

About SABMiller India

SABMiller India is the Indian arm of SABMiller plc., one of the world's largest brewers, and is also one of the leading brewers in India. The company serves the market with ten breweries across various states with popular brands such as Haywards 5000, Knock Out, Royal Challenge, Foster's, Miller High Life and its super-premium international brand Peroni Nastro Azzurro.

Sustainable development is core to the way we do business. It underpins our ability to grow and our license to operate. We know that by helping the businesses in our value chains and their local communities to grow, our business will grow too. Our sustainable development ambition is branded Prosper and is the latest evolution of the company's approach to sustainable development, which is a key element of SABMiller's business strategy.

About SABMiller plc

SABMiller plc. is one of the world's leading brewers with more than 200 beer brands and some 70,000 employees in over 75 countries. The group's portfolio includes global brands such as Peroni Nastro Azzurro, Miller Genuine Draft, Pilsner Urquell and Grolsch; as well as leading local brands such as Aguila (Colombia), Castle (South Africa), Miller Lite (USA), Snow (China), Victoria Bitter (Australia) and Tyskie (Poland). SABMiller also has growing soft drinks businesses and is one of the world's largest bottlers of Coca-Cola products.

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PLEASE NOTE

This report contains certain forward-looking statements. Such statements involve a number of uncertainties because they relate to events and depend on circumstances that will or may occur in the future. As a result, actual results may differ from those anticipated in this report depending on a wide range of factors, including, for example, worldwide as well as local economic conditions, changes in laws and regulations and the development of new technology.

This report deals with activities of group companies around the world. References in this report to 'SABMiller', 'we', 'us' and 'our' refer collectively to the group of operating companies.

SAB | India
MILLER



Sustainability in Action

Our shared imperatives help us make sustainable development
a part of everything we do.



A subsidiary of SABMiller plc



A subsidiary of SABMiller plc

SAB | India
MILLER



a sociable world



a clean world



a resilient world



a thriving world



a sociable world



a productive world



prosper

Our new sustainable development ambition is called prosper because when our business does well, so do the local communities, economies and environment around us.

When they prosper, so do we.

sabmiller.com/prosper
sabmiller.in/sustainability
Yammer: #prosper



a productive world

“Sustainable development is integral to the way we do business. Underpinning our approach are our new 5 shared imperatives which inform how we focus our efforts and prioritise our resources.”



— **Shalabh Seth** | Managing Director - SABMiller India.

SABMiller India... Exploring innovative local solutions to shared challenges.

At SABMiller India, we are passionate about creating a diverse world class brand portfolio that brings refreshment and sociability to consumers across all segments who enjoy our drinks responsibly. This passion also reflects in our approach to sustainable development which is core to the way we do business; by improving livelihoods and building communities. It underpins our ability to grow and our license to operate.

SABMiller believes in inclusive growth. We know that by helping the businesses in our value chains and their local communities to grow, our business will grow too. Keeping this in mind, we have taken the next step in our sustainable development (SD) strategy - building from our 10 SD priorities since 2007 - to sharpen our focus on tackling the sustainable development challenges we jointly face with our value chain partners and communities.

While the substance of our 10 sustainable development priorities remains, and is integrated into the day-to-day management and reporting of our business, the focus is now on five shared imperatives that will enable our businesses to benefit as local communities prosper. Through these we aim to tackle the five issues which are most material for our business at local and international level. These are:

-  Accelerate growth and social development in our value chains;
-  Make beer the natural choice for the moderate and responsible drinker;
-  Secure shared water resources for our business and local communities;
-  Create value through reducing waste and carbon emission; and
-  Support responsible, sustainable use of land for crops.



In India, we will continue to explore innovative local solutions to shared challenges through our collaborative initiatives in the area of water, alcohol and enterprise development and striving towards achieving reduction in carbon and energy footprint across all our locations.

Water

Water is crucial to our business and its potential scarcity can affect us and the communities we operate in. This has triggered our efforts to be more efficient in our water use and better understand our watersheds. Water is a shared risk and requires collective stakeholder action. Recognizing this, we are engaging in building partnerships with Industry bodies, Non-Governmental Organizations (NGOs), other important institutes and the communities to collectively address the challenge we all face. Our projects in India on Ground Water Management and Livelihood Generation in the States of Rajasthan, Haryana, Telangana, and most recently in Maharashtra are representative of this approach.

Alcohol Responsibility

We recognize the need to encourage and support a culture of responsible drinking behavior amongst those adults who choose to enjoy our products and share the societal concerns about potential abuse of alcohol. Through our various on ground initiatives we strive to engage and inform people about responsible alcohol behavior. “Respect the Road”, our flagship programme initiated with the support of local traffic police in Gurgaon, Haryana now enters into the third year of operation with plans to extend it in terms of scope and reach. We have further partnered with International Alliance for Responsible Drinking (IARD) to address the issue of underage drinking by conducting workshops in schools and colleges across Metros.

Enterprise Development

We recognize that our influence extends beyond our own immediate operations to include those in our value chain. Our Malt Barley Development Programme - “Saanjhi Unnati”, which started in Rajasthan with 1500 farmers in 2005, goes from strength to strength. It has now been extended to 36 centers in 5 States with more than 9000 farmers mirroring the trust and continuous engagement of our teams with the local communities. We are now procuring more than 50% of our Barely requirement through this programme.

Energy & Carbon

We continue our endeavour to reduce the Energy and Carbon footprint of our manufacturing processes. We will continue to focus on efficient use of energy, including using energy from renewable sources such as rice husks and bio mass briquettes than fossil fuel. We have set aggressive Energy and Carbon emissions reduction targets, which we intend to achieve through right mix of operational efficiencies, technological advancements and capital investments.

Continuously striving to improve and benchmark our performance, we monitor and measure progress on each of the sustainability programmes and share our progress in the public domain. Our programmes are practical, result oriented, aimed at measurable outcomes and reflective of our firm belief that business growth and sustainable development can be mutually reinforcing.

Shalabh Seth
Managing Director
SABMiller India



Our 5 Globally Shared Imperatives

A Thriving World



Shared Opportunity

We want a thriving world where incomes and quality of life are growing.

Through our value chains and in the communities we are part of, people - especially women - face the challenges of unemployment, lack of access to markets, the need for skills and, sometimes, basic services. The decisions we make can help shape their opportunities and enable their growth and development.

Shared Imperative

We will accelerate growth and social development through our value chains.

We are building global programmes to promote entrepreneurship within and beyond our value chain. We will focus our efforts to target women, those with the lowest income and disadvantaged groups.

Progress to date

Globally, we already support thousands of micro, small and medium enterprises and entrepreneurs.

We are expanding our programmes to improve livelihoods across our value chain: we currently engage 50,000 smallholder farmers and 68,000 micro-retailers and entrepreneurs worldwide through programmes such as Go Farming in Africa and 4e, working with small-scale shopkeepers in Latin America.

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A Sociable World



Shared Opportunity

We want a sociable world where our beers are developed, marketed, sold, and consumed with high regard for individual and community wellbeing.

