



Social Responsibility Report
2005 | 2006







05 | 06

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A Word from the General Manager



Insertion in the community through social action has been a distinctive characteristic of Cervecería y Maltería Quilmes even well before the much-hyped terms Corporate Social Responsibility or Corporate Citizenship were coined.

Indeed, since it was first established in 1890, Cervecería y Maltería Quilmes has viewed community relations as an essential part of its enterprise culture and its way of doing business.

Changing social expectations and needs pose new challenges and duties to companies. In this regard, without overlooking our classical community initiatives, we are conscious of our responsibility as leaders of the Argentine brewery market, with our portfolio also including waters, sodas, juices and isotonic. As such, we undertake the commitment to encourage responsible consumption of alcoholic beverages as a key and indispensable requirement to maintain a healthy business in the long term.

Avoiding by all means the sale of alcoholic beverages to the underaged and raising awareness of the incompatibility of drinking and driving are two main focal points in our efforts.

With the implementation of a range of education and prevention initiatives,

and working closely with the authorities and third-sector organizations, Cervecería y Maltería Quilmes seeks to eradicate abusive behavior through the promotion of healthy values.

It is not only about implementing PR programs by the relevant area, but about assuming an organization-wide commitment to responsible and transparent practices embodied in the effective self-regulation of all our communication actions.

Social responsibility at Cervecería y Maltería Quilmes goes beyond self-regulation policies, responsible consumption campaigns and community action, to inspire a full range of HR training and development initiatives, raw materials Research & Development efforts, and Environmental, Safety and Health (ES&H) models.

For 116 years we have supported the social and economic development of Argentina through a strong responsible commitment, whose highlights are described in the next pages, which we would like to share with you.

Néstor Del Campo
General Manager

“Cervecería y Maltería Quilmes is a main player in Argentina’s beverage industry. The Company views social responsibility as an essential part of its business, a way of approaching its relations with the different target audiences, beyond merely commercial bonds.”

Mariano Botas

Corporate Affairs and Communications Manager.

01

History of Social Responsibility

Since it was established in 1890, Cervecería y Maltería Quilmes has been a pioneer in adding value to the community. Corporate citizenship has always been a guiding principle for Quilmes—one that has adapted to the changing demands of society.







A Summary

For 116 years, Cervecería y Maltería Quilmes has built a track record of responsible commitment to social and economic development in Argentina. In 1888, Otto Bemberg, a German immigrant who brought the passion for beer from his homeland, founded Cervecería Argentina. Two years later, in 1890, beer started to be sold by the "chopp" (mug) under the brand that pays homage to the ancient indigenous name of the place: Quilmes. Bemberg, who had arrived in Argentina in 1852, was thus taking the first steps in an undertaking that was to

give rise to one of the country's leading companies. The contribution of Cervecería y Maltería Quilmes to the everyday life of the community has been uninterrupted and sustained. The Company collaborated with the establishment in Quilmes of the Voluntary Firemen Association (1911), the construction of the Hospital (1919) and the startup of sewage services and drinking water system (1931). In the field of education, in 1941 Cervecería y Maltería Quilmes opened the facilities of School No. 30 "Manuel Belgrano", located in Villa Argentina.

The Company still donates food to the school and sponsors a scholarship program, in addition to taking care of the maintenance and equipment of the premises. The Company was also a pioneer in improving the quality of life of its employees and their families. In 1921, it founded the Cervecería y Maltería Quilmes Sports Association. Since 1927, all employees have available, on-site, a special first-aid facility, pediatrician and dentist offices, and a outpatient treatment office providing free medical care services for employees. These pioneering practices culminated, in 1947, with the establishment of the Company's Polyclinic. The Training Center for employees has existed for decades, and today offers a full range of courses covering every aspect of the industrial process.





Cervecería y Maltería Quilmes **is one of Argentina's leading employers.** The Company will invest over 195 million dollars in the 2004-2006 period.

Cervecería y Maltería Quilmes Today

Cervecería y Maltería Quilmes is today one of the main players in the Argentine beverage sector.

Going beyond its historical leadership in the beer market, and building on its reputation and track record, the Company has entered into agreements with leading international companies over the past few years. PepsiCo has granted it a license to produce, distribute and market its entire line of products in Argentina. Additionally, as a result of a joint venture with Nestle Waters, the Company has a stake in the water business with Eco de los Andes S.A.

