

# Cervecería Boliviana Nacional SA

Location: Bolivia



## Striving for a Better World

At Cervecería Boliviana Nacional (CBN), in all that we do, we recognize our responsibility to improve the world where we do business. We are all citizens of the world— together— and together we must find ways to put social responsibility into action. CBN is committed to building a company for the long term with a legacy to be proud of— for the people who work for us and with us; for future generations and the environment in which we live; and, above all, for our consumers, who we hope will always enjoy our products responsibly and be as proud to choose them as we are to create them.

Our dream is to be the Best Beer Company in a Better World by focusing on these key areas:

### Community

We are committed to making a difference through our people, the integrity of our business conduct, and our community support

### Responsible Drinking

We brew our beers to be enjoyed responsibly by those of legal drinking age, and are committed to engaging with consumers to promote responsible drinking and prevent drunk driving and underage drinking

### Environment

We are committed to using a sustainable approach to the use of natural resources

## Report Highlights

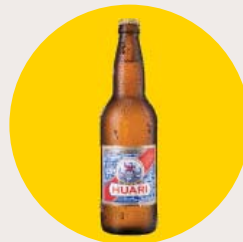
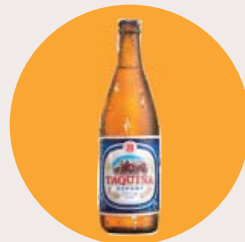
CBN has actively supported education for more than 60 years. The company has built and supported three schools: Alejo Calatayud in Cochabamba, Luis Ernst in La Paz and J.L. Johnson in the Huari community.

Regarding environmental highlights, we had two breweries— Santa Cruz and Taquina— that became certified under our *Voyager Plant Optimization (VPO)* program. This is our global management system, designed to bring greater efficiency to our brewery operations, generate cost savings, improve quality and ensure safety. In addition, we implemented a label-recycling program that helped reduce waste and provide an additional source of revenue to the company.

We also launched new responsible drinking efforts, including a new television spot, under the Paceña brand and *Vivamos Responsablemente (Live Responsibly)*, within area schools in partnership with the Government Education Service.

## Key Brands

1. Paceña
2. Taquiña
3. Huari



## Community

A key aim for CBN is to create value for shareholders and stakeholders, especially our employees and the communities in which we operate. We are proud of the positive and meaningful impact our business has on local communities. These efforts include improving our production facilities, modernizing logistics, increasing commercial investments and creating jobs, as well as paying taxes and excise duties. By constantly improving our operations, we aspire to continue creating new jobs, improving economic standards and adding value.

In 2010, significant investments included a 214.8 million BOB (30.9 million USD) investment in facility upgrades. This effort involved several modernization and growth projects, including technological innovation, the expansion of production capacity, new production lines, and significant investments in training and development. All of which will allow us to improve our safety and efficiency in the industrial, commercial, logistics and administration areas.

In addition to investing in our facilities, we also invest in our communities, recognizing that giving back is key to a sustainable approach to our business. In 2010, CBN invested more than 500 000 BOB (72 000 USD) in community donations.

In February 2010, a strategic alliance with the Ministry of the Presidency was formalized with the aim to provide 230 shelters for the shoe-repair artisans who were working in the streets of La Paz under precarious conditions. In late December, the new shelters were given to the workers, improving their working conditions and providing effective protection from the rain and cold weather of La Paz. The total investment was 370 000 BOB (50 000 USD). The Ministry of the Presidency leads a social charity program founded by the government in alliance with NGOs, International Cooperation Agencies and the private sector.

The ongoing commitment of CBN to supporting better health conditions in Bolivia led to the donation to the state-run Hospital for Women of five infusion pumps that will help improve health

outcomes for low-birth-weight newborns. In recent years, CBN has contributed several incubators for the same purpose.

CBN has actively supported education for more than 60 years. The company has built and supported three schools, Alejo Calatayud in Cochabamba City, Luis Ernst in La Paz and J.L. Johnson in the Huari community. The schools were supported by our Taquiña, CBN and Huari breweries, respectively. Approximately 1,200 students have benefited from the company's initiative, which aims to provide them with adequate facilities and a good-quality education. During 2010, CBN initiated the transfer of the running of Luis Ernst School to the municipality, to be aligned with the new government policy of its taking responsibility for state schools.

