution, Anheuser-Busch enforces its contractual requirements for effective contractor safety programs. In 2003, on-site contractors recorded six million worker hours on Anheuser-Busch projects and experienced accident rates much lower than industry averages.

	Anheuser-Busch Contractors	Construction Industry Average (2002)
Lost Time Injury Rate (Domestic Sites)	0.076	2.80
Lost Time Injury Rate (International Breweries)	0.00	N/A
Recordable Injury Rate (Domestic Sites)	2.48	7.10
Recordable Injury Rate (International Breweries)	0.25	N/A

Wholesalers

The Wholesaler Safety Partnership Program helps the independent Anheuser-Busch wholesalers improve employee, fleet and property safety. Initiated in 1997, the program uses e-mail, distance learning and a Web site to communicate with wholesalers on a wide range of safety issues.

The Wholesaler Integrated Learning programs deliver distance learning over the Busch Satellite Network — a private television network linking wholesalers to Anheuser-Busch. The "Workplace Safety Series" airs programs that address various aspects of safety and risk management. Anheuser-Busch's wholesaler Web site provides Safety Partnership information over the Internet.

The Safety Partnership also helps wholesalers evaluate their safety management systems and OSHA compliance. On-site consultations and assistance are provided free to wholesalers that participate in the Weiser Insurance Program, which underwrites workers' compensation, property and liability coverages exclusively for Anheuser-Busch wholesalers.

"The Anheuser-Busch Safety Programs have been helpful to us in developing programs and policies that ensure our employees are careful and safe, as they execute their daily sales activities in the market."

— Mike Barden, Training Manager,
Nevada Beverage Co.

"The Wholesaler Partnership Program is a tremendous resource for us here at Mockler Beverage Company. The information presented in the Workplace Safety Series is so vital to our employees' overall health and safety that some of them participate in the courses more than once, especially 'Reducing Strains & Back Pain' and 'Defensive Driving.' As Mockler Beverage's trainer, I use the 'Changing Driver Behavior' piece in our annual Defensive Driver Training and Driving Rodeo. It's got great fact-based data that pertains to what we do everyday...deliver beer. The Wholesaler Partnership Plan contains a plethora of information for our wholesalership and our business relies on it to help improve our overall safety and to keep us in compliance."

— Shelley Mockler, Training and Development Manager,
Mockler Beverage

Wellness

ABCs of Good Health

Wellness education and awareness are vital to employee health and safety. Anheuser-Busch has established an extensive wellness program, "The ABCs of Good Health," encouraging employees to:

- Take ACTION – Take responsibility for their own wellness. Work with their personal doctors to assess wellness, identify good and bad habits and risk factors, set a wellness goal and work toward it.
- Know their BENEFITS – Learn about and take full advantage of wellness resources that include company-provided benefits and health plans, referral services, the employee assistance program, intranet educational materials and tools and online Health Risk Assessments.
- Get their CHECK-UPS – Schedule an annual preventive care visit.

When employees or spouses visit their personal physician, they are eligible to enter into a drawing for a company-paid trip valued at \$5,000, with winners selected each year. Local incentives are also offered throughout the year to encourage participation.

The emphasis on encouraging check-ups and preventive care visits is clearly making a difference in the lives of Anheuser-Busch employees. Wellness professionals at several facilities have received reports from employees who received diagnosis and early treatment of potentially serious illnesses. One employee at the Jacksonville Brewery was referred to a cardiologist after a preventative visit with his primary care physician (PCP). The cardiologist diagnosed him with mitral valve regurgitation, a serious heart disorder that often times requires surgical repair or mitral valve replacement. In July 2003, this employee underwent successful open-heart valve repair. Another employee was diagnosed with malignant melanoma at his annual PCP exam. The employee was referred to a dermatologist and also underwent successful surgery.

Ability for Life

In 2003, the breweries embarked on a new approach to safety and wellness in the home and workplace. Ability for Life (AFL) is a holistic approach focusing on the employee and their family, emphasizing personal responsibility for health and safety. AFL stresses the importance of health-conscious decisions in all actions, such as good nutrition, exercise and conditioning, regular health exams and the use of seat belts and bicycle helmets. Awareness of the AFL message is kicking into high gear, through monthly emails to employees with safety and wellness tips, AFL messages printed on paychecks and an AFL Web site available to all employees. By 2004, Anheuser-Busch plans to establish AFL steering committees at each brewery and present informational sessions to all brewery employees.