Cervecería y Maltería Quilmes is among the country's leading employers, with 4700 employees on the payroll including its central structure and

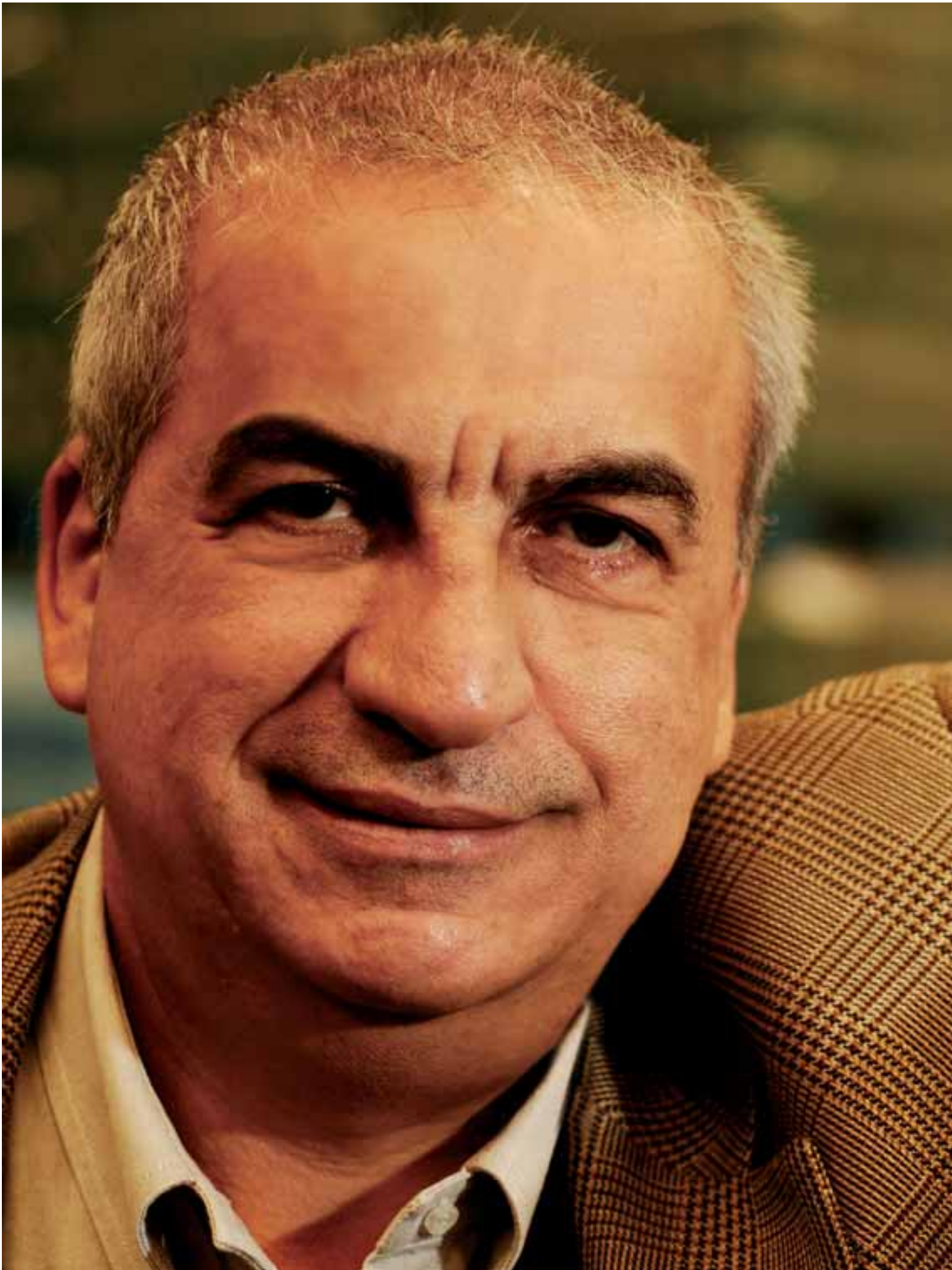
twelve production sites: Córdoba, Corrientes, Mendoza -Godoy Cruz and Tunuyán-, Monte Grande, Pompeya, Quilmes, Trelew, Tucumán -Acherai and Manantial-, Zárate and the Tres Arroyos Malting Plant. It also boasts seven distribution centers throughout the country.

The Company will invest over 195 million dollars in the 2004-2006 period. Additionally, as a representative of Argentine quality throughout the world, the Company has opened markets for its products in more than twenty countries across the five continents.

Social Responsibility, the Quilmes style

The Company views social responsibility as an essential part of its business, a way of approaching its relations with

the different target audiences, beyond merely commercial bonds. The Company shows its commitment to fully meeting the needs of society as one that must be sustained over time through definite actions. Since its creation in 1890 till the present day, Cervecería y Maltería Quilmes has been a pioneer in adding value to society. Throughout its 116 years of experience, corporate citizenship has always been a guiding principle for Quilmes-- one that has adapted to the changing demands of society. This vision is imbued in the Company's activities, from its insertion in the community to the way it manufactures and markets its products.