However, CBN has continued investing in the schools. At the Alejo Calatayud School, CBN built a new covered area adjacent to the main school yard, with our total investment in education reaching 1.4 million BOB (201 000 USD) in 2010.

CBN launched the *Vivamos Responsablemente* program in 2010. Starting in April, 4,000 high school students, in addition to 300 teachers, implemented the program, which provided a series of training workshops at 40 state and private schools in the cities of La Paz and El Alto. *Vivamos Responsablemente* was implemented in partnership with Bolivia Educa, a reputable consulting company, and with the Government Education Service. The program provides strategies for the students to learn positive ways to relate to themselves, the circumstances of their lives and their environment. Those strategies reinforce the discussions around values such as responsibility, tolerance, self-improvement and community support. The program was successfully implemented, and the students, teachers and education authorities intend to continue the experience in upcoming years.

As part of our commitment to sustainable development in communities surrounding our operations in Huari, CBN started the bidding process in late 2010 for the construction of a facility to support community sports activities. The new arena is expected to seat 2,500 people, and construction began in early 2011.



“The daily routine has obscured the working conditions of our shoemakers in public thoroughfares. [In] these kiosks we will be protected from the sun and the rain, so we won't get sick. The kiosks [provide] better conditions for our daily work.”

**Raymundo Rodríguez, current Executive Secretary, and Victor Barrera, former Executive Secretary of the Departmental Federation of Workers Craftsmen in Footwear Production, Service and Public via La Paz**

**“Let me express our gratefulness and understanding to the brewery executives that are making possible the construction of the Huari Coliseum, where the youth of the town of Huari can have a healthy entertainment space.”**

Oscar Choque, Mayor of Huari

The organizations CBN supported in 2010 with Christmas toys, Christmas cakes, Maltin (a non-alcoholic beverage made from malt) and garments for disadvantaged elder groups is shown in the list below:

- Blind Parents Association
- Elders Association—Wiñay Wilasa, El Alto
- Christian Fraternity for Handicapped People
- Institution of Native Amawtas Qhutiya Qullasuyu
- Elders Association Huayna Potosi “Los Positos”
- Pro Education—El Alto
- Association for Physically Disadvantaged People
- Association of Blind People
- Association New Life for elder people—San Pedro
- Tarija Catholic Community
- Christian Fraternity for Sick and Handicapped People—La Paz
- Association of Handicapped People (ASPEDIM)
- Elders Association—“12 apostles district 17”
- Jesus missionaries Verb and Victims/CBBA, campo
- Institution of Amautas and Yatitirs 22 de Abril
- Blind People Association—Lottery sellers
- Blind People Association—Phone calling card sellers
- Viacha Association of Handicapped People (AVIPEDI)
- Elders Association—Yesterday’s Youth
- Deaf People Association from La Paz (ASORPAZ)
- Christian Association for Rehabilitation (REMAR)
- SOS Infant Aldeas of Bolivia
- Original Community of the Millennium Heritage
- Holistic Centre—San Calixto
- Congregation of the Good Shephard Sartasim Warmi
- Were You Born Foundation
- Imaynalla Kasanki, Socio-educational program—Saint Peter/Sacaba
- Rehabilitatio Centre San Sebastian men (cbba)
- San Jose de Vila, Vila Praltura de Aiquile Church—Cbb
- Educational Children Centre—Maria Auxiliadora, El Alto
- Time Footprints Elders Center
- Support for Elders—Caminito al Cielo
- Elders—God is Love
- Elders Association
- Volunteers for Elder People
- Legal Assistance for Elders
- Mission ADULAM
- National Police Tarija
- Elders Council/La Paz Alto Pura Pura
- Association New Day
- Effort and Solidarity Effort/UDES
- Home for Girls and Teenagers Flying Together—El Alto
- Mary Christine Centre—New Face
- Students Centre—Bella Vista
- Association of Fathers with Handicapped Children (APAHDIS)
- Elders New Hope—El Mesias
- Federation of Neighbors from La Paz
- Association of Elders Leaders “Life Experiences”
- Association Liberty Village “Children’s Home”
- Elders Association “Suma Pankara” V. Ingavi
- Mothers Association—Cbba
- Truck Drivers Association—La Guardia
- Elders Association—La Guardia
- The Word Made Life
- San Miguel Archangel Church
- Santinago Apostol de Achocalla Church
- Services Cooperative for Potable Water—Cbba
- Hospital R. Gomez Municipio La Guardia
- Jesus Worker Church—El Alto
- Neighbors Organization—Bella Vista Zone
- Civic Committee—La Paz
- Mothers of Handicapped Children
- Bolivian Police Commando Department—Cbba
- Siervas de María
- Association Dawn of the Elders
- Children Centre Machaq Marca—Manitos
- Elders Association—New Dawn