"Wellness is an attitude that incorporates an on-going lifestyle of healthy behaviors that enhances your mental and physical well-being while decreasing your risk of disease. Our Company supports employees taking responsibility for their personal wellness by adopting healthy behaviors, taking full advantage of healthcare benefits and arranging for appropriate preventive care. This starts with establishing a relationship with your primary care physician. It also includes participation in health fairs, educational programs and support through telephone and internet access to the various programs offered by the managed care companies, health risk appraisals, quality of care information and 24-hour nurse call services. Regular dental and vision services are an integral part of the overall program."

— Tim Farrell, Vice President, Employee Benefits

Facility Wellness Programs

JACKSONVILLE, FLORIDA - ANHEUSER-BUSCH, INC.

The Jacksonville Brewery continues to be recognized for their efforts in making wellness a top priority, as they were re-certified in 2003 as a "Gold Well Workplace" by the Wellness Council of America. The Well Workplace Awards are driven by a rigorous set of criteria and are designed to recognize excellence in health promotion at the worksite. The Jacksonville brewery received Silver Well Workplace awards in 1994 and 1997, and first received the prestigious designation as a Gold Well Workplace in June 2000. Gold Well Workplace awards are given to companies that have successfully built comprehensive worksite wellness initiatives and demonstrate and document concrete outcomes related to behavior change, cost effectiveness and return on investment. The Jacksonville brewery sponsors twelve wellness events each year for employees, including free flu shots to employees, spouses and retirees; risk factor screenings for cardiovascular disease and diabetes; and primary care physician visits.



Jacksonville Gold Well Workplace Award

WUHAN, CHINA - ANHEUSER-BUSCH, INC.

The Wuhan Brewery holds an Annual Sports Day in a downtown sport center to create a positive and healthy work environment and increase health awareness among employees. For the past five years, Wuhan employees have attended these competitions, which include track and field events and team building games. Individual winners and teams are awarded with medals and logo gifts. The brewery has also constructed a gymnasium that is open 24 hours a day and is equipped with various exercise equipment. A monthly champion for each type of exercise equipment is selected based on his or her accumulated scores during the month. More and more employees are visiting the gym and it plays a growing role in promoting healthy lifestyles and disease prevention at the brewery.



Wuhan Brewery sports day

FAIRFIELD, CALIFORNIA - ANHEUSER-BUSCH, INC.

In April 2003, the Fairfield Brewery opened its new Wellness Resource Center, giving employees greater access to information and services that will enhance their quality of life. The center's information kiosk has printed material on health topics, and will also focus on a different health promotion theme each month. Employees can also use the center's new multifunction computer station, which can take blood pressure and weight, conduct a confidential health assessment survey and resulting assessment, show health topic videos and provide access to databases on medication, health and nutrition.



Fairfield Wellness Resource Center provides a kiosk with a variety of health and work-related information resources.

GAINESVILLE, FLORIDA - METAL CONTAINER CORPORATION

The Gainesville Lid Plant continues to provide employees with a myriad of wellness opportunities. Based on a health risk assessment and survey conducted in 2001, the site offered many programs during the past year, including Drive Safely Work Week, an exercise challenge, colorectal cancer screening and education, flu vaccines and daily stretches on the plant floor. In 2003, the wellness program focused on preventive visits to primary care physicians, decreasing the incidence of high blood pressure, diabetes screening and stress management.



Gainesville Wellness Team

The entire city of Gainesville has been recognized by the Wellness Councils of America as a leader in workplace wellness, receiving the Gold Well Workplace Status award. Metal Container Corporation is an important contributor to this award, and the plant received its own Silver Well Workplace Award at a ceremony in April 2003.

Property Loss Control

Anheuser-Busch has long established a high standard for property loss prevention. The strategic application of prevention and mitigation initiatives reduces the company's exposure to catastrophic risk from fires, hurricanes, earthquakes and related perils. The ongoing commitment of property loss control and business continuity resources represents a significant investment toward the protection of human life and preservation of environmental integrity. Applying proactive and progressive measures, the company retains outside fire protection engineers and consultants to inspect facilities and audit operations on a regularly scheduled basis. The following table highlights some of the property loss control activities performed during 2003.