"Cervecería y Maltería Quilmes and its distribution network have adopted a common goal: contributing to responsible consumption and avoiding the sale of alcohol to the underaged. We work very closely with the Company to fulfill this mission."

Andrés Marzio

Distribuidora AGUANORT.

Distributor of Cervecería y Maltería Quilmes products since 1972.

02

Self-regulation. Responsible Sales and Consumption

Cervecería y Maltería Quilmes is aware of the responsibility that comes with its leadership in the beer market. As a result, within the framework of its self-regulation policy, it has assumed the commitment to ensure that its products are sold only to those of legal drinking age, promoting responsible consumption habits.



The Quilmes Code

As a leading brewer, distributor and seller, Cervecería y Maltería Quilmes is conscious of the need to promote responsible alcohol consumption. To that end, it has created the Quilmes Code, which strictly regulates the general principles, standard communication guidelines and the conduct of marketing actions, while providing procedures for using the various communication and promotion tools of its beer brands: Institutional communication, advertising, sponsorship activities, events, and promotions for consumers and for the sales and merchandising chain. Likewise, the Company endeavors to direct all its messages and campaigns at those who are of legal drinking age, reinforcing responsible consumption of alcohol products.

Principles of the Quilmes Code

Moreover, the Company encourages adherence to responsible communication policies by all persons -including employees, suppliers, distributors, retailers and institutions- involved in the marketing and promotion of its beer brands, consistent with its strong commitment to ensure compliance with alcohol sale and consumption legislation. Some of the principles endorsed by the Quilmes Code are: do not show situations portraying excessive or

irresponsible consumption of beer; do not advertise in programs whose main target audience are people under 18; use advertising models who not only look like but also are older than 23; and do not use any symbols, images or language that are mainly appealing to children or teenagers.

Responsible Consumption and Sales Campaign

Cervecería y Maltería Quilmes' responsible consumption and sale campaign includes outdoor ads, TV and radio commercials, as well as responsible sponsorship initiatives. The purpose of all such campaigns is to raise consumer awareness of the importance of adopting an attitude of responsible consumption, and the incompatibility of drinking and driving.

“Take yourself seriously. Drink responsibly”

This campaign, running uninterruptedly since 2004, includes outdoor ads in the main access points to Buenos Aires City, roads and tourist centers, as well as static ads in stadiums during soccer matches played by the national team, major-league championships of the Argentine Soccer Association (AFA), and polo championships in the Argentine Polo Field. With the slogan *“If you have drunk, don't drive”*, the campaign is complemented by the *“Taxi”*

commercial featured on TV and radio.

Responsible Sponsorship

Cervecería y Maltería Quilmes has a presence, with responsible consumption booths, at most massive events sponsored by the Company's brands, offering educational materials dealing with the risks of alcohol misuse.

Raising Awareness at the Point of Sale

Retail stores: Cervecería y Maltería Quilmes has been leading the way in the development of initiatives directed at retail store owners and deployed right at the point of sale. Displaying stickers provided by the Company that read *“I take it seriously, I don't sell to the underaged”*, the point of sale has joined the Company's initiative, endorsing a responsible commercial attitude of selling alcoholic beverages only to those who are 18 or older. To leverage the message of responsible consumption, 100,000 coasters with the motto *“If you have drunk, don't drive”* were distributed in bars and discos throughout the country.

Supermarkets: To reinforce teamwork efforts with the other key players in the retail network, a campaign was conducted with leading supermarket chains in Buenos Aires City and Greater Buenos Aires, with the motto: *“It is everybody's responsibility that*



the underage do not drink alcohol. To buy alcoholic beverages, you have to be of legal drinking age.” To that end, the Company created promotional materials and posters that were placed at the check-outs.

Print media: *“When in doubt, ask for the ID document: Avoiding alcohol consumption by the underage is a responsibility we all share-the industry, government, family and retailers.” To raise awareness at the point of sale about the need to prevent the underage from purchasing and /or drinking alcohol, the Company launched a print campaign recommending retailers to sell only to those who produce evidence of being of legal drinking age (18 or older).*

Donation of Alcohol Testers

Through the donation of last-generation alcohol testers, Cervecería y Maltería Quilmes cooperates with the authorities in the prevention of traffic accidents, and in raising drivers' awareness of the risks of drinking and driving. As an example, in early 2006, the Company donated 30 last-generation alcohol testers to the Addiction Treatment Agency (SADA) of Buenos Aires Province.

