



# SUSTAINABLE DEVELOPMENT REPORT 2009-2011



Subsidiaries of SABMiller plc

# Ten Priorities. One Future.



*Making a difference through beer*

**SUSTAINABLE  
DEVELOPMENT  
REPORT 2009-2011**

# Acronyms

<b>CSI</b>	Corporate Social Investment
<b>CSR</b>	Corporate Social Responsibility
<b>HB</b>	Heinrich's Beverages
<b>NB</b>	National Breweries Plc
<b>ZB</b>	Zambian Breweries Plc

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# Ten Priorities. One Future.



*Strengthening local communities*

## Foreword



Every organisation throughout the world has a responsibility to society's development if it is to remain in business and be viewed positively by the communities in which it operates. **Zambian Breweries Plc (ZB), National Breweries Plc (NB) and Heinrichs' Beverages (HB)**, who are leaders in the **Zambian beverage Industry** are proud to play a positive role in the development of Zambia. The companies contribute positively towards the country's economy and most importantly towards the upgrading of the lives of (especially the vulnerable) members of our society. As subsidiaries of **SABMiller Plc**, the three companies play positive roles by not only of statutory compliance, but in their contribution to the national budget

and through a range of corporate social investment initiatives. The companies have continued to support local suppliers of goods and services along their value chains, making significant contributions to small enterprise development and creating employment in the country.

While it is true that businesses are employers and customers, they are also suppliers and taxpayers and the interests of the businesses and the wider community are inextricably linked. This is perhaps truer for our business than for many other multinational companies as beer is typically a local product: brewed locally, sold locally and consumed locally. Accordingly, the health and prosperity of the communities in which we operate are intimately



linked to our ability to grow profitably. This only holds true, however, if we operate in a responsible and accountable way. Behaving responsibly towards all our stakeholders is an important part of our beliefs and policies in building sustainable markets.

In 2006 the SABMiller Executive Committee agreed to anchor all businesses on Ten (10) Sustainable Development priorities which help the business focus on the material opportunities and risks that arise from our environmental, social and economic footprints. This report is meant to showcase how the SABMiller companies operating in Zambia are interpreting the principles of Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR). We seek to create a win-win situation for the core business and for the country using the “Sustainable development” concept that was first defined in 1987 by the ‘Brundtland Commission’, a special UN body, as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

This report, which is a first of its kind for Zambian Breweries Plc, National Breweries Plc and Heinrich’s Beverages, further, identifies specific projects designed and implemented out of our Ten (10) sustainable development priorities that the three companies have undertaken over the last three (3) years from 2009 to date. We believe we have made a real difference in raising the quality of life of recipient communities whether in the short or long term. The report evaluates the impact of interventions as well as the sustainability of the projects in question. It is our intention that as our businesses continue to grow, they will have a positive impact on the communities within which we operate.

A handwritten signature in black ink, appearing to read 'Anele Malumo'. The signature is fluid and cursive.

**Anele Malumo**

**Managing Director**



## Introduction

The beverage industry is in effect an agro-processing industry which requires agricultural commodities for the production of beer (lager and traditional), as well as non alcoholic beverages such as Maheu and carbonated Drinks. The commodities have been sourced either locally or imported where absolutely necessary. In Zambia, maize and sugar have traditionally been sourced locally while barley malt, hops and many other raw materials have been imported from Europe, North America and Australia.

In recent years it has become clear that there are significant opportunities for the three companies to play more direct roles in the development of agriculture in Zambia. Increasing local agricultural production of our

raw materials and ingredients for beverage production directly creates more job opportunities in the agricultural sector. To this end the companies have created a new function headed by an experienced senior manager to focus on the development of the agricultural sector in the production of a variety of agro commodities required by the companies. This new function has been dubbed “Enterprise Development”.

The term “Enterprise Development” in this context refers to the pro-active development of local farming capacity in order to establish “in country” capability to supply the two breweries and a Maheu Plant with agricultural products required for the manufacture of beer and Maheu.





#### Aims of Enterprise Development:

- Reduce the cost of raw materials through the local sourcing programme without compromising on the quality of those materials.
- Reduce the risk posed by extended supply lines for materials sourced in Europe or other parts of the world.
- Provide local employment opportunities in the agricultural sector and associated industries.
- Support rural development and government programmes in respect of poverty reduction – by encouraging small holder participation in the agriculture programme wherever possible.
- Enhance farmer capacity through education and training associated with our farming initiatives.
- Reduce the demand for foreign currency needed to import raw materials and ingredients.
- Reduce the carbon footprint resulting from the transportation of raw materials across extended distances by sea, rail or road.
- Provide opportunities to utilise unique / different materials to produce new products which may be uniquely suited to local conditions.
- Provide opportunities to demonstrate good corporate citizenship and to engage positively and constructively with all stakeholders in the agricultural sector, especially with government structures active in the sector.