Our beers add to the enjoyment of life for the overwhelming majority of our consumers around the world. Beer has a long history at the heart of social occasions and celebrations. The harm from its abuse however, can be serious for individuals, communities and society. We must boldly do our part to help tackle the problems caused by the harmful use of alcohol.

Shared Imperative

We will make beer the natural choice for the moderate and responsible drinker.

Our comprehensive policies help our employees and partners meet demanding standards on producing our products to encourage responsible consumption. Our sound principles are backed by programmes to reduce the harmful use of alcohol.

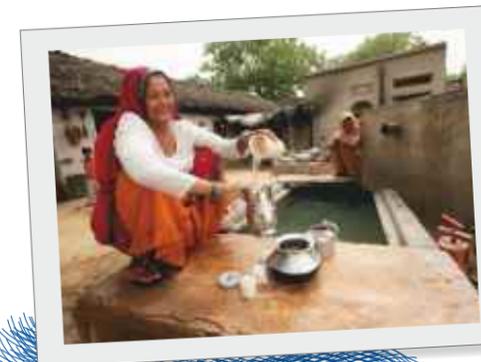
Progress to date

Globally, we have more than 110 locally tailored programmes to tackle alcohol-related harm across the world, and are working with governments, NGOs, civil society groups and public bodies to strengthen our work.

This year we measured our progress against a five-year global action plan with other leading beer, wines and spirits companies, to help reduce the harmful use of alcohol, which will form part of an industry report.

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A Resilient World



Shared Opportunity

We are working towards a resilient world where our business, local communities and ecosystems share uninterrupted access to safe, clean water.

We want a resilient world where our business, local communities and ecosystems share uninterrupted access to safe, clean water. Growing water scarcity, driven by the growing middle class, climate change and population growth means that we need to play our part to ensure a reliable, clean supply of water that is managed and used as efficiently as possible.

Shared Imperative

We will secure shared water resources for our business and local communities.

Brewery by brewery, we are building a detailed understanding of water risks and creating partnerships to tackle these risks with those that share them.

Progress to date

Globally, through our Water Futures Partnership we are tackling shared water risks across 12 projects in nine countries. During the year we used an average of 3.5 hl water to produce 1 hl beer, achieving our target to improve our brewery water efficiency by 25% (against a 2008 base) a year early.

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A Clean World



Shared Opportunity

We want a clean world where nothing goes to waste and emissions are dramatically lower.

Climate change has far-reaching consequences for our business and the communities where we operate.

Shared Imperative

We will create value through reducing waste and carbon emissions.

We will work with suppliers, distributors, retailers, municipalities and consumers to reduce emissions and waste across our value chain, and reuse and recycle waste and packaging.

Progress to date

Globally, more than 95% of waste from our breweries is reused or recycled and around half our beer is sold in returnable bottles.

In absolute terms we have reduced on-site carbon emissions by 29% between 2008 and 2014.

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A Productive World



Shared Opportunity

We want a productive world where land is used responsibly, food supply is secure, biodiversity is protected and our crops can be accessed at reasonable prices.

Today, around a billion people go hungry; demand for food is growing, and resources are scarce. Our business depends on the same land and water that local communities use for food crops.

Shared Imperative

We will support responsible, sustainable use of land for brewing crops.

We are creating secure, sustainable supply chains both for malting barley (our key brewing crop) and local brewing crops such as sorghum and cassava. We are helping farmers increase profitability, productivity and social development while reducing environmental impact.

Progress to date

Globally, we work directly with barley farmers to improve the profitability and environmental and social impact of their farms through programmes such as Better Barley, Better Beer, run in association with WWF in South Africa where we hope to source 90% of barley locally. We have pioneered the use of undercommercialised crops in our beer, providing new markets for farmers without affecting food availability.

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1

A Thriving World

साँझी उन्नति

साँझी उन्नति

साँझी उन्नति

Accelerate growth and social development through our value chains

“ *Building a thriving world where incomes and quality of life are growing.* ”



Beer is a local product, typically brewed, sold and consumed within the same community. At SABMiller India, we believe that growth and job creation are key to reducing poverty in communities around our business. When incomes improve, so too does our business performance, at the same time creating wealth and improving livelihoods for the communities in which we operate.

Our Response

Working with Barley Farmers

Malt Barley Development Programme.

Improving the malt barley industry in terms of product quality, supply chain and farm productivity.

Barley produced in India is feed-grade with very poor brewing quality. Barley crop in India is not remunerative compared to the competing crops and hence it is not keeping pace with the requirement of industry. SABMiller India anticipates the supply of barley to fall short of industry's requirement in few years' time, if active intervention by SABMiller India and the industry does not take place.

SABMiller India recognized the need for improving the malt barley industry in terms of product quality, supply chain and farm productivity. The Company realized that the key to sustainable and viable malt barley supply chain is to invest in barley varieties development and a strong barley supply chain. Backed with the successful experiences in other developing countries and taking forward

The Programme

The programme was launched in Rajasthan in 2005 to develop malt barley varieties suitable for India; provide improved varieties to farmers; disseminate information on practices to improve the productivity of the crop and finally buy back the barley produced directly from the farmers, eliminating middlemen and hence shrinking the market spread.

Catalysing rural development and improving standard of living

While the project is targeted at improving the barley supply chain in India, the overall aim is to secure a long-term reliable source of locally grown malt-quality barley and test new strains of barley that offer better yield and price to the farmers. The project benefits the farmers and the local community by optimizing land use, securing income and enabling them to participate in the growth of the Indian beer market. A prime example of a public-private partnership (PPP), Saanjhi Unnati involves working closely with Government and NGOs to catalyse



its Sustainable Development priority of bringing benefits to the communities, SABMiller India initiated the Saanjhi Unnati (Progress through Partnership) project in Rajasthan in 2005 which was later extended to other States of Haryana, Uttar Pradesh, Uttrakhand and Madhya Pradesh.



rural development. We are further working closely with the State Government on our seed development programme to identify seed varieties that are best suited for climate and soil in North-Western India.

Benefits to the Farmers

- Government certified seeds made available at a subsidized rate through the "Seeds-on-Wheels" campaign.
- Barley farmers educated on best practices to help them improve their quality and yields.
- Scientific inputs provided to farmers on issues pertaining to soil testing and agronomic advice.
- Farmers get an assured market for their barley, transparent transactions, assured pricing structure (quality based) and on the spot payment.



Results and Achievements of the Initiative

During 2013-14, through these centres farmers purchased about 1200 MT of certified seeds, up from 165 MT at the beginning of the programme. More than 5,000 non-members have taken advantage of free agricultural advice and assistance provided by the centres. The average measure of malt extract has increased by 2 percent.