Training Program for Distributors

Galaxia Q is a yearly training program in Commercial Management addressed to distributors and the

sales force. Its goal is to optimize performance in all the areas of companies that distribute Quilmes products. Galaxia Q proposes sales, warehouse, distribution, administration and invoicing best practices aimed at raising professional standards in business management while ensuring a quality service to customers. To accomplish this mission, it disseminates among distributors the best practices found in the network, recognizing the

experience and knowledge of distributors with the best work standards, guided by the fundamental premise of achieving a process of continuous measurement and improvement. Since 2006, the Program also includes a module about the social responsibility principles and efforts of Cervecería y Maltería Quilmes in different spheres, encouraging distributors to replicate those initiatives in the community.

The Quilmes Code is about strictly regulating the general principles, standard communication guidelines and the conduct of marketing actions for the Company's beer brands.

“It is important for students to hear from a company like Quilmes a message that is coherent with the one they get in school. Talking with children about values was a very enriching experience; students raised the issue in some subjects, talking enthusiastically about the work done”.

Mónica Faller

Director of Studies, Instituto Compañía de María.

03

Vivamos Responsablemente Let's Live Responsibly

An educational program created in 2004 that contributes to the shared efforts of families, schools, the community and the authorities to address the need for promoting healthy values among young people - particularly, teenagers- in order to avoid abusive behavior, including alcohol misuse.







This educational program is an initiative spearheaded by Cervecería y Maltería Quilmes, based on the Company's decision to undertake a shared effort together with families, schools, the community and the authorities to avoid abusive behavior by promoting healthy values among youths. Vivamos Responsablemente is about coming closer to young people to help them understand the reasons and contexts for many of their actions, encouraging them to behave in a

more creative, harmonious and positive manner.

The Program's guidelines and contents were selected and developed with the advice of two renowned experts in the field: Dr. Jose Eduardo Abadi and Lic. Miguel Espeche.

The Program comprises two modules: talks for teenagers and talks for parents and educators.

Talks for Teenagers

Vivamos Responsablemente includes a series of free talks in high schools (fifth year in high school and third year in polimodal schools) facilitated by a team of professionals that have been especially trained to address the issues of adolescence, ensuring that the exchange is an enriching one.

In a very dynamic way that encourages dialog with youths, the talks provide an opportunity for dealing with five different values: Responsibility,

Awareness of one's own limits, Tolerance/Respect, Affections and Effort.

Talks for Parents

The Program agenda also includes talks for parents at clubs and institutions, and meetings with teachers in the schools whose headmasters express a willingness to propose this activity to their educational communities.

These meetings, coordinated by Lic. Miguel Espeche, emphasize the importance of the role of parents, taking a positive outlook to help them regain trust in their parental function. It provides an opportunity for open dialog, designed to share common concerns and to open channels of communication in a setting of peer exchange.

Guide for Parents of Teenage Children

In addition to talks for parents, the team



of the Vivamos Responsablemente program created the Guía para padres de hijos adolescentes / Guide for Parents of Teenage Children. This material has been designed and developed to improve communication between parents and children around some of their most conflicting day-to-day issues: the parental role faced with the new alternatives of adolescence, particularly, the use of free time, the emergence of authority versus authoritarianism, and the difference between control and care, as well as alcohol and prevention information. The Guide is available in print and in PDF format, downloadable from the Program's website at www.vivamosresponsablemente.com.

Main Achievements of the Vivamos Responsablemente Program

Since its inception in October 2004, until September 2006, the Program

has reached 13,086 students with more than 570 talks in private and public schools not only in Buenos Aires City and Greater Buenos Aires, but also in the inner cities of Mendoza, San Miguel de Tucumán, Córdoba,

Zárate, Campana, and Puán in Buenos Aires Province. Since early 2006, when the talks for parents and teachers were introduced, the Program has reached more than 700 parents.

The Program is about coming closer to young people **to help them understand the reasons and contexts for many of their actions**, encouraging them to behave in a more creative and harmonious manner.







“The support offered by Cervecería y Maltería Quilmes started by helping meet a specific need. Since then, the Company has given us numerous tokens of generosity. We deeply thank Cervecería y Maltería Quilmes for opening its doors and its 'heart' to the community.”

Alicia Alzueta

Day-Home for the Elderly, and Children's Home Jesús el Niño de Belén, Bernal.

04

Community Relations

Cervecería y Maltería Quilmes is an active member of the community, as evidenced by its Programa Puertas Abiertas / Open Door Program, its participation in local events and celebrations that are deeply rooted in society, and its support for third-sector organizations.