## Our Guiding Principle in Enterprise Development

The guiding principle for the enterprise development programme is “Creating shared value” and not corporate philanthropy. In creating shared value, the business case provides real and tangible benefits to the stakeholders on both sides of the equation. This is NOT to imply that the programme does not provide support during the establishment phase, but rather that necessary support is provided with a clear exit strategy. The programme endeavours to discourage long term dependency, especially in the case of the small scale farmers. As indicated above, the principle of “creating shared value” aims to create an interdependent relationship with mutual benefits to all.

# Agro-products used in beverage production



The raw materials that can be sourced through farming activities in Zambia are Sugar, Maize, Sorghum, Barley and Cassava. All these crops are grown widely across the country and provide major inputs into our production processes, ZB, NB and Heinrichs' Beverages will spend in the region of ZMK 160 billion (US\$ 30 million) annually on the procurement of local agro-products as ingredients

and the local sourcing programme will impact on around 35 000 jobs in rural areas. With an average dependency ratio of 8:1 this means that the local sourcing programme impacts to a greater or lesser extent on at least a quarter of a million people in rural Zambia. Further opportunities are being evaluated and plans for the establishment of secondary industries for the benefit of primary

agricultural commodities are in the advanced stages of development.

As mentioned in the background the three Companies have traditionally sourced Sugar and Maize locally in Zambia while more recently (since 2005), sorghum has also been introduced as a brewing ingredient which is also sourced locally.

**Maize:**

ZB, NB and HB approximately 50 000 tons of maize is supplied by small scale farmers per annum valued at around US\$ 10 million. The maize is used in the production of clear lager beer, traditional opaque beer and Maheu. This has traditionally been sourced on the open market with no direct line of site between the Company and the individual producers.

**Sugar:**

Procured from the Zambia sugar company, the sugar cane is grown by a combination of commercial farmers as well as a significant number of small scale farmers under an out-grower scheme.

**Sorghum:**

In 2005 the Company launched Eagle Lager using sorghum produced locally by small holder farmers as the primary ingredient. As many as 2 500 small scale farmers are currently engaged in the production of brewing sorghum and evidence suggests that the programme has contributed significantly to the well-being of those families engaged in its cultivation. ZB expects that the Eagle Brand will continue to develop

and grow and that the sorghum cultivation will continue to grow in line with the brand growth to assure supply.

More recently, and in response to government appeals, the company has been involved in the development of the barley growing industry and is poised now to also look at the commercial use of Cassava as a brewing ingredient.

**Barley:**

Since 2009, ZB has been engaged in the establishment of a barley growing industry to replace the large amounts of imported barley malt used as the primary ingredient in our main stream beers (Mosi, Mosi Gold, Castle Lager and Black Label). We are pleased to report that we are now close to self-sufficiency in respect of malting barley, having produced 20 000 tons of high quality barley worth approximately US\$ 10 million over the past two seasons. We expect that from 2012 onwards the companies will no longer need to import any barley malt from abroad. The barley cultivation programme is primarily focussed on commercial growers since, being a winter crop, it requires irrigation and is also a technical crop requiring high levels of expertise to accomplish successfully.

At present the barley is shipped to Zimbabwe for further processing into brewing malt and this finished material is returned to Zambian Breweries for use. The company are now actively engaged in the finalisation of plans to establish a malting plant in Zambia at a cost of around US\$ 30 million. This will not only impact on the local production of beer but will also establish a potential export industry to supply the brewing industry in the entire sub region and also naturally create employment opportunities for the locals.

**Cassava:**

Zambian Breweries is now examining the use of Cassava as a brewing ingredient using experiences of our sister company in Mozambique. This crop is ideally suited to production by small scale farmers and is indeed already widely cultivated in Zambia. We believe that there is a great opportunity for ZB to partner with small scale farmers as well as governmental and non-governmental organisations in commercialising the growing of the crop more extensively.