Through the programme the farmers have benefitted in getting an assured market for their barley, transparent transactions, and fair pricing structures.

| India Barley Development Programme 2013-14 | | | | | | |
|--|-----------|---------|------------|-----|-------|--------|
| Particular | Rajasthan | Haryana | Uttrakhand | UP | MP | Total |
| No. of Center | 19 | 5 | 2 | 1 | 9 | 36 |
| Seed Sold (MT) | 1,118 | 53 | 13 | 20 | 105 | 1,309 |
| Acreage (Ac) | 26,636 | 1,334 | 420 | 666 | 2,618 | 31,674 |
| No. of Farmers | 7,931 | 538 | 46 | 240 | 766 | 9,521 |
| Target Purchases (MT) | 36,822 | 2,112 | 323 | 89 | 1440 | 40,786 |

Benefits to the Company

- Achieving a stable, secure source of malting barley to produce its beverages.
- Access to higher quality malting barley helps the company reduce the cost of brewing process.
- Helps in improving the quality and extending the shelf life of its products.

Saanjhi Unnati (Malt Barley Development Programme) is an example of how we are striving towards establishing a sustainable and reliable backward integrated malt barley supply chain in India. The programme that started in 2005 in 1 State, with a membership of 1500 farmers, sourcing less than 5% of SABMiller's barley requirement, in 2013-14 has spread over 5 States, working with about 9500 farmers and sourcing about 65% of our requirement. Further to our commitment of ensuring viability to a barley farmer, from the crop season 2013-14, SABMiller has rolled out an assured price which is almost about 7% higher than the (current) market, ensuring profitable returns to a member farmer of Saanjhi Unnati.

Kurana Pande
Director - Supply Chain
SABMiller India



2

A Sociable World

Make beer the natural choice for the moderate and responsible drinker



Fostering a sociable world where our beers are developed, marketed, sold and consumed with high regard for individual and community well being.





A Robust System of Governance

Our comprehensive policies, which are publicly available, help our employees and partners to meet our demanding standards on producing and marketing our products to encourage responsible consumption.

The policy on commercial communication (POCC) governs how and where our brands are marketed. It states that we will not market directly to those under the legal drinking age, nor will we employ models under the age of 25 in any commercial communication. We also ensure our standards for digital communication are as exacting as those for traditional media.

Our Sales and Marketing Compliance Committee (SMCC), ensures that any proposed marketing materials complies with the POCC as well as with local laws and national self-regulatory requirements.

www.respecttheroad.in

Respecttheroad.in primarily addresses the issue of drinking and driving as well as responsible drinking. It provides information and latest updates about our campaigns on road safety and responsible drinking. It further provides information on issues such as alcohol abuse, binge drinking, risks of alcohol consumption, affect of alcohol on your body along with other valuable alcohol-related resources, latest news and views on alcohol.



What We Believe

SABMiller India has Six Core Principles about alcohol which help to guide every decision we make. They are:

- 1 Our beer adds to the enjoyment of life for the overwhelming majority of our consumers.
- 2 We care about the harmful effects of irresponsible alcohol consumption.
- 3 We engage stakeholders and work collectively with them to address irresponsible consumption.
- 4 Alcohol consumption is for adults and is a matter of individual judgement and accountability.
- 5 Information provided to consumers about alcohol consumption should be accurate and balanced.
- 6 We expect our employees to aspire to high levels of conduct in relation to alcohol consumption.

Beer is a low-alcohol beverage, created to be savoured. It has a long history at the heart of social occasions and celebrations, and of adding to the enjoyment of life. Each day our beers are enjoyed by millions of consumers, the majority of whom drink in moderation.

However a minority of consumers drink alcohol irresponsibly, increasing the risks of doing damage to themselves, those around them and the communities they live in. There is no simple solution to addressing alcohol-related harm, nor can the issues be resolved by a single company acting alone. But there are ways for the industry and key stakeholders to make a difference; these include ensuring that information about alcohol is accurate and balanced, that laws against drinking and driving, underage drinking and disorderly conduct are enforced, and that help is offered to people who are most at risk.

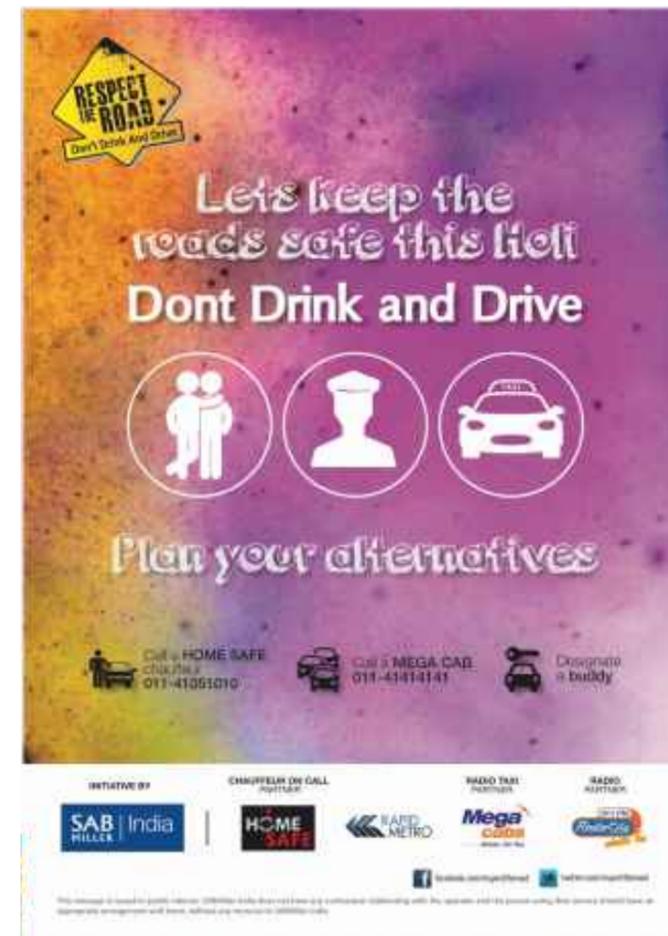
A Public Commitment to Reduce Harmful Drinking

In October 2012 SABMiller joined with 12 other leading beer, wines and spirits companies in signing up for a five-year global action plan to help reduce the harmful use of alcohol. The commitments fall under the following five action areas:

- 1 Reducing underage drinking;
- 2 Strengthening and expanding marketing codes of practice;
- 3 Providing consumer information and responsible product innovation;
- 4 Reducing drinking and driving; and
- 5 Enlisting the support of retailers to reduce harmful drinking.



In India we are addressing the issue of reducing drinking and driving through our "Respect the Road" programme and are collaborating with partners including public bodies such as Police. We believe that by working in partnership with other organizations our approach and programmes are more robust and credible, can engage more people, and are more likely to achieve change.



Our Response



Respect the Road

Don't Drink and Drive Programme

India as a country has one of the worst road traffic accident rates worldwide. Drunk driving along with low use of helmets, seat belts and child restraints in vehicles are seen as the main contributing factors. In recognition of the situation, SABMiller India embarked on an innovative programme that goes beyond spreading awareness of responsible consumption of alcohol and offers a safe solution. The programme titled, 'Respect the Road' - Don't Drink & Drive, was launched in 2011, with support from Gurgaon Traffic Police, Home Safe - Call a Chauffeur partner, Radio City - Radio partner and Mega Cabs - Radio Taxi partner.