As another member of the community, Cervecería y Maltería Quilmes is active in various initiatives: participating in local celebrations; organizing mass events jointly with municipalities; supporting third-sector organizations; collaborating with community efforts at schools, hospitals, homes for the elderly and children's homes; and assisting authorities in a range of projects.

**Programa de Puertas Abiertas
Open Door Program**

Several of the Company's production sites are open to the public of legal drinking age interested in learning how the most traditional Argentine brewery manufactures its products. Understanding the production process, seeing different operating models at work, and learning about quality assurance and environmental standards and techniques are some of the motivations that attract the public to the Company's premises. Furthermore, during the tour, visitors -among them, college students, professionals, distributors and exporters- receive general information

about the Company, its management, quality and HR processes, and the activities that take place in the plant. The Open Door Program is carried out at the production sites in Quilmes, Acheral (Tucumán), Corrientes, Mendoza, Zárate, and by the Tres Arroyos Malting Plant. For the soda and mineral water plants, visits also include elementary, middle and high-school students.

Donation and Patronage Program

The Donation and Mentoring Program carried out by Cervecería y Maltería Quilmes since 1989 is designed to support different health and educational projects for children - from birth to puberty- in the areas of influence of industrial establishments. The Program covers areas in the provinces of Corrientes, Mendoza, Misiones, Tucumán and in Buenos Aires, specifically, in the districts of Quilmes, Zárate and Tres Arroyos.

Donations include:

- Scholarships for polimodal students.
- Payment of fees to professionals

and specialists for projects including family farms, day-care centers and foundations.

- Purchase, repair, refurbishing, construction and maintenance of hospitals, churches, day-care centers, neighbor centers, chapels, schools, museums and health care units.
- Delivery of materials, including books and teaching materials, and equipment and furniture to schools of all levels.

Additionally, the Company is intensively working on the consolidation of two projects with a direct impact on the communities where it operates:

**Mochila Viajera /
Traveling Backpack**

Mochila Viajera is a children's traveling library created in 2000 to bring books closer to children and strengthen family gathering around reading.

The Project is implemented in different kindergartens and primary schools in Tres Arroyos and Mendoza, with the participation of 80 teachers from private and public schools. So far the Project has reached more



than 5500 students and approximately 4500 families, as well as 450 teachers who were trained to carry out and continue this major educational initiative.

Huertas Familiares / Family Farms

This Project started out in the district of Tres Arroyos, as a ramification of Mochila Viajera, the traveling library program, and involves more than 60 low-income families. The objective of this initiative is to generate a culture of work among participants, based on their involvement in the accomplishment of a shared goal and the production of food for subsistence purposes or for sale to others. In addition to strengthening family bonds and values, the Program has enabled raising the self-esteem of participants and achieving a balanced diet based on an improvement in the quantity and quality of food. The Program also included training workshops in the areas of nutrition, utilization of farm resources for the production of marmalades and preserves, and food hygiene. As part of the Family Farm Program,

As another member of the community, **Cervecería y Maltería Quilmes carries out several social, donation and patronage initiatives and programs.**

other educational initiatives have taken place, including the following programs: Horno de Barro / Mud Kiln, Manos que Cultivan / Hands that Till, and Huerta y Jardinería en el Jardín de Infantes / Farming and Gardening in Kindergarten. The latter program allows children to explore and investigate, through different activities, natural phenomena, and to learn respect and care for nature. An additional value of

this initiative is that participants learn to appreciate joint work, respect the work of others, and understand the effort involved in obtaining the food they consume on a daily basis.

“Starting my professional career with such a comprehensive program as that offered by Cervecería y Maltería Quilmes was key to my professional development. Cervecería y Maltería Quilmes trusted me when I was just starting; it trained me and prepared me for every challenge.”