# Making a difference through beer

## The approach, called Ten Priorities—One Future, revolves around the following principles:

- Combating alcohol abuse
- Making more beer but using less water
- Reducing energy and carbon footprint
- Packaging, reuse and recycling
- Working toward zero- waste operations
- Encouraging enterprise development in value chains
- Benefiting communities
- Contributing to the reduction of HIV/ AIDS
- Respecting human rights; and
- Transparency and ethics in reporting progress



Zambia is blessed with a vibrant and well organized agricultural sector with a good mix of skilled commercial, emergent commercial and subsistence farmers. The climate and soil conditions are conducive to good yields and the support of Government to the agricultural sector is unquestionable. Zambian Breweries Plc and National Breweries Plc have been consistent in financing interventions that stimulate economic and social development and reduce poverty in communities in Zambia. These activities are centred on a 10-Point Sustainable Development Way that all SABMiller Plc subsidiaries use to demonstrate the company's commitment to social development which also provide clarity for our SABMiller shareholders and other stakeholders on what SABMiller companies believe are important for the success of our businesses.

**Corporate Social Responsibility (CSR) for SABMiller simply refers to how SABMiller companies do business in a way that businesses have direct and positive impact on communities or the way that the companies incorporates social and environmental issues in their business operations.**

# Growing local economies

Every year since 2009, Zambian Breweries Plc and National Breweries Plc have spent over K600,000,000.00 on CSR interventions. The areas of support have largely been in Education through infrastructure development, waste management, water reticulation, and others provision of other community social amenities. Below is an objective and informative account of the various activities supported and undertaken by Zambian Breweries Plc and National Breweries Plc during the period under review.

## Creating job opportunities

### The Mpongwe Project - (ZB)

One of the purposes of effective Corporate Social Responsibility Investment programme is to build sustainable value chains. This is one of the areas that the two companies are critically working on, and this is evident in the Zambian Breweries Plc partnership with one of the country's biggest players in the agriculture sector- Zambeef Plc

In 2009, Zambian Breweries Plc embarked on a programme of sourcing barley locally, a major ingredient in clear beer production. Zambian Breweries Plc is currently procuring all the barley produced at the Zambeef Farm in Mpongwe, and the benefits are being passed on to the

local communities in various ways.

"Currently, all the barley we are growing is being sold to by Zambian Breweries Plc. We have plans together with Zambian Breweries Plc to establish a malting factory within the country so that the barley does not have to leave Zambia for Zimbabwe for processing, as the case is now," said Colin Patterson, the Arable Agricultural Manager.

Mr Patterson said through increased production and diversification, more local people would be employed, directly and indirectly. Although barley production is not labour intensive, it has other benefits for local communities, such as the provision of social amenities. In 2011 Zambeef started

an expansion programme which saw the company buy the Nampamba Farm, which was previously run by Commonwealth Development Corporation (CDC). In purchasing the Nampamba Farm, Zambeef took up the responsibility of supporting the Nampamba community and providing basic social needs such as education and health facilities, besides the obvious employment opportunities created for local communities. Zambian Breweries Plc is contributing directly to the provision of educational, health and other facilities through the sustainable provision of a market to Zambeef for its barley.

With Zambian Breweries Plc providing a ready market for the barley

grown by Zambeef, the farm is encouraged to increase its barley production volumes. Increased production will result in higher income, and ultimately, increased and improved provision of social amenities for the Nampamba community. Mr Patterson explained that small scale farmers are willing to switch from wheat to barley production because of the

available market.

Nampamba community has a school which is currently catering for 350 pupils from within and surrounding areas as the area has no government school. School Head teacher Phillip Nzunga is optimistic that as the farm's production levels increase, Zambeef would assist the local community further. He said the Zambeef

and Zambian Breweries Plc partnership was a step in the right direction towards attaining higher production levels.

The Nampamba project has also provided a health facility to the community, providing health services to a population of slightly over 5000 people.

## Job Opportunities within our Value Chain



As regards job creation, Zambian Breweries, National Breweries and Heinrich's Beverages employ close to 30,000 people directly and indirectly

in the seven (7) plants across the Country. National Breweries Plc has five (5) breweries situated in Lusaka, Kabwe, Ndola, Kitwe and Chipata,

while Zambian Breweries Plc has its two plants in Lusaka and Ndola. Heinrich's Beverages has one plant based in Lusaka.



The following is an account of a few of the many programmes that the two companies have undertaken over the last three years to improve the livelihoods of ordinary Zambians in various ways through providing job opportunities.