The programme, besides promoting the message of responsible drinking and overall road safety also encourages people to use alternatives to drinking and driving such as calling a Mega cab, hiring a Home Safe chauffeur or designating a buddy to drive.

To promote the programme and spread awareness, a 360 degree

communication strategy has been undertaken over the last 2 years. Outdoor hoardings with road safety messages have been put up across the city; extensive programme on digital was initiated to engage people of Gurgaon and Delhi. Radio was used extensively to promote messages during festive season's, urging people to enjoy responsibly. Leading bars and pubs across Gurgaon were approached to promote the programme and the concept of using alternatives. The programme is further promoted through Street Play competitions, Live Media and Piquor Booths.



Results so far

- One of India's biggest don't drink and drive programme on digital media - More than **32,000** likes on Facebook and over **700** followers on Twitter.
- Home Safe the chauffeur on call partners, have seen an increase in their services of close to **50%** in the last two years, justifying effectiveness of the programme's messages.
- Through our radio taxi partners Mega Cabs, the programme has reached out to over **60,000** captive consumers in 2013-14.
- Through our radio partners Radio City, the programme reached out to **9,725** callers and received **8,113** SMS's during the festive season in 2013-14.
- Through Piquor booths, an exciting self-photography experience, the programme reached out to over **3,000** consumers on ground and **170,000** users on social media.
- The programme has been extensively covered in print, electronic and digital media.
- The programme also won Best Social Media Campaign in the area of Sustainability at the FICCI Sustainability Awards 2013 -14.

“ We are happy to be associated with SABMiller India to promote the programme, 'Respect the Road'. Over the years, the programme has been promoting the use of alternatives like hiring a chauffeur and we have received a great response from consumers towards the service. This suggests the change in the behavioral pattern and indicates that people are slowly becoming more aware and responsible when it comes to driving under the influence. ”

Nikhil Saigal
Director
Home Safe

“ This programme is effective and in accordance with the traffic safety guidelines. We use the programme merchandise during our events and include RTR logo in our communication. We are happy to be part of this unique programme. ”

Vishal
Manager
DLF City Club, Gurgaon

Traffic Tau

Road Safety Mascot

SABMiller India & Home Safe in partnership with Gurgaon Police unveiled 'Traffic Tau', India's first road safety mascot in Gurgaon, to promote the message of road safety and provide a helping hand to the Gurgaon Traffic Police in spreading awareness.

Traffic Tau is an innovative local character that has managed to capture the attention of people in a short span of time. His messages are seen across popular traffic intersections in the local dialect to build an instant connect with the people and a real live Traffic Tau can occasionally be found working with the traffic police.



The idea is to make Traffic Tau inspire people to follow rules and help them

in understanding the importance of staying safe on the road. Extensive on ground activations and digital promotions have been undertaken to promote Traffic Tau as the mascot for all traffic and road safety related communication.





3 A Resilient World

Secure shared water resources for our business and local communities

“Working towards a resilient world where everyone has uninterrupted, long-term access to safe, clean water.”

Water is fundamental not only to SABMiller value chain but also to the health and success of the markets and communities in which we operate and sell our products. The supply of readily available freshwater is finite however, both the quantity and quality of water is in decline as populations and associated demand from agriculture, energy generation, industry and households - grow. Agriculture, in particular, is a notably water-intensive activity, accounting for approximately 70% of the world's freshwater use.



Water risks are felt by many and rarely impact one company in isolation; the

More Beer, with Less Water

Globally, in 2008, we set our breweries a target of 25% water use reduction by 2015. In the year ended 31 March 2014 an average water efficiency ratio of 3.5hl/hl (2013: 3.7 hl/hl) means we hit this target one year early, a credit to the efforts of our breweries to drive improvements throughout our manufacturing processes. In absolute terms, this year we used 621 million hl of water to produce our beer (2013: 667 million hl). In India too we continue to report improvements in our water usage levels. For the year 2013-14, our water-to-beer ratio was 3.98 hl/hl (hl water/hl of beer).

We have adopted a clear water strategy based on the 5 R's: Reduce, Reuse, Recycle water within the fence and Recharge and Redistribute outside the fence. The 5 R's water model was first developed in India, which was later rolled out around SABMiller operations around the world.

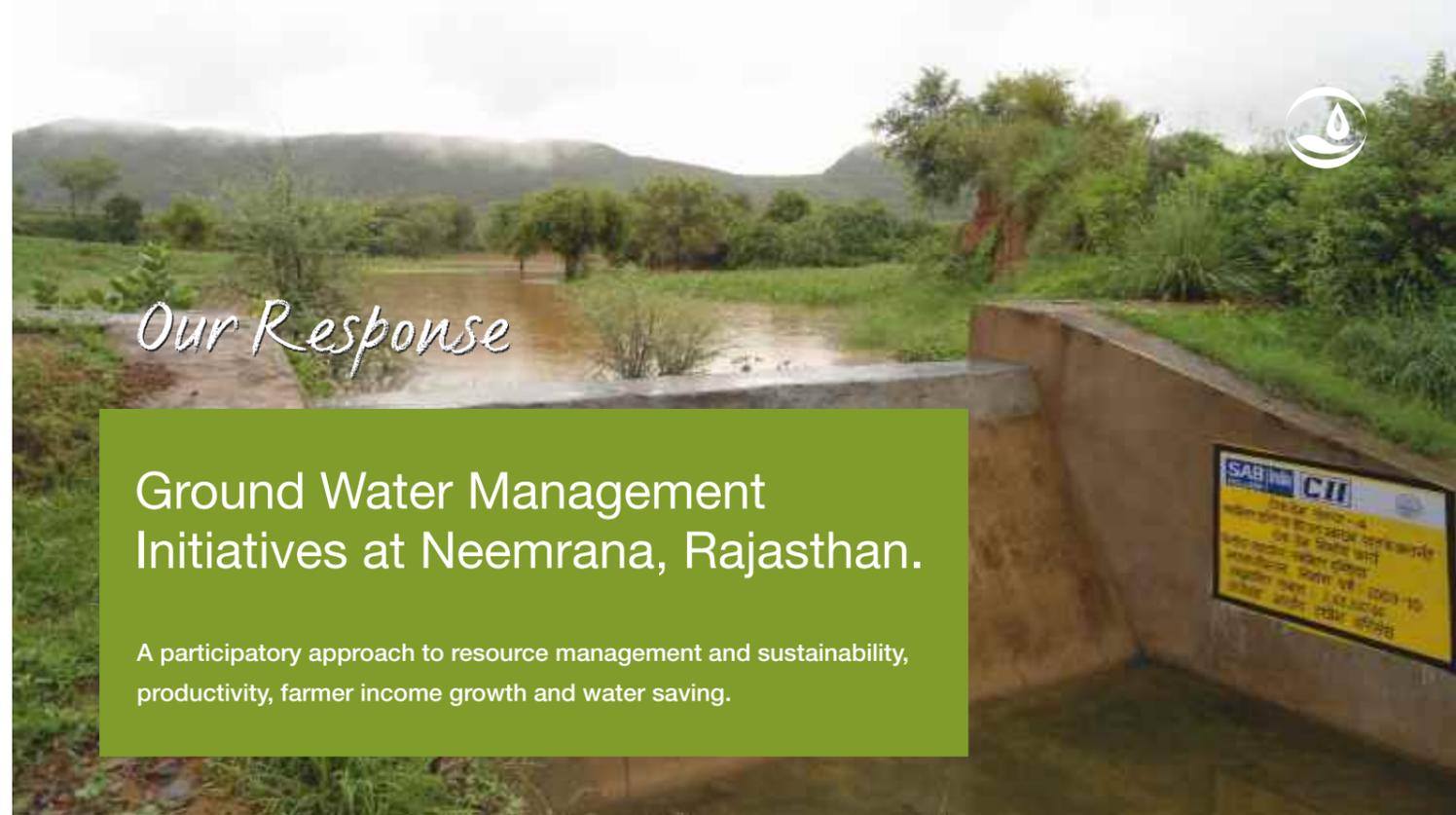
In India, numerous projects, with key partners like Confederation of Indian Industry (CII), International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Advanced Centre for Water Resources Development and Management (ACWADAM), have been initiated for water resource management in areas of operation.