- Unique Federation of Workers—Province Omasuyos
- Parents Group of Blind Children
- Union Confederation of Peasants (CSUTCB)
- Agriculture Union—Taquíña
- OTB Taquíña Norte
- Municipality of Tiquipaya
- Municipality Tunari
- Native organization—Ayllus Huari
- Blind Association
- Various associations in Santa Cruz

**Dream, People, Culture**

We also recognize that by showing respect for our people through competitive compensation, benefits and a safe work environment, we tap into their desire to help us be a more responsible corporate citizen.

At CBN, we saw a 33 percent decrease in our total accidents in 2010 over 2009, thanks to our implementation of new policies, standards and safety trainings.

Our workforce is composed of 1,548 employees and workers: 92 percent male and 8 percent female.

CBN and our brands were honored with a variety of awards during the year.

- Grand Gold is the highest ranking given by the Monde Selection Bruxelles, and it was awarded to our national brand, Paceña;
- In October, the Civic Committee of the La Paz Department gave CBN an award for the company’s contribution to the culture of the Department, highlighting our ongoing support for local traditions and culture;
- The Institute for the Promotion of Small and Large Companies granted CBN the Andean Award of Excellence for its remarkable contributions to the well-being and development of Bolivia. The award was presented at the National Senate.

**Promoting Responsible Drinking**

Beer is enjoyed responsibly by the vast majority of consumers, but we recognize that alcohol misuse can cause harm. That’s why, at CBN, we have long acknowledged the seriousness of abusive drinking and have devoted considerable resources to promoting responsible drinking and discouraging abuse.

In 2010, we developed and promoted responsible drinking programs in all of our key markets, with a primary focus on drunk driving, high-risk drinking and underage drinking. Programs included:

**Designated Driver Campaign**

In August, we launched our designated driver media campaign. This commercial is supported by our *Vivamos Responsablemente* framework, using the tagline “If you drink, do not drive.” The message is communicated in a tone that maintains the fun, lighthearted image of Paceña beer, but communicates the importance of responsibility.

**Responsible Consumption Campaign**

Paceña is the main sponsor of many folk and cultural parades where alcohol is consumed. Starting in 2010, we took the opportunity to use these parades and festivals to promote responsible consumption. The activity usually includes the use of models who gain consumers’ interest and then share information with them about responsible drinking. The general public and media have welcomed this approach.

**Gente que Vende Campaign**

More than 300 employees and workers from CBN nationwide participated in our day-in-trade, *Gente que Vende (People Who Sell)* activity. Employees visited about 4,000 retail outlets across the country. In Santa Cruz, 10 celebrities participated alongside our staff and zone president, gaining significant media coverage. We also conducted a media campaign on television, during the highest-rated programs, to promote the activity and spread the message: “We do not sell alcohol to those under 18.”