### Twililile Women's Cooperative society

In its effort to better the lives of local communities, Zambian Breweries Plc embarked on a project to empower women by engaging them to sort bottles at the Lusaka and Ndola production plants. The project was piloted in Lusaka, involving 96 women from Matero Township, who were tasked to sort out bottles in preparation for the beer and soft drinks packaging processes. When the programme proved to be a success in Lusaka after a pilot period, the company decided to extend it to Ndola.

Currently, there are 45 women from Ndola's Chipulukusu Township engaged under this programme. The women all belong to a cooperative, Twililile Women's Cooperative society. Zambian Breweries Plc facilitated the formation and registration of the Twililile Cooperative Society through the provision of a loan to the tune of K500,000. ZB pays out an average of K52,000,000, every month to Twililile Cooperative which is distributed

among the women as salaries, and also directed to assisting those who have been identified as vulnerable members of Chipulukusu Township by the cooperative.

This means each of the women earns an average of K1, 000,000 or more per month, which helps them take care of their families. Zambian Breweries Plc Northern Region Operations Manager Arthur Daka said the programme has proved to be a success, and has impacted positively on the livelihoods of both the direct and indirect beneficiaries. Mr Daka said the company opted to engage women, as opposed to men, because women have proved to be more committed to the project than the men. He explained that initially, men were part of the project but that the incidence of cases such as loss of bottles and absenteeism from work were rampant. He said women have been better able to manage their resources and assist other vulnerable members of their community. "This programme was started in Lusaka and later we rolled it out to other areas and it's working very well. In Ndola, 45 women have been engaged to sort, load and split cases," he said. Mr Daka said the company is impressed to see the cooperative making a difference in Chipulukusu, in line with its obligations in the Articles of Incorporation.

Among the objectives of the cooperative is to assist vulnerable members of Chipulukusu community with the income raised. The engagement of these women has proved to be a success story as the brewery is receiving a service to facilitate its production process, while on the other hand, the women who were once vulnerable and jobless have been provided with a decent source of income. This activity has undeniably had a positive bearing on society at large. Mr Daka explained that the company intends to engage an additional number of women under this programme once the expansion project of the Ndola Plant is complete. Zambian Breweries Plc is currently in the process of expanding its Ndola production plant, a move that will make the plant the biggest brewery in the country both in terms of volumes and physical size.

The expansion programme will gobble US \$90 million and is scheduled to be done over a three (3) year period. The expansion programme will not only improve the business performance of Zambian Breweries Plc but create more job opportunities for the surrounding communities as well as increase the job profile and human resource requirements for the Twililile Cooperative "We know this programme has impacted positively on the residents of Chipulukusu because we have many more women coming through asking to be taken



on, after seeing how the programme has impacted their friends. However, we cannot go beyond the number of women we have at the moment, but we look forward to the completion of the expansion project which will open more opportunities to not only the Twililile Cooperative, but the Ndola community as well.” he said.

A visit to the community of Chipulukusu compound helped to ascertain whether the engagement of the Twililile Cooperative women by the company was indeed having any an impact on the lives of the local community. The findings of the visit indicate that the Co-operative is involved in various charity activities, which include supporting children orphaned by the HIV and AIDS pandemic with school fees and other requisites, providing accommodation to the homeless and aged, and helping other people identified to be affected Aids directly or indirectly.

The group is determined to further improve the lives of the local community in Chipulukusu and probably, beyond as more funds are made available. The women are hopeful that as the plant expands, more work will be available and ultimately, higher incomes for various activities. Jennifer Mukuka, aged 46, says from the income she has earned through working for Zambia Breweries Plc, she is now able to look after her disa-

bled husband and their six children adding that she had no steady source of income before Zambia Breweries Plc engaged them. Another member, 39- year old Justina Kunga who is a widow, has been able to acquire a plot in Chipulukusu using her earnings from Zambia Breweries Plc initiative. Justina takes care of 3 orphans, as well as one child of her own. All the children are in school now after the Zambia Breweries Plc engagement.

The story of 63 year old Felita Mwape is different however in that she is an indirect beneficiary of the Zambia Breweries Plc partnership with the Co-operative. The Co-operative adopted Felita to benefit from the income earned through the bottle-sorting project, with the cooperative now renting a house for the senior citizen, as well as supplementing her other needs such as food and groceries. Justina Kunga explained that the cooperative decided to start supporting Felita upon learning that she was homeless, and without any family or relative to take care of her. “I now have something to smile about, Twililile have given me a reason to live, and they are my children now. I wouldn't be here without them.”

