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BAVARIA'S COMMITMENT TO ENVIRONMENTAL RESPONSIBILITY

Bavaria is SABMiller's industrial operation in Colombia and the most important industrial beverage conglomerate in the country. It is comprised of seven breweries located in Barranquilla, Bogotá, Duitama, Bucaramanga, Cali, Medellín and Tocancipá; and two malting plants, one in Tibitó and the other in Cartagena, which manufacture, distribute and sell beer, malts and water. It also owns the firm Impresora del Sur.

SABMiller is the second brewery worldwide in volume, with operations in four continents and production exceeding 216 million hectolitres of beer and more than 170 brands. South America constitutes the second most important region in terms of revenues for the company, after the operation in South Africa, its country of origin, which represents 26% of the profits.

Bavaria has always been committed to the preservation of the environment. One of our concerns is to grow in a sustainable manner, while implementing measures that would not affect the ecosystem. To achieve the above, all our plants implemented and maintain an Environment Management system, in accordance with standard NTC ISO 14000/2004, which has been certified by ICONTEC (the Colombian Technical Standards Institute).

The principles that rule the operation of Bavaria include following top quality standards, and obviously to prevent the carbon trace.

Therefore, all processes carried out by Bavaria are based on good practices to preserve the environment, while protecting each of the elements that may be affected:

- ✓ *Water:* Savings and efficient use of water resources.
- ✓ *Containers and residues:* Bavaria is focusing on the economy that actively promotes the reutilization of containers and recycling.
- ✓ *Carbon trace mapping* from the supplier's chain at the plant, until the moment in which the product reaches the final consumer: Savings and efficient use of the energy service.

An example of the above is the image renewal process gone through by the company brands, which started with Club Colombia at the end of 2006. In order to reach high design and efficiency international standards, such as the long bottleneck, the 330ml capacity per bottle, and the unification to a standard design, Bavaria decided to change the bottle and the cases, which included a large scale Recycling program launched in March 2007; this program allowed using the old containers and cases as raw material to manufacture the new ones.



The image renewal also implied increasing the useful life of glass bottles to twice as much, thus maintaining an excellent appearance. The technical processes applied to the bottle to avoid wear were improved, and its new shape prevents it from rubbing during transportation (one of the most significant wear causes). These changes lead to an increased useful life of the bottle, because while the former bottle had a 20-cycle useful life expectation, this new presentation will return 44 times, with the same level of deterioration.

The previous project has a positive effect on the environment, because the consumption of glass is reduced and so are the emissions of carbon associated with its **production**. By increasing the useful life of the bottles, the company contributes to reducing carbon dioxide emissions, the use of utilities and the utilization of fossil fuels required to manufacture all bottles.

The new bottle designs are more efficient than the former ones with respect to grams of glass per ml of product, thus achieving two objectives: maintaining top quality international standards and protecting the environment.

We may also mention the change of cases, as this is an activity framed within the large-scale recycling process that reduces the purchase of high density raw polyethylene. Polyethylene is a compound that takes between 100 and 1000 years to decompose.

In the recycling process implemented, one ton of old cases crushed can become one ton of material for new cases, with a loss of only 2-3% derived from the crushing and washing process; therefore,

maximum benefit may be obtained from the existing polyethylene. At first, this process was exclusively implemented with European crushing and washing technology; however, while the project took place, national vendors were trained, who currently achieve the same quality on the crushed material.

Each of the company plants has installed a glass and polyethylene separation and crushing system that has allowed, from the beginning of the project, to crush and recycle nearly 130 thousand tons of glass and 34 thousand tons of polyethylene, thus becoming one of the largest bottle recycling projects undertaken by SABMiller.