private sector must consequently take a collaborative approach to mitigating shared water risks, seeking a broad-based consensus with a willingness by all stakeholders to participate. Without concerted action, what is a risk today could become a crisis tomorrow; the Water Resources Group (WRG), of which SABMiller is a member, estimates that the shortfall between accessible freshwater supply and global demand could reach 40% by 2030, an average that conceals even more acute shortfalls in certain water stressed countries.

“ All of our breweries in India are located in water scarce areas, so we regard mitigating water risk as critical to business continuity. With the programmes we have undertaken we have been able to reduce water risk. For example, over the past three years our project with the CII in Neemrana, Rajasthan, has helped farmers increase their productivity per hectare by between 17% and 34%, raised their disposable incomes by 18%, and reduced their water use by 13%. We must address water risks proactively, because waiting for crises to occur is simply not an option. At the same time, we recognise that these are shared water resources and therefore we have a role in catalyzing collective action as well as engaging fully with our neighbouring communities. ”

Ari Mervis
Managing Director
SABMiller Asia Pacific



The Ground Water Management initiative, spread over an effective target of about 27,500 hectares reaching out to 4000 farmers in 68 villages, is located in Neemrana, District of Alwar, Rajasthan, an industrial town located in between Delhi and Jaipur.

The region is totally devoid of any exogenous water supply and survives on mainly the groundwater resource. The entire community including the industry, the domestic users and the farming community depends almost entirely on this resource. The losses through evaporation and run off are also very high in the region. The initiative has successfully demonstrated a participatory groundwater management model with specific focus on showcasing recharge technologies, irrigation techniques and benefits of IWRM practices.

The project interventions look at supply management through:

- Exploiting the natural conditions in the ridges for deep recharge.
- Building small water diversion structures in the alluvial plains for diverting water to tube wells for deep recharge.
- Demand management through enhancing water use efficiency in Agriculture.

Outcome

Over the past 3 years, our project in Neemrana has helped farmers increase their productivity, raised their disposable incomes by 18% and reduced their water use by 13%. Further, the initiative has the potential to help decrease the groundwater abstraction in the region by approximately 23% and reduce the overall runoff in the region by as much as 40%.

Partners

- Confederation of Indian Industries (CII).
- Advanced Centre for Water Resources Development and Management.
- Gridline Consultancy (GCS).
- Humana People to People (NGO).

“ The Neemrana Project is emerging as a model demonstrating a holistic, participatory approach to the issue of resource management and sustainability. The real challenge lies in scaling up the project to achieve impact. We are working towards forging partnerships that can facilitate the scale up. ”

Meenakshi Sharma
Vice President - Sustainability and Communication
SABMiller India

“ I have stopped using flooding system of irrigation and now only use sprinklers and drip irrigation. The water tables are going down and it is pertinent for all farmers to manage water carefully. ”

Ram Singh Yadav
Farmer
Village – Revali

The Extension Programme

The extension programme with farmers is a unique effort since farmers are attracted to this not on the basis of subsidies (which is the main attraction all over India for governmental as well as non-governmental agriculture improvement programmes) but on the basis of quality and dependability of the service. This programme has demonstrated that it's possible to work with the farmers without offering them subsidies. In fact, their own investment in experimentation ensures their full commitment to achieve the desired results as well as for percolating the critical knowledge to neighbouring farmers.

The extension programme has been able to impact 20 farmers per every farmer who is directly engaged in "participatory crop demonstration trials". This has been achieved by converting every farm involved in participatory trials into a learning center for neighbouring farmers.

Way Forward

- An important target is to go beyond the impact ratio of 1:20 in the extension programme. This is being proposed to be achieved by addressing various enabling factors like timely availability of various farm inputs, post-harvest services and market linkages to translate higher productivity into higher incomes. This will further enable technical and financial services for farmer investments in micro-irrigation systems.
- Campaign with state and central agencies for convergence of various Government programmes for development of water harvesting and recharge structures, extension programme for promotion of water stress resistant crop varieties and allied crop management practices.
- Mobilise industry related organizations like CII, IFC, etc. to channel CSR investments of other companies in the target area in the framework evolved by this initiative.
- Mobilise and build capacities of the local self-governance institutions to access relevant government programmes and also bring in community regulation of water use practices.
- Promote precision farming systems based on the concepts of "Soil Moisture Management", and "Plant Growth Management."



Improving Livelihoods using Water Resources Management – Medak, Telangana

Developing and managing sustainable water resources in the region, increasing agricultural productivity, reducing poverty and improving the livelihoods of men and women in the villages.

The Semi-Arid Tropics (SAT) is a hot spot of poverty, hunger, malnutrition, food insecurity, and water scarcity. The land resources here are prone to degradation. The looming water scarcity in the region, as well as the projected increasing demand for water by competing sectors such as agriculture, industry and environment is bound to put more pressure on the scarce and finite water resources in the region. Management of water resources in the region is an important strategy for improving the livelihoods of the poor, but also for sustainable development of the water-based industries such as SABMiller India's Charminar Breweries in the region.

SABMiller India and ICRISAT have initiated a Community Water Resource Management Initiative, located in 10 villages in Medak District in Telangana. The project has a total area of 7661 hectares, of which 5375 hectares (70%) is rainfed. It covers 5754 households with a total population of 30,738. The initiative works to develop strategies for sustainable management of water resources in the region by adopting an Integrated Water Resources Management (IWRM) approach at catchment scale.

Outreach

Crop Productivity Enhancement

- Improved machinery for agricultural operations.
- Improved Cultivars.
- Soil test-based balanced nutrients application.
- Afforestation and horticulture.
- Cattle breed improvement through artificial insemination.

