# How AB InBev Beat its Eco-Cooler Goal Two Years Early

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Anheuser-Busch InBev beat its 2017 eco-cooler goal two years early, according to the company's most recent sustainability report. The achievement moved AB InBev from its 2012 baseline of 6 percent of its cooler purchases meeting these requirements to about 84.2 percent of cooler purchases in 2015. Its original goal was 70 percent by 2017.

AB InBev's eco-cooler milestone comes as 197 countries across the globe are working to phase out hydrofluorocarbons, greenhouse gases that can be up to 10,000 times more potent than carbon dioxide and are commonly used in commercial refrigeration and other cooling equipment.

In China, for example, AB InBev switched to coolers that use refrigerant gases with lower global warming potential, advanced the company's eco-cooler purchases from 16 percent in 2014 to 89 percent in 2015. It's now aiming for 100 percent eco-coolers in China.

Environmental Leader caught up with Ezgi Barcenas, global director of corporate sustainability at Anheuser-Busch InBev to discuss the company's eco-cooler achievement and plans for future emissions reductions. Below are her edited comments.

**Q: First, what are eco-coolers?**

**A:** We define eco-coolers as refrigerators or beverage coolers that that incorporate more than one ecologically friendly component. Specifically long-lasting, energy-efficient LED lighting; energy-saving controllers; or an eco-friendly refrigerant gas that has much lower greenhouse gas impacts. In 2013, we committed to making 70 percent of all new coolers purchased by 2017 use LED lighting, eco-friendly refrigerant and energy-efficiency measures. We're excited to have surpassed this goal two years early.

**Q: What are some of the technologies incorporated in the coolers or other features of last year's cooler purchases that helped AB InBev achieve its eco-cooler milestone? How do these technologies make the coolers more energy efficient and better for the environment?**

**A:** For this particular global initiative, we concentrated on conversion to LED lighting, usage of ecologically friendly refrigerant gas (primarily r290 and r600) and/or usage of an energy management system device to reduce the energy usage required by the refrigerator. We considered the global goal met if a fridge or cooler included at least two of these three elements. We were able to achieve and go beyond the goal milestone by implementing new initiatives across all our markets. In China, for example, we switched to a more eco-friendly cooler that uses R600a refrigerant gas, which improved our eco-cooler purchases from 16 percent in 2014 to 89 percent in 2015.

**Q: How much did AB InBev invest in eco-coolers in 2015 and how soon do you expect to see a return on investment?**

**A:** The goal of the conversion to the eco-coolers for our company is to help build a better world, and reduce our environmental impact and carbon emissions. As such, we don't have a particular ROI formula associated with them. For example, the inclusion of the energy management system devices can provide an energy usage reduction of around 30 percent. However, the benefit of that energy reduction is realized by the owner of the retail account where that fridge is ultimately used.

**Q: Do you have figures for greenhouse gas emissions avoided by using eco-coolers instead of conventional coolers?**

**A:** Capturing accurate estimates of carbon initiatives across global operations is complicated. We are working to standardize tracking and management systems globally and focusing our efforts to achieve consistency in our measurement and reporting tools. However, the most commonly used non eco-friendly refrigerant has a global warming potential of 1,300, while the most commonly used eco-friendly refrigerant has a global warming potential of 3.

**Q: How does the eco-cooler initiative fit into AB InBev's larger carbon emissions goals?**

**A:** Brewing and distribution are both energy-intensive processes. However, we are making significant strides in reducing our energy consumption and carbon footprint across our manufacturing and logistics operations. About 10.9 percent of our 2015 global energy use was from renewable sources. That helped us reduce our emissions and energy costs. By rolling out eco-friendly coolers to our retailers, we are extending our carbon emission reduction efforts further down our value chain.

**Q: Did you run into any unexpected challenges in reaching the eco-cooler purchasing goal?**

**A:** Some of the challenges we ran into were in ensuring that the supply-chain was in place to deliver on the initiative in a timely manner. As an example, we had some supply issues on energy management system devices in some of our key markets in 2014, which caused some delays in full implementation. Similarly on the eco-friendly refrigerant gas feature, some of the global supply base was still implementing the capabilities to handle these gases, especially in 2013-2014. In some markets where the technology or infrastructure did not exist at scale, we have helped facilitate the introduction of some of these features.

**Q: What lessons learned can you share with other companies from this initiative?**

**A:** Progress on our climate goals within our manufacturing and logistics operations as well as eco-friendly cooler purchases are a result of cross-functional collaboration across our company, as well as close partnership with our suppliers, distributors and customers. Sustainability is truly integrated in our company; this was not a corporate sustainability initiative but a program owned by our sales teams. Just as important was our partnership with our suppliers and retailers, and we had to work with them closely to distribute and install these coolers, and even educate some of our retailers about the use and benefit of these coolers.

**Q: In light of stricter emissions regulations that we're likely to see stemming from the Paris climate deal and the Montreal Protocol, why are eco-coolers a sound investment for AB InBev and the industry as a whole?**

**A:** Coolers at retailers are critical in ensuring optimum storage and serving conditions for our products, and we are making significant progress to phase down (and eventually phase out) conventional cooler purchases. We will continue to opt for climate-friendly alternatives, and just as an example, we have plans to reach 100 percent eco-cooler purchases in China in the near-term. As additional regulations continue to develop — such as the DOE/EPA rules in the US which roll-out over the next three years — we will continue to partner with and learn from our suppliers and industry peers in order to do our best to be out in front of both the legal requirements and new technological developments. This can further accelerate our transition to eco-friendly coolers and reduce our collective environmental impact.