The co-operative also helped Felita to start doing something on her own to earn an income, and she now crochets women's hair covers and table

clothes, which she later sells. Felita commended Zambia Breweries for introducing such a programme, which she said has significantly improved the lives of the women who belong to Twililile Cooperative, and empowered them with sustainable income. Felita's story is just one of the many telling of the difference that the partnership between Zambia Breweries Plc and Twililile Women's Cooperative has made in Chipulukusu. They expressed willingness to take up more tasks, provided they earn a little more. The group has acquired a plot in the township on which they intend to build a facility where they can do other businesses.

# *Strengthening local communities*

## Support to Education



### Mulinga Basic School - (ZB)

The education sector is one of the most important drivers of national development. Although the government has in place several education improvement programmes and interventions aimed at providing education to every Zambian, the task cannot be successfully achieved by government alone. The government has time and again called on the private sector to help address the existing inadequacies in this sector in order for meaningful development to be attained. Zambian Breweries Plc has heeded to the call, with the

company supporting the sector by improving some learning facilities in one of the country's remotest areas.

According to the Central Statistical Office (CSO), Zambia's Western Province continues to be the least developed of the country's 10 provinces. Kalabo District in Western Province is a beneficiary of education support from Zambian Breweries Plc. Zambian Breweries Plc is building a classroom block at Mulinga Basic School at a cost of K225 million. The school caters for more than 800 pupils all coming from Mulinga Village in Kalabo.

The construction of the classroom block by Zambian Breweries Plc will help manage the problem of classroom accommodation and reduce the overcrowding currently being experienced at the school. The school first received funding of K85, 000,000 in November 2010 to embark on the construction of a one by two classroom block at the school.

The road leading to the school is hardly passable in the rainy season, a factor which has probably affected the flow of supplies to the school for infrastructure development. However, this challenge has not prevented Zambian Breweries Plc from supporting the school. Project Technician Litiya Kabubi explained that the project implementation is advanced, although more funding is required to complete the project. "According to the current rates, we require a total of K225 million for the completion of the project. So with the K85 million we received recently, we have only been able to build up-to ring beam level. We have engaged the local community to a great extent in block

moulding, and the provision of sand,” Kabubi said.

### Support to Orphans' Education - (NB)

National Breweries Plc recently provided an education scholarship to Nkole Bwalya, a 16 year old pupil of David Kaunda Secondary School. The scholarship covers Nkole's school fees and up keep. The scholarship came about after NB was approached by the Zambia Institute for Sustainable Development, an institution that helps find funding for orphaned children. NB took a bold decision to adopt one 16 year old Nkole Bwalya, a then Grade 11 student of David Kaunda Secondary school.

Nkole is a female student that has through the years struggled with school fees and finding resources

to pay for other necessities needed for her to comfortably complete her secondary education. The Company, which has so far contributed more than K10m, 'adopted' Bwalya in January 2011 and has since been supporting her financially and materially in an effort to help her realise her dream of wanting to be a Chartered Accountant.

### Environmental Consciousness - (NB)

National Breweries Plc has in the recent past been involved in issues to do with the environment through a donation of K5,000,000, to Eastern Province Mfuwe based Yosefe Basic School to help with their Anti-Litter Campaign which involved 60 pupils from the Conservation and Chongololo clubs at the school, to launching an over K80m national campaign in

line with the “Make Zambia Clean Campaign”.

For Yosefe Basic School, it was the culmination of many weeks of preparation, consultation, research, and distribution of posters and the making of displays, signs and props that made up their Anti Litter Campaign day that saw the pupils march around Mfuwe carrying banners and collecting litter along the way. They had also made bins from recovered snare wire which they carried on their backs.

The pupils also distributed information leaflets in Chi Nyanja and English to all the villages and shops along the way. The Officer in Charge of Mfuwe Police gave an escort to the Parade all the way in his Police vehicle which made the pupils feel much safer.

The company spent over K80m in an anti-litter drive which saw over 100 bins being placed in strategic places in the communities to help with the waste disposal where bins were not available. Over 10,000 Informational posters were also printed and distributed through the various municipalities. A 6 series radio program was also produced and aired on Zambia National Broadcasting Corporation which also aired informational jingles in English, Nyanja and Bemba all in a bid to sensitise the public to throw litter in designated areas.