Pedro Mirant Borde

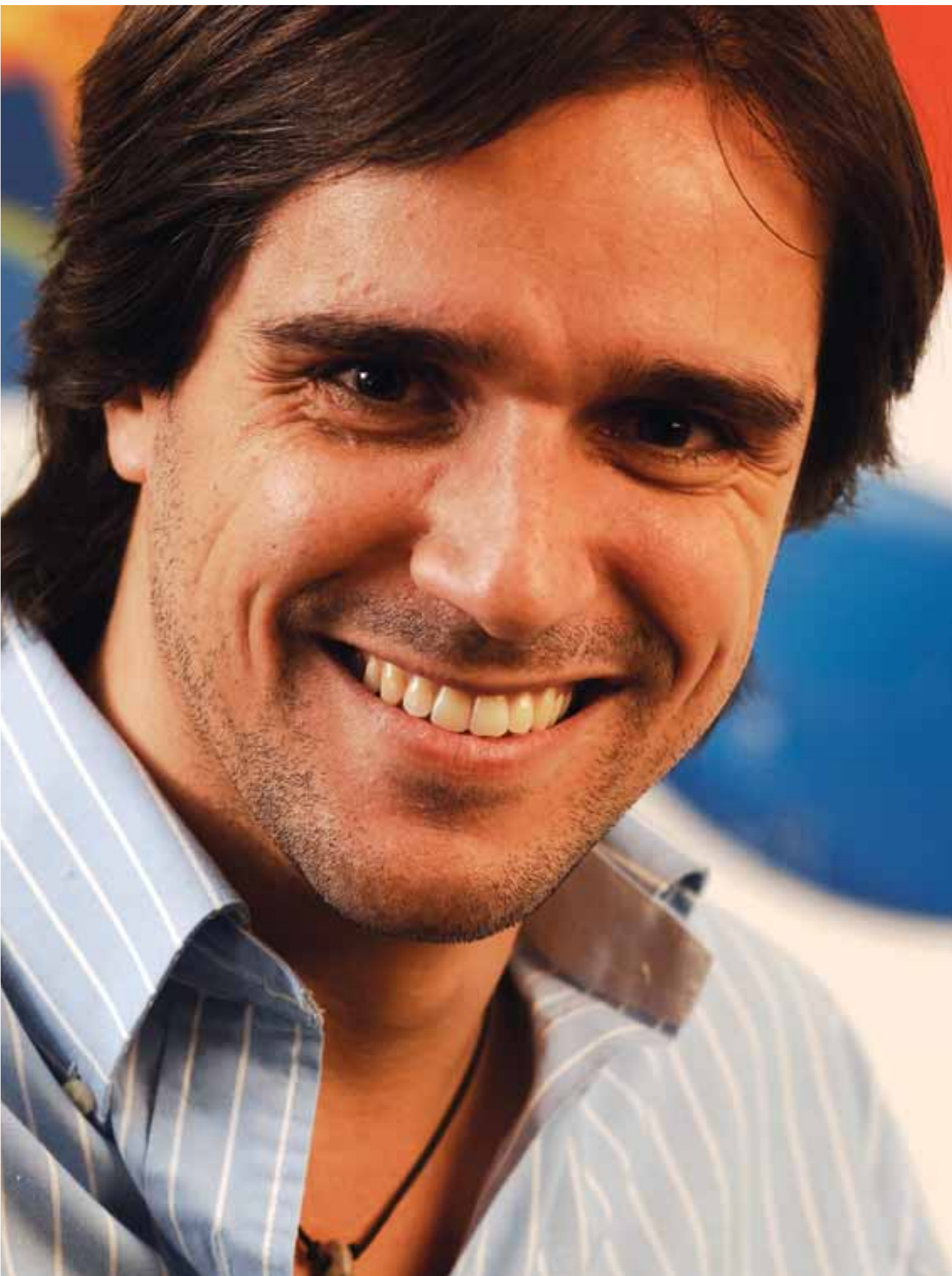
Joined the Company as Young Professional in 1998 and is now the Operations Planning Manager.

05

HR Training and Development

To respond to growing competitive demands, the Company plans, designs and implements programs that provide employees with the training they need to address their present and future functions with success.





Training

In a growingly competitive environment, employees must be prepared to face a new way of doing business. To meet that demand, different training programs have been developed, particularly designed to cater for the needs of each area, with a focus on promoting competitiveness and teamwork. In October 2006, Cervecería y Maltería Quilmes received the **Carlos Pellegrini Award** from the Argentine Industrial Union (UIA) which recognizes *"the companies that make the highest investment in their people."*

Training Programs

- **In-company Business Administration Program with Universidad de San Andrés:** It was established to give the Company's professionals whose college education is mostly in the areas of engineering and marketing solid training in business management. The Program's duration is eight intensive weeks and every year approximately 30 employees take the program.
- **Management Skills Development Program (I and II) for managers, and Management Workshops:** both programs were designed to increase and broaden managerial skills.
- **Young Professionals Program:** Cervecería y Maltería Quilmes was among the first companies in deploying a Young Professionals Program in Argentina. The Program started in 1991 with the idea to train leaders with high potential and ensure in-house development of new professionals to feed the pipeline for future leadership positions at the Company. Since 1991 to date, of a total of almost 60,000 applicants, 420 young professionals have joined the Company, 55% of whom are still with the Company, many of them in leadership positions.
- **Business-area Training Programs** (Logistics, Sales, Brewer Technology, Systems, Human Resources, Finance and Administration, and more).
- **e-learning portfolio of training programs** (MS Office utilities;

Continuous Improvement Tools; Institutional Induction; Commercial Variables). These programs are aimed at optimizing the skills and promoting the talent and professional development of the Company's employees.

