Water and the value chain

CEO Water Mandate
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SABMiller: global presence across five continents

- Regions where SABMiller operates, or has a major distribution agreement (over 100,000 hectolitres) or recent start-up operations
- Regions covered by our strategic partner Castel
Sustainable Development Priorities

1. The need to discourage irresponsible drinking
2. The need to brew more beer but using less water
3. The need to reduce our energy and carbon footprint
4. The need for a vibrant recycling and reuse economy
5. The need to work towards zero waste operations
6. The need to have supply chains that reflect our own values and commitment to SD
7. The need to bring benefit to the communities we serve
8. The need to respect human rights
9. The need to reduce the impact of HIV and Aids in our sphere of influence
10. The need to be transparent in our response to these environmental and social trends
Making a difference throughout the value chain

Agriculture
- Water
- Supply chain
- Human rights

Packaging manufacture
- Carbon

Brewery
- Waste
- HIV/AIDS
- CSI

Sharing the story
- Transparency

Disposal

Customer / consumer

Responsible consumption

Packaging

Sharing the story
## A focused approach to sustainable development leadership

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SABMiller water framework
“5Rs of Water Responsibility”

Ecology

Brewery

Reduce
Re-use
Recycle

Community

PRotect

Redistribute
Our value chain water activity

- An analysis of long term barley supply
  - The northern America and European growing areas may increase
  - Southern African growing area may decrease
  - Irrigation will play a greater role

- Watershed risk mapping by facility

- Undertaking a detailed water footprint for beer and soft drinks in South Africa
Our previous estimate total water footprint of 1 litre of beer

1% - Water for Malting
4% - Production Water
7% - Water to Manufacture Beverage Container
89% - Water used to grow barley (if irrigated)

Total = up to 127 litres
Exploring the water footprint of beer in South Africa

- Early, draft results
  - 95 - 98% footprint is agriculture
  - Green, blue and grey water all play a part, roughly 70 / 20 / 10 %

- For green water, how can we gauge net impact?

- For both green and blue water, how can we discuss what is a ‘reasonable share’?

- How can we best influence farmers water use? Politically charged debate

- Our smallholder farming projects are often in areas of marginal land that require irrigation
Our observations

- It’s all about local context – what proportion of the available water the crop uses now and in the future.

- Increase in irrigation seen as critical by many emerging market governments.

- But efficient irrigation takes investment, which many farmers are unwilling to do.

- Public and private capacity for understanding and managing this issue is limited.
Exploring partnership solutions

- **Dar es Salaam water dialogue**
  - Transparency on the challenge
  - Strong common ground with stakeholders
  - Local solution, but long term, and not easy

- **India water programme with CII**

- **Local WWF partnerships**
  - Colombia: protecting the watershed serving Bogota
  - South Africa: invasive species

- Water will have an increased focused in our local sourcing programmes
Thank you