Partners

- SABMiller India.
- International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).
- Rural Education and Agriculture Development (READ, NGO).
- Consultative Group on International Agricultural Research (CGIAR).
- District Water Management Agency (DWMA), Medak, Government of Telangana.
- Watershed Committees and Village Organizations.



Interventions

- Field bunding, a total of 5560 meters done to conserve soil moisture and to reduce soil erosion.
- One hundred and twenty six loose boulders structures and thirty four rock-fill-dams constructed in the villages to conserve rainwater as well as to control gully erosion.
- 7 masonry Gabion structures constructed in deep gullies to arrest widening and deepening gullies by reducing soil erosion and to conserve rainwater as well as sediment.
- 6 masonry checkdams constructed to harvest and store run-off water as well as to increase rainwater use efficiency by recharging groundwater.
- 4 low-cost mini percolation tanks constructed to harvest and store run-off water as well as to increase the equity of benefits to more number of farmers.
- 1 existing percolation tank renovated to increase the capacity of the structure as well as to increase surface water availability.
- 2 farm ponds made to harvest as well as to store run-off water.
- 4 sunken ponds made to trap sediment and run-off water.
- Run-off water diverted into 5 dry open wells to rejuvenate defunct open wells as well as to bring them into use.
- Silted feeder channel of Fasalvadi village tank renovated (8838 m³) to increase surface water availability in the tank as well as to protect the land and crops from erosion and submergence.

Additional water storage capacity

More than **50000 m³** leading to groundwater recharge of about **125000 m³**.

Increase in moisture content

10% in the case of black soils and **5%** in case of red soils.

Average % increase in crop yield during the project tenure

| Year | Cotton | Paddy | Sugarcane | Chickpea |
|------|--------|-------|-----------|----------|
| 2010 | 16% | 15% | 9% | 35% |
| 2011 | 7% | 15% | 7% | - - |
| 2012 | 21% | 20% | 13% | 25% |
| 2013 | 20% | 15% | 12% | - - |
| Mean | 16% | 16% | 10% | 30% |

% increase in income of the small and marginal farmers

| Year | Cotton | Paddy | Sugarcane | Chickpea |
|------|-----------------|-----------------|-----------------|-----------------|
| 2010 | Rs. 7750 (13%) | Rs. 3830 (9%) | Rs. 23370 (8%) | Rs. 4730 (20%) |
| 2011 | Rs. 3700 (9%) | Rs. 4700 (10%) | Rs. 15350 (7%) | - - |
| 2012 | Rs. 15800 (18%) | Rs. 16620 (18%) | Rs. 30730 (12%) | Rs. 10250 (20%) |
| 2013 | Rs. 17390 (17%) | Rs. 7670 (11%) | Rs. 21740 (10%) | - - |
| Mean | Rs. 11160 (14%) | Rs. 8210 (12%) | Rs. 22800 (9%) | Rs. 7490 (20%) |

Way Forward

By increasing number of target villages by adopting integrated watershed management approach from 4 to 10, effort is to harvest as much water as possible and enhance recharge in the ground. The purpose is to develop sustainable water resources in the region as along with enhancing the carbon sequestration to increase the agricultural productivity for reducing the poverty and improving the livelihoods of men and women in the villages.



Ground Water Management Initiative at Sonapat, Haryana.

The project demonstrates agriculture water saving, groundwater sustainability, energy saving, and increasing incomes of farmers.

The Ground Water Management initiative is spread over an area of about 12,143 hectares and targets 26 villages in Sonapat, Haryana in Northern India. As on 31 March 2014, out of seven blocks in the Sonapat District, four blocks fall under the overexploited category, which is alarming. Approximately 96 percent of total cultivable area is irrigated in the district.

Issues related to the neglect of composting, imbalance and non-judicious application of nutrients and chemicals, intensive cultivation of paddy-wheat, sugarcane and vegetable crops over the years have started taking a toll on soil and water resources of the area. As far as groundwater resource is concerned, Sonapat District has nearly 88 percent of its area under irrigation by both the canal as well as the tube wells. Over past years, the area under tube well irrigation is increasing at significant pace but the canal irrigation has remained at the same level.

Project strategy

- Encourage community based approach to Integrated Water Management (IWM).
- Encourage Integrated Nutrient Management (INM) along with educating farmers on randomized control trials (RCTs) and other related site and crop specific issues to tackle the problem on non-judicious use of fertilizer chemicals.
- Promote conjunctive use of available water, propagate better irrigation practices and water conservation techniques.

The above objectives are being achieved through:

- Study of energy use pattern required for irrigation water pumping on sample basis in project area.
- Extensive IEC in project area to bring water-energy nexus to the notice of larger audience.
- Piloting water-energy co-management model in project area - Identifying and demonstrating other technological innovations for decreasing energy consumption in agriculture.
- Identifying alternate cropping patterns to water intensive paddy crop in the area through extensive dialogue with community and research institutions.

Partners

- SABMiller India.
- Confederation Of Indian Industry (CII) - Overall concept and scope and implementation.
- Advanced Centre for Water Resources Development & Management (ACWADAM) - Hydrogeological inputs.
- Gridline Consultancy (GCS) - Remote sensing and GIS technology.



- Identifying, demonstrating and promoting improved cropping practices for enhancing water use efficiency in agriculture.
- Establishing relationship with research and extension institutions and line departments for recognition and promotion of alternate cropping pattern.
- Making efforts to develop reliable agriculture extension systems, for timely delivery of knowledge and other required inputs, as a grass root level intervention.



Results

(Outreach-approximately 2322 farmers)

- Water saving in agriculture on demonstration farms, 92,319 KL (water usage decreased by 17.93% in the year 2013-14 over conventional practice in rainy season).
- Total water saving achieved due to interventions on 144.72 hectares cropped area in the target villages - about 6,05,205 KL (16.46%).
- Our initiative demonstrates average agriculture water saving of approximately 18% over traditional farming practices. It has the potential to help decrease the groundwater abstraction by 17.25%, bring about groundwater sustainability and increase farmer income by 32.88% per hectare as compared to the present level.
- Per hectare increase in water saving of the project in 2013-14 is 139% as compared to last year.
- Per hectare decrease in power consumption due to lower water application is 272% as compared to 2012-13.



Productivity Enhancement

- Food grain crops - 16.56% and vegetable crops - 20.53%.
- Increase in income - 22% (Average Rs. 17,500 per hectare).

A key output of this project has been the demonstration of **Potential for Energy Saving** in Agriculture.

The total reduction in power consumption during entire year excluding power reduction in winter crop demonstration is calculated to be 1,04,512 units on 144.72 hectares cropped area. This is very significant. This power saving mainly due to reduction in irrigation water use without reducing crop productivity is explained to the farmers through IEC campaigns to maximise impact. The table below indicates energy saved through improved methods of irrigation.