Team-Based Work Program

Team-Based Work is about transferring the functions and division of the productive process to self-managed teams, so that each operator is accountable for his/her performance, and teams are able to manage themselves under the directions of a leader team member.

The most notable change introduced by Team-Based Work is the transfer of process management functions and responsibilities across all levels of the organization. Based on this transfer, new functions and roles come into play, and particularly, resources are freed from the traditional reporting structure, which can be reoriented, on the one hand, to support team efforts, and on the other, to foster joint improvements.

This model is complemented with the introduction of the zero-loss philosophy introduced by Total Productive /Progressive Maintenance / Management (TPM), a proven methodology for improvement systematization, rendering a work system leading to the achievement of high performance levels.

Health Promotion Program

Cervecería y Maltería Quilmes regards the health of its employees as a major asset that is instrumental in achieving the full development of human skills, with an impact on the quality of both, employees' lives and their contribution to the Company. The Program is focused on promotion and prevention to avoid disease, ensuring that each individual has the right information available and can "build and maintain" their optimum health condition. For years, the Company has carried out its Health Promotion Programs

with specific actions addressed to both plant employees and non-unionized personnel throughout the country. The Health Promotion Program is based on the preparation of a health profile for employees, through annual check-ups considering the classic factors of cardiovascular risks. This information is used to design a follow-up of the persons with the higher risk factors, analyzing the steps to change unhealthy habits and behaviors. The Program has achieved excellent improvements in the risk index. Another specific action (for non-unionized personnel) is Stress Handling Seminars, which have counted on the participation of more than 120 employees. This activity is carried out by specialized professionals and offers continuous maintenance workshops for participants.

Internal Climate Survey

The Company conducts, every two years, an internal climate survey—an initiative with an extremely high level of participation. In 2005, 92% of the Company's personnel gave their feedback about general aspects relating to their specific task, personal expectations, and various institutional and reporting relationship topics.

Since 1991, **420 young professionals have joined the Company, 55% of whom are still with the Company**, many of them in leadership positions.







“Behind Cervecería y Maltería Quilmes' R&D program there is not only a major investment but also intensive field and laboratory work in search of new varieties. The Company also provides producers with first-rate technical support to culminate the process with optimum production.”

Agronomist Liliana Wehrhahne

INTA - Barrow Integrated Experimental Farm

06

Research and Development Program

The main objective of R&D at Cervecería y Maltería Quilmes is to achieve barley varieties for beer production with the best agronomical properties and the highest standards of commercial and industrial quality.



The communication of the Program's results is part of Cervecería y Maltería Quilmes' commitment and contribution to more **efficient production**.

Cooperation with Universities

Since 1974, Cervecería y Maltería Quilmes has run an R&D Program in the Company's Experimental Field in Tres Arroyos city, Buenos Aires province.

The seed-improvement program influences agricultural production, giving producers an opportunity to use varieties with higher yield potential that are also more resistant to disease and other environmental factors, and adapt better to current management techniques (e.g. fertilization). This creates a virtuous cycle that positively impacts industrial production, as these barley varieties are endowed with features that render higher-quality barley and beers.

Every year, professors and students in their last year of the Agronomist program of national universities - Universidad del Sur, Mar del Plata, del Centro de la Provincia de Buenos Aires and of La Plata - visit the

Experimental Field and acquire practical knowledge about the characteristics of the genetic improvement program, integrating this experience to the theoretical education they receive on campus.

In addition to the improvement activity, R&D initiatives include trials associated with barley crop management, dealing with the correct use of herbicides, fungicides and fertilizers. This knowledge is then transferred to the agricultural production sector through exhibitions for groups of technicians and producers.

The Company's R&D experts have a strong participation in the university sphere as lecturers in graduate and undergraduate seminars and conferences on the improvement of barley crops, for example, in the Schools of Agronomical Sciences of Universidad de Buenos Aires and Universidad de La Plata.

Interaction with universities is also

reflected on mutual mentoring and joint projects conducted with the Biostatistical, Cereal, Phytopathology and Soil Chemistry professorships of Universidad Nacional del Sur. Research activities require the exchange of information and permanent contact with all stakeholders. The communication of the Program's results to the production sector and to future professionals is part of Cervecería y Maltería Quilmes' commitment and contribution to more efficient production and genuine environmental care.