## Providing Clean Water

It is estimated that within two decades the collective human demand for water will exceed supply by 40%. We must work together to address this challenge. Brewing beer is a water-intensive process and as one of the world's largest brewers, water security is important to SABMiller. The scarcity of water represents a potentially significant risk to parts of our business and to some of the communities in which we operate.

At SABMiller, we are committed to making more beer using less water. Indeed between 2008 and 2015, we've set ourselves the challenging target of reducing our water use by 25% per hectolitre of beer. This reduction will save around 20 billion litres of water every year, which is enough to fill 8,000 Olympic-sized swimming pools.



Zambian Breweries Human Resources Director Nyangu Kayamba presented the donation on behalf of Zambian Breweries to the government. Ms. Kayamba said that the donation is in line with the Zambian Breweries Corporate Social Responsibility Sustainable Development 10

Priorities – One Future programme which mandates us to build sustainable communities.

The 'Sustainable Development Way' is a robust, rigorous and transparent approach to managing our Corporate Social Responsibility (CSR) and in meeting our sustainable development

priorities, with clear management accountability and responsibilities across the business, she said.

Underpinning this approach are 10 sustainable development priorities that demonstrate our commitment and provide clarity for our businesses, shareholders and other stakeholders on what we believe are our material issues. They inform how we focus our efforts and prioritise our resources. The Ten priorities include Discouraging irresponsible drinking; Making more beer but using less water; Reducing our energy and carbon footprint; Packaging, reuse and recycling; Working towards zero waste operations; Enterprise development; Benefiting communities; Contributing to the reduction of HIV and AIDS; Human Rights; and Transparency in reporting on our progress.

Ms Kayamba said that Zambian



Breweries are pleased to donate six (6) 6000 litre water tanks to the Disaster Risk Reduction, Preparedness and Response (DRRP&R) Programme. In donating these tanks, we are inline with two among our ten sustainable development priorities.

These are Benefiting Communities and Making more beer but using less water. Under the Making More

Beer and using less water priority, Zambian Breweries ensures that communities around us are provided with safe drinking water. Today we demonstrate once again our commitment to the priorities above.

The tanks were procured at a cost of K20 million and a further K45 million will go towards the procurement of the tank stands. We have responded

to the request by the Disaster Risk Reduction, Preparedness and Response (DRRP&R) Programme because we believe that this is an effective channel of contributing to the needs of our communities. We therefore request that the 6 tanks be distributed to communities around our brewery including Matero, Kanyama and John Laing. Ms. Kayamba said that Zambian Breweries remains committed to the development of sustainable communities in Zambia.

And receiving the donation on behalf of the Disaster Risk Reduction, Preparedness and Response (DRRP&R) Programme, Lusaka Province Deputy Permanent Secretary Kaizer Zulu said that the government was elated at Zambian Breweries donation. Mr Zulu said that providing clean water to communities was a priority for the government, we are therefore very pleased with this donation as it will go a long way in meeting the challenges that our communities are faced with in getting clean water. Madam Director HR, we hope that your company will continue helping the government in providing such services.

Mr Zulu urged other corporations to emulate Zambian Breweries and contribute towards the needs of the local communities. "I would like to use this opportunity to challenge other corporations to emulate Zambian Breweries Plc and contribute generously.

# Promoting sensible drinking

## ZAMBIAN BREWERIES & NATIONAL BREWERIES TRAIN MUSICIANS IN ALCOHOL RESPONSIBILITY

Music has always been an integral part of entertainment and more often than not, where there is entertainment, there is bound to be some alcoholic beverages. The symbiosis between alcohol and music cannot be ignored.



It, therefore, seemed natural for Zambia Breweries Plc and National Breweries Plc to come together with the Zambia Association of Musicians (ZAM) to train the latter's members and entertainment journalists on 'Being a Positive Influence'.

Zambian Breweries Man-

aging Director, Anele Malumo, observed that both musicians and brewers have witnessed advances in the way they produce, package and distribute their products and services; such that the messages now being transmitted in the music had changed.

Rapid changes in human

development, he noted, had necessitated changes in the way musicians compose and play music.

"This change does not need to be negative; it does not need to be offensive but rather, it should consolidate our African values, which we have cherished generation after generation," counseled Anele.

He outlined the close connection between music and consumption of alcoholic beverages during festivities, hence, the reason for the company's corporate social responsibility agenda seeking to ensure that "our consumers enjoy our beers responsibly".

