

CERVEPAR SA

Location: Paraguay



Striving for a Better World

At Cervepar, 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. Cervepar 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

In August, Cervepar celebrated its 100th anniversary as a company, supporting the life and growth of Paraguay. Since 1910, Cervepar has made a clear contribution to the social and economic development of Paraguay.

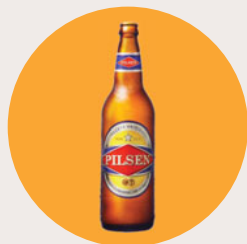
This past year, we successfully developed our responsible drinking programs, with the support of CONACOL (National Commission against Underage Drinking), the Highway Police (as part of their “Don’t Drink and Drive” program) and the Office for Childhood and Adolescence.

On the community front, we partnered with Un Techo para mi País (A Roof for My Country) in the construction of houses for the homeless. “It’s the first time I can sleep peacefully without worrying that the rain took all my things and my children have been left all wet,” said a recipient of a house built by Un Techo para mi País.

We also donated 14,000 trees to the A Todo Pulmón Foundation, contributing to the country’s reforestation efforts, and employees planted seedlings in our facilities on a *Volunteer Day*.

Key Brands

1. Brahma
2. Pilsen
3. Budweiser
4. Stella Artois
5. Baviera



Community

A key aim for Cervepar 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 the communities in which we work. We are 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 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, Cervepar invested more than 230 000 000 PYG (57 300 USD) to the communities where we work, and 80 volunteers combined to provide more than 1,430 hours of volunteering.

We partnered with Un Techo para mi País (A Roof for My Country) in the construction of houses for the homeless. This Latin American organization was created in Chile in 1997 with the goal to build temporary housing and execute social empowerment plans to advance community development. Today, the NGO is present throughout Latin America and has won multiple awards from the United Nations for its work around the world. We participated with other companies and institutions in the construction of their one thousandth house.

Dream, People, Culture

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

At Cervepar, we saw a 43 percent decrease in total accidents in the last five years. In 2010, we also observed *Safety Day* to help ensure our employees are educated on the proper procedures in case of emergencies.

Our workforce is composed of 91 percent male and 9 percent female employees.

Promoting Responsible Drinking

Beer is enjoyed responsibly by the vast majority of consumers, but we recognize that alcohol misuse can cause harm. At Cervepar, we have long acknowledged the seriousness of abusive drinking and devoted considerable resources to preventing it. In 2010, we invested approximately 815 000 000 PYG (203 000 USD) to promote responsible drinking and discourage abuse.

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

If you drink, don't drive

The campaign is focused on raising consumer awareness of the importance of being responsible when driving. It includes outdoor advertising, TV commercials ("Neighborhood") and messages in print media. It also includes partnerships with CONACOL and the Highway Police, where we helped raise awareness and made donations of breathalyzers.

"Don't sell to the underaged" and "+20 Responsible Sales"

These campaigns seek to raise retailers' awareness of the importance of not selling alcohol to minors. Activities include visits to stores, a radio spot for retailers and the involvement of celebrities in awareness programs.

Global Be(er) Responsible Day

This was our third year participating in the *Gente que Vende* (People Who Sell) day-in-trade activity, and the first year celebrating *Global Be(er) Responsible Day*. We had a 30 percent increase in participation from the previous year, with 269 employees going into the market. Our 82 sales teams visited 2,300 retail outlets in Asuncion City and 12 other cities across the country. We partnered with the NGO CONACOL (National Commission Against Underage Drinking) on the day's activities.

“This [*If you drink, don't drive*] campaign is very important and is a clear message about the need for collaboration of all sectors of society, as demonstrated by Cervepar's generous act of donating the equipment. The value of the action and the message with this grant is transmitted to citizens.”

María Jose Perez, Office for Childhood and Adolescence

Environmental Performance Data

	2009	2010
Material recycling and by-products reuse (%)	77.0	78.5
Energy use (GJ/hl)	0.095	0.094
Water use (hl/hl)	4.81	4.33
Wastewater (hl/hl)	3.63	3.62
Greenhouse gas emissions (KgCO ₂ /hl)	0.0018	0.0013

Note: 1 hectoliter = 100 liters

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 CO₂ emissions per hectoliter by 10 percent

Improving Environmental Performance

In 2010, Cervepar contributed significantly to helping achieve our global targets.

- ↑ Recycled 78.5 percent of our waste and brewing by-products, a 2 percent increase from 2009
- ↓ Reduced our water usage by 9.9 percent in 2010, a 12 percent improvement over the past two years
- ↓ Reduced electric energy consumption per hectoliter by 4 percent over the past two years
- ↓ Reduced fuel use by more than 5 percent over the past two years
- ↓ Cut CO₂ emissions per hectoliter of production by 24 percent in the past two years

Environmental Performance

At Cervepar, we continually seek to operate more efficiently and maintain our quality standards, while considering our environmental impacts, in order 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.

Specific success examples included:

- Our biomass boiler accounted for 87 percent of the total fuel consumption in 2010;

- Significant employee engagement activities around World Environment Day included educating employees about the importance of water consumption within our operations, and we also helped improve our communities through the donation of 14,000 trees to the A Todo Pulmón Foundation, contributing to the country's reforestation efforts. Employees planted some of these seedlings at our facilities on *Volunteer Day*.

Outlook for 2011

For 2011, we have an ambitious plan to expand our road safety campaigns. We will also work to develop lectures for parents and teens about the importance of preventing alcohol abuse, with the collaboration of specialists and the partnership of the Ministry of Education.

We will also continue our work in communities, helping address the need for housing, as well as the health and educational needs in the areas in which we operate.



In 2011, our employees will continue to work with organizations such as Un Techo para Mi País to help address the need for housing in Paraguay.

14k
trees

We donated 14,000 trees to the A Todo Pulmón Foundation and employees planted some of these seedlings at our facilities on *Volunteer Day*.