Reduction in energy consumption through improving irrigation and other methods.

| Irrigation technique adopted | Total water saving achieved (KL) | Total power saved (KWH) |
|---|----------------------------------|-------------------------|
| Close Pipe Irrigation Method | 91,238 | 15,755 |
| Sprinkler Method | 69,400 | 11,984 |
| Drip Method | 73,483 | 12,689 |
| Land Leveling | 2,78,765 | 48,139 |
| Flood Irrigation on Demonstration Field | 92,319 | 15,945 |
| Total | 6,05,205 | 1,04,512 |

Way Forward

- Go beyond the impact ratio of 1:20 in the extension programme. This is being proposed to be achieved by addressing various enabling factors like timely availability of various farm inputs, post-harvest services and market linkages to translate higher productivity into higher incomes. This will further enable technical and financial services for farmer investments in micro-irrigation systems.
- Increase outreach to farmers to increase their exposure to water and energy saving options.
- Mobilise and build capacities of the local self-governance institutions to access relevant government programmes and also bring in community regulation of water use practices.
- Promote precision farming systems based on the concepts of "Soil Moisture Management", and "Plant Growth Management."



Spent malt project – Medak, Telangana Improving livelihoods of women in community watersheds.

Empowering Women Self Help Groups through micro-entrepreneurship and increasing incomes of farmers from milch animals.

Spent Malt (by-product of beer brewing which consists of residue of malt and grain) is a high quality cattle feed which when given regularly helps increase milk production. The project is underway in 2 villages - Fasalvadi village, Sangareddy Mandal, Medak District, and Kothapally village, Shankarpally Mandal in Ranga Reddy District, Telangana in partnership with ICRISAT. Through this project we are helping local communities generate and increase livelihoods by supporting women from the local Self Help Groups (SHG) - Priyadarshini Women SHG in Fasalvadi village and Tejasri Women SHG in Adarsha watershed, Kothapally village.

Partners

- SABMiller India.
- International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).



We provide them with high grade animal feed which the local Self Help Groups (SHG) sells to the surrounding farmers. It's a win-win association as the farmers benefit from significant increase in the production of milk by 1- 1.5 litre per day. The SHGs on the other hand have made a net profit of Rs. 66560 and have collectively sold 1.6 million KG of spent malt.

“ Water is a scarce and vital resource. Shared by all, it is a collective responsibility of the community. SABMiller India is empowering and enabling small farmers to adopt rainwater conservation, harvesting and its efficient use for food production through Community Watershed Management efforts with technical support from ICRISAT. It is also developing treatment for safe use of waste water in agriculture and thereby contributing towards sustainable development.”

Suhas P Wani
Acting Director - Resilient Dryland Systems
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)

Results and Achievements

Priyadarshini Women SHG in Fasalvadi village

- Beneficiary farmers - 58.
- Spent malt utilized - 1437 kg/day.
- Milch animals fed - 377.
- Increase in milk production - 1 litre/day.
- Increased gross income on milk production - Rs. 12340/day.
- Increased net income of village - Rs. 262350/month.
- Average net income per family - Rs. 4520.

Tejasri Women SHG in Kothapally village

- Beneficiary farmers - 54.
- Spent malt utilized - 1080 kg/day.
- Milch animals fed - 268.
- Increase in milk production - 1.5 litre/day.
- Increased gross income on milk production - Rs. 12950/day.
- Increased net income of village - Rs. 291420/month.
- Average net income per family - Rs. 5400.

Way Forward

The spent malt initiative will be expanded within the current year to few more Self Help Groups (SHGs) from the surrounding villages, near the Charminar brewery in Medak. The project is empowering women SHGs through micro-entrepreneurship and increasing incomes of farmers from milch animals and improving their livelihoods.



Priyadarshini Women SHG in Fasalvadi Village



Spent malt programme in Fasalvadi Village



Safe Reuse of Bio-Refinery Wastewater in Agriculture.

The project explores recycling of treated wastewater from domestic uses and industrial wastewater to benefit farmers, industries, researchers as well as Government organizations.

SABMiller India's Charminar brewery, is part of the Indian consortium led by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) for exploring the use of treated wastewater to increase agricultural productivity and the livelihoods of smallholding farmers in India. Safe use of wastewater in agriculture would not only reduce fresh water demand but also help in protecting groundwater contamination and water quality at downstream water bodies and strengthen various ecosystem services.

The project, also referred to as "Water4Crops – India", is a mirror of European Union's Water4Crops project consortium led by the Istituto di Ricerca Sulle Acque – Consiglio Nazionale delle Ricerche (IRSA – CNR), Department of Bari, Italy. The Four year Indo-European collaborative project is co-funded by the Department of Biotechnology, Government of India, and the European Commission with a total funding of 12 Million Euros.

The Water4Crops project involves multidisciplinary issues of water management,

is unique, and National and International research organizations and Universities have joined hands with private entrepreneurs to find a win-win solution to wastewater disposal.



Constructed Wetlands at Charminar Breweries for Treating Bio-Refinery ETP Effluents

Constructed wetlands are man-made wetlands built to remove various types of pollutants present in wastewater that flows through these systems. They possess a rich microbial community to effect the biochemical transformation of pollutants along with planting systems for treating the wastewater. Constructed wetlands along with high photorespiration planting systems are used for treating the wastewater from breweries. The experiment has been initiated and baseline characterization of the wastewater from the breweries has been completed, and the wetlands are being constructed and stabilized for safe use of water in agriculture.





4

A Clean World

Create value through reducing waste and carbon emissions

“A clean world where nothing goes to waste and emissions are dramatically lower. Climate change has far-reaching consequences for our business and the communities where we operate.”





Driving Efficiency Today and Tomorrow

We aim to reduce the CO2 emissions per hectolitre of beer brewed by 2020 (against a 2008 base), with savings primarily coming from more efficient use of energy, including using energy from renewable sources rather than fossil fuel sources where feasible (presently we are using Rice husks / Bio Mass briquettes in seven of our breweries – RBL, HBL, CBL, PALS, Fosters, SICA and Malabar), and through right mix of operational efficiencies, technological advancements and capital investments.

These savings give us more resources to invest in driving further efficiencies, as well as supporting our business growth objectives. During the year we used 189.9 MJ/hl (Megajoules of energy per hectolitre of beer produced) and our CO2e emissions fell by 7.74% to 12.35 kgCO2e per hl (2013: 13.39 kge/hl). In absolute terms, our carbon emissions were 62770.93 Tonnes (2013:70809.2 Tonnes). These efforts are driven at a brewery level, where water and energy efficiency is a key element of the technical excellence and sustainability agenda. Breweries have clear and stretching targets, which are benchmarked globally each month, with water and energy performance now forming part of the key performance indicators for employees responsible for each stage of the brewing process.



At SABMiller, we recognise the need to move global business practice and local economies from one way consumption, where waste is commonplace, towards a more circular economic model based on reusing, recycling and eliminating waste. Brewing is a natural champion of this approach. Such an approach does not just make sense for the environment; it is also fundamental if we want to grow sustainably in the years ahead. At a global level, we are on track to achieve a 50% reduction in on-site greenhouse gas emissions from our breweries by 2020.

Eliminating Waste from the Brewing Process

About 99% of spent grains from our breweries are sold and reused as nutrient rich inputs to the agricultural sector or to make animal feed. This creates value from waste as well as preventing it from being diverted to landfill. During the year our breweries reused or recycled 90% of their general waste.