Anele noted that while most consumers do drink responsibly, there are a

minority that drink too much, drink even though they are under the legal drinking age or drink and drive. These, he said, could potentially cause harm to themselves and to those around them.

"We do not support, encourage or condone alcohol abuse. It is simply not in our commercial interests to do so," he emphasized.

He explained that the two companies' support to musicians through this training workshop, was a clear indication and demonstration of the appreciation they have for the musicians; and more importantly, a demonstration of the realisation of the influence that musicians have on the young generation.



“Our musicians can and should be role models for our younger generation in as far as responsible consumption of alcoholic beverages is concerned. We would like to contribute to the consolidation of those values in our society, that encourage good moral behaviour and indeed decency, while celebrating music or any other festivity,” said Anele.

During the workshop, lessons were shared in the areas of triggers of HIV and AIDS, challenges and dynamics of alcohol and dynamics of personal development. SABMiller Africa Policy and Issues Manager, Mitch Ramsay, was among the facilitators.

Minister of Information, Broadcasting and Tour-

ism, Given Lubinda, who officiated at the mentorship workshop lauded the timing of the workshop, which he said coincided with the festive season “when society is vulnerable to different vices.”

Mr. Lubinda further noted that the workshop had come at a time when a number of young people in the country had sadly taken to uncontrolled and under-age consumption of alcohol, thereby increasing the chances of seriously decaying the moral fiber of society.

Notwithstanding the recent negative developments associated with the arts and music in particular, Mr. Lubinda reiterated that “artistes, like all other vocations, are free to exploit their talents for their per-



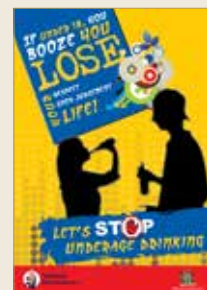
sonal and national benefit.”

He, however, cautioned artistes to avoid using their talents to destroy society and the moral fiber which has held Zambian society together over the years.

“It is important for artistes to understand the rights and responsibilities that go with ‘freedom of expression’ so that their works are not injurious to the public,” he advised.

Mr. Lubinda hoped that the two companies would continue to partner with ZAM in bringing the latter’s 2012 – 2016 Strategic Plan, which includes issues on how best to fight HIV and AIDS and other social vices like alcohol and substance abuse, to fruition.

#### Campaign Against Under-Age Drinking



One of the core SABMiller guidelines for Corporate Social Responsibility (CSR) interventions is to discourage under-age drinking. The effects of under-age drinking are grave, and have the potential to negatively affect national development in many aspects. National Breweries Plc desires to be a partner in meaningful national development, and has partnered with the Ministry of Education to curb under-age drinking, which leads to poor academic grades, unwanted pregnancies and alcohol related road accidents.

The Ministry of Education was chosen as a partner in this project because it plays a major role in the dissemination of information regarding the effects of under-age drinking in schools. In 2010, National Breweries Plc dedicated over K130 million towards the campaign against under-age drinking, and distributed over 10,000 posters denouncing under-age drinking.

## Strengthening local communities



### Fighting Malaria - (NB)

Malaria is one of the leading causes of illness and mortality in Zambia, and a source of concern for the government and other stakeholders in the development process. Malaria deprives the country of its

much needed skilled manpower, and affects the execution of developmental programmes. The disease drains vast amounts of resources from the national coffers, which could otherwise have been used to develop infrastructure and

other requirements for national growth. The government, through the Ministry of Health, has introduced various campaigns against malaria, which emphasise on the prevention of this deadly illness.

The provision of Insecticide Treated (Mosquito) Nets (ITNs) has proved to be one of the most effective ways of tackling malaria, especially among expectant mothers and children. National Breweries Plc partnered with the government in curbing the scourge and in 2010 started a 'Kick Out Malaria' programme. The campaign is held every year in the month of October. In its first contribution to the campaign, National Breweries distributed over 700 Insecticide treated mosquito nets to ALL of its' employees who operate in 5 different towns of Lusaka, Kabwe, Ndola, Kitwe and Chipata. The action by National Breweries has clearly been fruitful as reported by Kitwe based physician, Dr Patrick Makelele who was present at the Launch of the Campaign & net distribution event. Dr Makelele said that the number of malaria cases has significantly reduced. "The number of employees who



sought health services due to malaria in 2011 reduced by 30 per cent.