"I drew a square and the Quilmes plant because the idea was to imagine the city and greenery... I believe a factory can operate taking care of the environment."

Victoria Todaro

9, winner of the drawing contest for employee children to celebrate Environment World Day.

07

Environmental Management, Industrial Safety and Preventive Health Care

Cervecería y Maltería Quilmes understands the importance and value of taking care of natural and human resources for the wellbeing of present and future generations. For that reason, taking care of people and the environment is a top priority for the Company.







The Company has various programs in place for **reducing the consumption of water, energy and fuel, and for diminishing carbon dioxide emissions.**

The Company is active in three main segments in this area: Environmental Management, Industrial Safety and Accident Prevention through its 3D's Program.

Environmental Management

In this segment, the Company has various programs in place for reducing the consumption of water, energy and fuel (see chart), and for diminishing carbon dioxide emissions (CO2).

At present, the plants of Cervecería y Maltería Quilmes take pride in their consumption levels, which are among the most efficient worldwide. These programs optimize the use of water, thus saving on a vital resource. In this manner, the reduction of industrial emissions of carbon dioxide translates into decreased pollution and consequently, a reduction of the greenhouse effect, which benefits the entire community.

Cervecería y Maltería Quilmes passed the external audit for the 2004 version of ISO 14001 standard in the Zárate, Mendoza, Corrientes and Acherál (Tucumán) production sites, and started with the implementation of a basic Environmental Management System in the rest of its plants, aiming at control of critical environmental variables.

Control of liquid, gaseous and waste effluents is also an essential and ongoing concern of industrial plant management at Cervecería y Maltería Quilmes, always in compliance with the parameters established by legislation. Additionally, the Company constantly implements control and improvement plans for its effluent treatment facilities. As an example of

this policy, Universidad de Ciencias Empresariales y Sociales (UCES) distinguished the Company with the award "Towards enterprise environmental excellence" for its environmental management that goes beyond compliance requirements. Furthermore, with the idea to get all employees and their families involved in the significance of natural resource preservation, every year on the occasion of World Environment Day, the Company conducts a Drawing Contest for employee children. Winning drawings are eligible for publishing in the yearly almanac that is distributed to all employees.

Industrial Safety

Cervecería y Maltería Quilmes has a long-standing tradition of ensuring the highest Industrial Safety standards. In this regard, its Occupational Health and Safety management system ranks at the highest level according to Argentine legislation (Level IV). All breweries are consistently ranked at Level IV, as well as the Pompeya Distribution Center, while soda plants are all ranked at Level IV, except for Trelew.

The top priority as far as industrial safety is concerned is to reduce the number of accidents at the workplace based on proactive risk detection and control-oriented management efforts, using a database in which information is stored to guarantee the achievement of the objectives.

At present, the annual ratio is 1.57 accidents with lost days every 100 workers. This figure has been steadily reduced since the system was introduced. For comparison purposes, in 1999, the figure was 10 accidents

with lost days every 100 workers, which indicates a reduction of over 98%. Another example of good practices is the Corrientes Plant, which as of October 2006 had not reported any accident with lost days for three years and ten months.

To promote personal care in its non-industrial areas, Cervecería y Maltería Quilmes has conducted training on safe car and motorcycle driving, and has included HSE (Health, Safety and Environment) topics on the agenda of its excellence program for the retail network, Galaxia Q.

3 D's Accident Prevention Program

To motivate and remind every employee in the industrial and commercial areas of personal care and safety, in relation to accident prevention, Cervecería y Maltería Quilmes launched, in March 2005, the 3D's Program, based on the three d's: "determine the risks, define how to take care, and decide to work safely."

The 3 D's Program is of paramount importance for the Company. In the industrial area, this Program is an indispensable tool for managing continuous improvements in safety conditions, and has enabled controlling the risks, significantly decreasing incident levels. In the Sales and Promotion sector, personal care is key, as employees work in environments that are not controlled by Cervecería y Maltería Quilmes, such as points of sale, stores and events.

Since the program was launched, a reduction of more than 30% has been achieved in all kinds of accidents in the industrial and commercial areas.

	Water Hl / Hl produced	Fuel MJ / Hl produced	Energy Kwh / Hl produced
2003	5,44	84	9,08
2004	4,92	77	8,90
2005	4,41	70	8,20

Hl: Hectoliters | MJ: Megajoules | Kwh: Kilowatts | Hl produced: Hectoliters produced







Cervecería y Maltería Quilmes SAICyG

Av. 12 de Octubre y Gran Canaria
(B1878AAB) Quilmes
Provincia de Buenos Aires
Phone: [54 11] 4349-1700
Fax: [54 11] 4349-1864

