Water and the value chain

CEO Water Mandate
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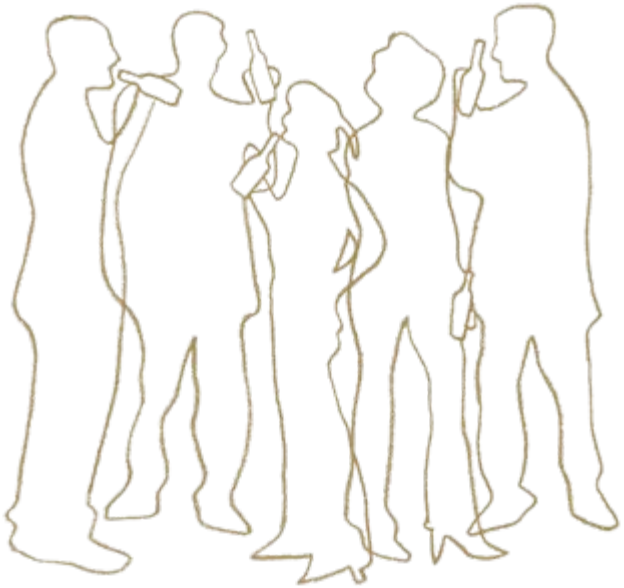

SABMiller: global presence across five continents

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

Customer / consumer

Responsible consumption

Disposal

Packaging

A focused approach to sustainable development leadership

Opportunity for global leadership	**Water**	**Enterprise development in our supply chains**	**Alcohol**	
Regional leadership areas	**Energy/Carbon** Europe US	**HIV/Aids** Africa South Africa Asia	**Corporate social investment** South Africa Latin America US	
Continual improvement	**Human rights**	**Waste**	**Transparency**	**Packaging**

SABMiller water framework

“5Rs of Water Responsibility”

Ecology

PRotect

Brewery

Reduce

Re-use

Recycle

Community

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


SAB
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Thank you