Returnable Bottles: Embedding the Culture of Reuse

Continuing the use of returnable glass bottles is a trusted and effective way to reduce the environmental impact of our packaging. It is good for our business, our consumers and for the environment, because returnable bottles are much more resource efficient throughout their lifecycle than cans, PET bottles or non-returnable bottles. Around 83% of our beer is sold in returnable packaging.



Innovation

In India, we have invested in procuring **1100** new coolers for our India retail network, all of them equipped with R134A refrigerant. These new coolers have Smart Controller which allows cooling system to move to Eco Mode when not in use, it automatically switches off light and resets the temperature saving upto **40%** power.





5 A Productive World

Support responsible, sustainable use of land for our crops

“A productive world where land is used responsibly, food supply is secure, biodiversity is protected and brewing crops can be accessed at reasonable prices.”



Our Response

Sustainable Land Use at Chomu, Rajasthan.

We have introduced interventions with the barley farming community in Rajasthan, the barley growing belt of India, to encourage adoption of water efficient and more productive and profitable agricultural practices.

With more than seven billion human mouths for farmers to feed, the issue of food security is one of paramount importance to everyone involved in the agricultural supply chain. Today around a billion people go to bed hungry, a situation that will only become more acute given the projected need for 70% more food production by 2050.

The availability of natural resources and resilience to climate change are also critical to agriculture, which accounts for 70% of freshwater withdrawals; a third of the Earth's land surface supports crop production for food, feed or biofuels.

Naturally, we place a major focus on malting barley, our key brewing crop. We source both from long established barley growing regions, and from newer growing areas in which we have supported the introduction of malting barley as a new source of income. Wherever we source from, we aim to support productivity, resource efficiency, and the profitability of malting barley so that it plays a core role in farmers' crop rotations and in local economies.

In Rajasthan, we have been working with independent, small scale farmers to increase barley yields through better crop management and the adoption of new varieties more suited to the brewing process than those previously grown in the area. These and other efforts have led to improved incomes for farmers, along with reductions in environmental impact.



SABMiller India is committed to support responsible, sustainable use of land for the crops that we use in brewing. Improved crop management practices have the potential to decrease water use while increasing crop productivity.

Project Location

The project is spread over 22,208 ha covering 29 villages fully and 22 villages partially for larger study. For rigorous and deep study for establishing robust water balance and demonstrating a model for sustainability scenario, a small area of 7,830 ha is selected.

Issues Faced

The Project area has low natural recharge potential, high groundwater draft and severe groundwater quality issues. The findings of initial water balance model have revealed that there is a huge gap of 26,039,592 m³ in groundwater abstraction and recharge. This has been validated by observed annual average groundwater decline by 1.6 m in project area. It is required to reduce groundwater use in agriculture by about 40% of present level, to achieve groundwater sustainability. Therefore, it becomes very important to work with farming community at a scale which will make visible impact.

Way Forward

The target area near Chomu poses a tough challenge due to depletion of groundwater and equally or more so because of the high TDS. There are also limits on water augmentation and recharge due to a largely flat terrain.

A long term strategy for this region requires promotion of farm ponds based irrigation with cropping season stretching from July to December - extended kharif crops (e.g.Arhar), with suitable intercrops, and/or two short duration crops (e.g. Bajra and Mustard/Sorghum/Barley) with suitable intercrops. The cropping choices will have to be of low water requirement and tolerant of moisture stress. The size of the farm pond needs to be evaluated with respect to rainfall pattern and crop water requirements. Farm ponds can also take care of domestic water requirements during this duration. Once the farm ponds dry up groundwater may be used for additional irrigation and domestic use. Use of drip and sprinklers for irrigation goes without saying.

Partners

- SABMiller India.
- Confederation of Indian Industry (CII).

Results so far

- Total farmer outreach: **631**
- Average productivity rise of cereal crops over farmer practice: **41.6%**
- Net increase in income from grain crops per ha: **Rs. 20,001 (41.4%)**
- Water saving m³ per ha: **538 (22%)**

The crop water requirements can further reduce promotion of nurseries for developing nursery plants in trays and transplanting once they are matured. Additional techniques for reducing evapotranspiration losses would be to promote bund/hedge plantation of trees like gugul, glyrechia and creeper type vegetable crops. Glyrechia will provide nitrogen rich leafy biomass, gugul will provide long duration income source and vegetables will provide immediate income source. The bund/hedge plantation will provide a green fence as wind breaker. The green fence will also help reducing the on-field temperature.

Other Initiatives



HIV and AIDS

Work Place Initiative

Actively working towards creating better awareness about HIV/AIDS - one of the most important development challenges that India is facing.

In 2007, we launched our HIV/AIDS initiative and began with an internal awareness programme for the employees.

The focus of this initiative was to create awareness, dispel myths creating a fear psychosis through dissemination of correct information and having empathy towards people who live with HIV/AIDS. We recognized that in order to spread awareness amongst employees, the best approach would be to create ownership of the programme within the organization. This was done by training master trainers and peer educators within the organization. This tried and tested concept proved very useful with the result that today the company has 15 master trainers and over 150 peer educators, leading the dissemination drive.

In this exercise the ILO (International Labour Organisation) partnered with SABMiller India as technical and training experts.



Project HUMSAFAR

Employees to Truckers

Creating mass awareness about HIV/AIDS through various outreach activities in our breweries.

In 2008, we launched an innovative HIV/AIDS truckers programme 'HUMSAFAR' to create mass awareness about HIV/AIDS through various outreach activities in our breweries. The programme focuses on providing information and awareness amongst truck drivers, who are considered as potentially vulnerable group. The programme focuses on initiating one-to-one and group discussions, social marketing and condom demonstrations, talk shows, street plays, and interactions with Network of Positive People etc. The programme was first launched in 2008 at the Rochees Brewery, Neemrana in partnership with Humana, a Rajasthan-based NGO and Rajasthan State Aids Control Society. The programme was later extended to other States with high HIV prevalence rate such as Puducherry, Andhra Pradesh, Karnataka and Haryana. The programme, besides reaching out to truckers visiting our breweries, also targets locations where truck drivers halt frequently such as food joints along the highway.

Till date the programme has been able to create mass awareness through various outreach activities in its breweries in high prevalence states like Rajasthan, Haryana, Puducherry, Karnataka and Andhra Pradesh. The programme so far has reached over 76,192 truckers through one-on-one and group discussions, referred 12,054 truckers to civil hospitals and nearby Integrated Counseling and Testing Centres, reached 17,140 truckers through mass media tools such as street plays, films etc, and distributed 2,33,664 condoms through social marketing.



SABMiller India's truckers programme 'Humsafar' has been able to emphasize on educating and creating awareness amongst truckers on HIV/AIDS through various outreach activities. The programme addresses the issue of stigma and discrimination and has been able to contribute valuably towards the fight against HIV/AIDS.

Divya Verma
National Programme Manager
ILO HIV/AIDS India Programme