Activity	Number of Activities in 2003
Facility/Park Inspections	83
Special Field Visits	7
Fire Equipment Testing/Validation	
<i>fire pumps flow test</i>	43
<i>flow test on city water supplies</i>	29
<i>special protection system tests</i>	1120
Hot Work Compliance Audits	590
High Piled Storage Sprinkler Assessments	90
Capital/Plant/Facility Project Plan Reviews	37
Hazard Assessment - Risk Improvement Initiatives	63
Boiler and Machinery Site Reviews	185
Jurisdictional Object Compliance Rate	99.8%
Internal Boiler Inspections	54
Ammonia Process System Hazard Reviews	7
Hurricane/Wind Impact Analyses	32 locations
Seismic Impact Analyses	56 locations

Awards and Recognition

EHS Excellence throughout Anheuser-Busch Operations

Keep America Beautiful, Inc., presented Anheuser-Busch with its prestigious 2003 Vision for America Award, recognizing the company for its all-encompassing approach to environmental stewardship. Since 1986, Keep America Beautiful has granted this award to corporations that have made significant civic, environmental and social contributions across the United States. At an October 2003 awards event in Chicago, Anheuser-Busch was commended for its long-standing dedication to environmental causes, and its innovations in conservation, recycling and animal rescue and rehabilitation.



August A. Busch III (left) accepts Vision for America award from G. Raymond Empson, President, Keep America Beautiful.

"We are proud to highlight the achievements of Anheuser-Busch before the American public by bestowing Keep America Beautiful's highest honor, and hope to inspire other corporations to foster similar environmental goals and an improved quality of life."

— G. Raymond Empson,
President, Keep America Beautiful, Inc.

Other noteworthy EHS awards received for 2003 are listed below.

Recipient	Award	Presenting Organization
Anheuser-Busch Companies, Inc. St. Louis, MO	EPA WasteWise Program Champion Award (Very Large Business category)	US Environmental Protection Agency
Arnold Can Plant Arnold, MO	"Silver" award for excellence in wastewater pretreatment	Missouri Water Environment Association
Columbus Brewery Columbus, OH	Excellence Achievement Award for occupational safety	National Safety Council
Fairfield Brewery Fairfield, CA	WRAP (Waste Reduction Award Program) of the Year for waste reduction efforts	California Integrated Waste Board of CalEPA
Fairfield Brewery Fairfield, CA	Chairman's Merit Award for commitment to safety in the workplace	Safety Center Inc.
Houston Brewery Houston, TX	Annual Pretreatment Gold Award for outstanding compliance with industrial permit	City of Houston Industrial Wastewater Service
Jacksonville Brewery Jacksonville, FL	Gold Well Workplace Award for outstanding wellness programs	Wellness Councils of America
Newark Brewery Newark, NJ	Governor's Occupational Safety & Health Award for outstanding safety performance	New Jersey Department of Labor
St. Louis Brewery St. Louis, MO	Gold Award for outstanding compliance with pretreatment requirements	Missouri Water Environment Association
Williamsburg Brewery Williamsburg, VA	Clean Business Award for excellence in recycling	James City County
Williamsburg Brewery Williamsburg, VA	Business Environmental Award for environmental excellence	James City County
Williamsburg Brewery Williamsburg, VA	Excellence Award for outstanding environmental compliance with pretreatment requirements	Hampton Roads Sanitation District

Recipient	Award	Presenting Organization
Wuhan Brewery Wuhan, China	Safe Production Model Employer for safety efforts	Wuhan Municipal Government
Wuhan Brewery Wuhan, China	Fire Protection Model Employer for fire protection safety	Wuhan Police Station
Wuhan Brewery Wuhan, China	Model Corporation for outstanding performance in environmental protection	Wuhan Economy Committee and Wuhan Environmental Protection Bureau
SeaWorld of California San Diego, CA	WRAP (Waste Reduction Award Program) of the Year for waste reduction efforts	California Integrated Waste Board of CalEPA
SeaWorld of California San Diego, CA	Director's Recycling Award and Recycler of the Year Award for outstanding recycling programs	City of San Diego Environmental Services Department
Busch Gardens Tampa Bay Tampa, FL	Environmental Improvement Merit and Grand Awards for environmental improvement through landscaping	Associated Landscape Contractors of America

GRI Index

This index identifies those elements of the Global Reporting Initiative (GRI) Guidelines (dated August 2002) that are covered in this report. The index contains the corresponding number for each reporting element from Sections 1-3 of the GRI Guidelines, each “core” environmental indicator from Section 5 and selected “additional” indicators from Section 5.

The scope of this report is limited to environmental, health and safety performance. No entry on this GRI Content Index signifies that the information is not included in this report.