**Zone Summary**

	2009	2010
Volume produced*	3.25 hl	4.25 hl
Number of employees	930	1,548
Lost-Time injuries	4	4
Minor accidents	65	42

\* Packed volume in millions of hectoliters  
Note: 1 hectoliter = 100 liters

## Environmental Performance Data

	2009	2010
Material recycling and by-products reuse (%)	83.5	91.6
Energy use (Gj/hl)	0.14	0.13
Water use (hl/hl)	5.33	4.51
Discharged wastewater (hl/hl)	No data available	3.98
Greenhouse gas emissions (KgCO <sub>2</sub> /hl)	No data available	5.13





## 2012 Global Environmental Targets

Last year, we announced global, companywide targets on key measures such as water and energy use, as well as carbon emission reductions, that we will strive to achieve by the end of 2012. Our targets are:

-  Increase our waste and by-product recycling to 99 percent
-  Reduce water use for beer and soft drinks facilities to an industry-leading 3.5 hectoliters of water per hectoliter of product (hl/hl)
-  Reduce energy use per hectoliter by 10 percent
-  Reduce CO<sub>2</sub> emissions per hectoliter by 10 percent

## Improving Environmental Performance

In 2010, CBN contributed significantly to helping achieve these global targets.

-  Recycled 91.55 of our waste and brewing by-products, a 10 percent increase from 2009
-  Reduced our water usage by 15.38 percent, a significant reduction in one year
-  Reduced energy consumption per hectoliter by 7.35 percent, a significant improvement from 2009
-  Cut CO<sub>2</sub> emissions per hectoliter of production, a 0.2 percent decrease in one year

### Environmental Performance

At CBN, we continually seek to operate more efficiently and maintain our quality standards, while considering our environmental impact, to be better stewards of the world in which we live. We focus our environmental sustainability initiatives on key issues—water, energy, recycling and packaging.

Our beers are brewed with the highest-quality ingredients and water, and we work to efficiently package and distribute our products. In addition to being efficient and avoiding waste—which is an important part of our culture—we also recognize we have a role to play in tackling shared challenges, such as freshwater availability and quality.

During 2010, Bolivia joined the *Voyager Plant Optimization (VPO)* program when its breweries in Santa Cruz and Taquiña were certified. VPO is AB InBev’s global management system that is designed to bring greater efficiency to our brewery operations and generate cost savings, while improving quality and ensuring safety. The VPO guarantees that environmental management is done in accordance with our policy and strategy. VPO requires regular self-assessments and audits to ensure consistency and high standards.

At our Santa Cruz brewery, an employee-improvement group used our *Plan-Do-Check-Act* cycle to reach a challenging water consumption target of 4.5 hl/hl of production, which meant a 20 percent reduction

in consumption. The objective was achieved, with water consumption dropping to 4.49 hl/hl of production. Among the main actions were:

- Recovering water from the can rinser for reuse;
- Utilizing reclaimed water to cool the vacuum pump line;
- Using reclaimed water to lubricate the conveyor system instead of soft water.

On the recycling front, we developed and implemented a label-recycling project that reduced our paper impact and created revenue for the company. This initiative, along with others from CBN, was a finalist in the Latin America South Zone best practice competition.

We commemorated the United Nations' World Environment Day in June with simultaneous activities in all plants on the topic of "Sustainable Use of Water," including the presentation of indicators, awareness videos, and the preliminary draft of the bio-treatment plant in Santa Cruz. At the Huari brewery, field activities were carried out on different floors to detect leaks, and employees also planted trees. This campaign was accompanied by two competitions: a drawing contest related to water for employees' children, and a contest among employees for ideas on how to reduce CO<sub>2</sub> emissions, waste recycling, and water and energy consumption.

In August, our Enable plant raised awareness about the disposal of cell phones and batteries. We placed two containers in our main La Paz building, where employees could dispose of theirs, to support a municipal government campaign aimed at reducing the environmental impact of indiscriminately discarded batteries and phones.

We also assisted reforestation efforts in Taquiña, and in the conservation of the Tunari Park, which was coordinated by the Autonomous Government of the Cochabamba Department.

#### Outlook for 2011

In 2011, CBN aims to promote responsible drinking campaigns, including the production of a TV spot related to our designated driver campaign. We are also investing 102.9 million BOB (14.8 million USD) toward water treatment plants for our main breweries located in La Paz, Huari, Cochabamba and Santa Cruz.

Lastly, we continue our support of community investment projects, such as a sports arena in Huari, with an investment of 3.4 million BOB (500 000 USD), and a civic center facility in Cochabamba, with an investment of 556 000 BOB (80 000 USD).



In 2011, CBN will continue to promote responsible drinking campaigns throughout Bolivia.