This report was prepared using the GRI 2002 Sustainability Reporting Guidelines. The mission of GRI is to promote international harmonization in the reporting of relevant and credible corporate economic, environmental and social performance information to enhance responsible decision-making. GRI pursues this mission through a multi-stakeholder process of open dialogue and collaboration in the design and implementation of widely applicable sustainability reporting guidelines. GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein. For further information about GRI, please visit www.globalreporting.org.

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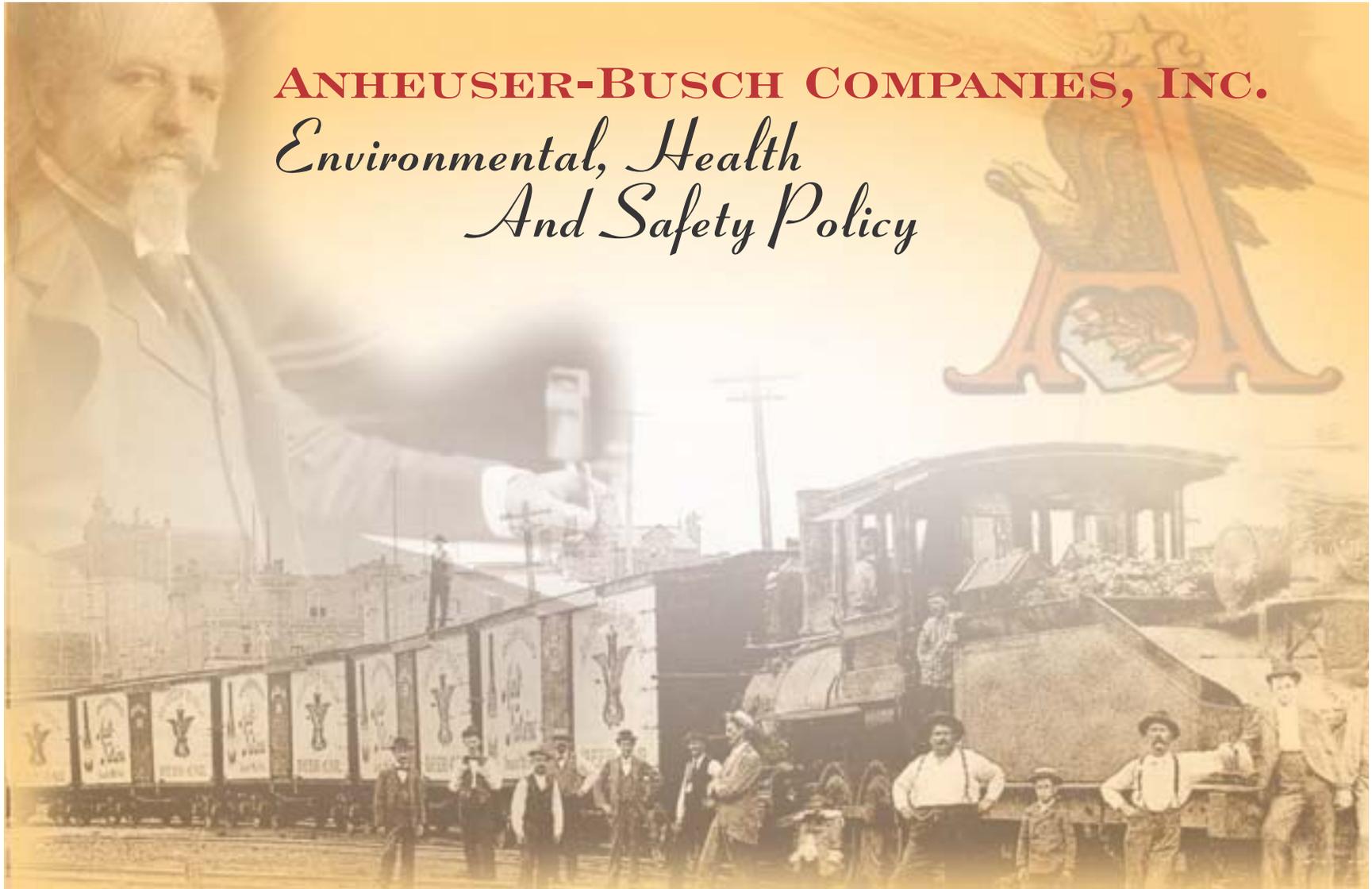
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ANHEUSER-BUSCH COMPANIES, INC.

*Environmental, Health
And Safety Policy*





**ANHEUSER-BUSCH COMPANIES, INC.
EHS PHILOSOPHY**

"At Anheuser-Busch, we believe that the world we share is given to us in trust. Every choice we make regarding the earth and its inhabitants is made with the objective of building a better future for generations to come. That is how our stewardship will be judged. And that is our commitment."

August A. Busch III
Chairman Of The Board
Anheuser-Busch Companies, Inc.



ENVIRONMENTAL, HEALTH AND SAFETY POLICY

The Anheuser-Busch Environmental, Health and Safety Policy was developed by the company's EHS Policy Committee, approved by the senior-level Strategy Committee, and issued in 1998 by Anheuser-Busch President and Chairman of the Board, August A. Busch III.

EHS POLICY SCOPE OF APPLICATION

The Anheuser-Busch EHS Policy applies globally to all subsidiaries and facilities under the company's operating control. Where the company does not have such control, Anheuser-Busch informs its affiliates of this policy and urges them to adopt comparable policies and practices.

EHS POLICY COMMITTEE

Established by the Board of Directors, the EHS Policy Committee promotes awareness of the company's EHS Policy and ensures strict compliance with it. The committee, consisting of senior officers appointed by the President and Chairman of the Board, reports to the Audit Committee of the Board of Directors.

EHS MANAGEMENT SYSTEM

The Anheuser-Busch EHS Policy has driven the development of an EHS Management System. In turn, the Management System is driving integration of EHS issues and concerns into all aspects of company business.

The management system has four goals:

- minimize EHS impacts;
- ensure compliance with both internal and external EHS requirements;
- increase shareholder value through EHS excellence;
- position the company as an EHS role model.

ENVIRONMENTAL, HEALTH AND SAFETY POLICY

Anheuser-Busch will uphold its position as a global leader by promoting environmental, health and safety excellence. Through management leadership and employee involvement, Anheuser-Busch pledges to:

EMPLOYEES:

- Create a safe and healthy workplace
- Build a respect for the environment
- Conform to the spirit as well as the letter of applicable laws and regulations and to the company's EHS requirements
- Set EHS goals and objectives and measure progress toward them
- Integrate EHS considerations into business planning, decision making and daily activities
- Provide the resources and training to carry out this policy

COMMUNITY:

- Prevent accidents and minimize environmental impacts
- Communicate our EHS performance
- Respond to our neighbors' concerns
- Support EHS public policy development
- Support wildlife and habitat conservation efforts
- Conserve resources and minimize waste by reducing, reusing and recycling

CONTRACTORS, SUPPLIERS, CUSTOMERS

- Encourage, support and recognize EHS innovations
- Assist in the integration of EHS excellence into products and services
- Exchange EHS knowledge and technology

SHAREHOLDERS

- Increase shareholder value through EHS excellence

THIS COMMITMENT BUILDS ON OUR TRADITION OF QUALITY, INNOVATION, CONTINUOUS IMPROVEMENT AND RESPONSIBLE CONDUCT. EACH EMPLOYEE WILL COMPLY WITH THIS POLICY - NEITHER PRODUCTION GOALS NOR FINANCIAL OBJECTIVES SHALL EXCUSE NONCOMPLIANCE.



**FOR FURTHER INFORMATION,
PLEASE CONTACT:**

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To confidentially report environmental, health or safety concerns, call: 1-800-325-9393.

Visit us at one of our Web sites:
www.abenvironment.com
www.anheuser-busch.com
www.budweiser.com
www.seaworld.com
www.buschgardens.com



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ANHEUSER-BUSCH COMPANIES AND CLIMATE CHANGE

Anheuser-Busch supports and promotes voluntary national and international initiatives using current and emerging technologies to mitigate climate change. We believe that voluntary actions tied to economic incentives can achieve similar results more effectively than rigid regulations. Cost effectiveness can be realized by allowing full flexibility to use any type of emission reduction opportunity, including market-based programs such as emissions trading and offsetting activities like reforestation. We encourage meaningful participation by all countries in efforts to reduce greenhouse gas emissions.

As an environmental leader, Anheuser-Busch will encourage awareness and education initiatives that stimulate innovative solutions to mitigate global climate change.

We believe that climate change can be cost effectively mitigated by:

- efficient use of natural resources and energy
- maintaining economic growth and competitiveness of U.S. businesses
- innovative technology development and transfer to developing countries

While the issue of climate change is a contentious one and the impacts would not be felt for decades, Anheuser-Busch has already begun taking steps to reduce emissions that could contribute to climate change. These initiatives will be strengthened in coming years.