The employees have appreciated the good gesture by the company,” he said. Dr Makelele said National Breweries Plc has also been helping the community in fighting the HIV and AIDS pandemic.

The Kitwe District Health Malaria coordinator Godfrey Ngoyi also confirmed that Malaria cases have decreased due to multiple interventions by various stakeholders in the city. “Indoor residual spraying, health education and the distribution of treated mosquito nets to pregnant women and under- five children have

reduced the malaria fatality rate. The involvement of local companies such as National Breweries Plc and others which have joined the fight against malaria has significantly contributed to the reduction in the number of cases reported,” Mr Ngoyi said.

Dr Makelele recommended that in order for the fight against malaria to be more effective, there was need for the corporate world, National Breweries Plc in this case, to collaborate with National Malaria Control Centre (NMCC) to come up with a common strategy. He also called for increased financial and material support to anti-malaria efforts at community and

national level. He further suggested regular monitoring programmes to ensure that those who benefit from such programmes are using the donated material for its intended purpose. If the country is to record meaningful social and economic development, it is critical that key sectors such as health are taken care of, and adequately supported by both the government and the private sector. The efforts shown by National Breweries Plc in fighting one of the country’s deadliest scourges, therefore, should be appreciated by all even as more is expected to be done in the near future.

## *Making a difference through beer*

### Chipata Nsolo Project - (NB)

National Breweries Plc has invested over K10million in the Nsolo Project in Chipata district in the Eastern Province of Zambia. This is a social project meant to provide a platform for interaction for both the youth and the elderly in Chipata. The project site is an open place at which the young and the old meet, and this facilitates the sharing of traditional





roots in the modern time. Nsolo is a game that involves players moving stones or seeds from one hole to another while emptying an opponent's holes.

Nsolo Project Chairperson Reuben Banda said the project has provided a platform for elders and the youth to interact and share cultural and traditional values adding that the community in Chipata appreciate National Breweries Plc's support to this unique innovation, which he said has greatly contributed to the reduction in incidences of bad-vices in society.

"This project is very exciting and it has impressed all of us. It has helped to bring together people of various ages, and given us a platform to counsel the youth," Mr Banda said." He said as a way of addressing the moral decay in society, elders who are part of the Nsolo Project often encourage the youth to participate in the games where advice is offered to them while playing the game. Mr Banda explained that during the gatherings, the youth are taught how to be responsible men who are encouraged to uphold good cultural values.

"The essence of the project is to revive the lost cultural values, and ensure that there is continuity through the youth," said Mr Banda. Currently, the project has 200 registered and regular members, but Mr Banda explained that there are many others who gather to play the game but are

not registered while others have been allowed to participate without registering in order to encourage interaction between the young and the old.

He also said the project leaders have been in talks with some influential women in Chipata to try and accommodate women in the project. Presently, all the beneficiaries are male. Mr Banda said the decision to work toward accommodating women was arrived at after realising the impressive social impact the project has had on the male youth. "It has been widely felt that women should be part of this project so that young women are also counselled on various social issues the same way our male youth have been counselled," said Mr Banda.

National Breweries Plc Chipata Brewery Manager Daniel Foroma explained that the company was motivated to contribute resources into the project because it was initiated by the community. "The beneficiaries of this project are the same community who initiated it and others being reached by the initiators. The project started in 2009 and when we were approached, we made a donation of K4, 000,000 through the council," he said. Mr Foroma said National Breweries Plc has invested over K10,000,000 in the project so far and intends to continue supporting the initiative.

From the brewery point of view, the project also aims to assist people

going through stress, as the nature of the game helps to relieve the mind just like other sports. The game also helps improve one's skill in making decisions, due to its practical nature. "Once everything is put in place, we will make sure that even the surroundings of the building are brought up to standard as it is a place where the company can hold campaigns in order to raise more awareness on vices like alcohol abuse. We also have plans to hold tournaments to make the sport more popular," said Mr Foroma.

# Protecting local environments

## Disaster Management & Anti-Litter Campaign



In its efforts to support the government's 'Make Zambia clean and Healthy Campaign' which was launched by the late Republican President Levy Patrick Mwanawasa in 2007, National Breweries Plc donated K120 million to the Disaster Mitigation and Management Unit to help maintain a healthy environment. The company has also, over the years, placed over 100 bins in selected outlets, with more set to be distributed. The company has also distributed more than 5,000 posters against littering in English and two local languages- Bemba and Nyanja.

National Breweries Plc Operations Director Ronny Palale said the company was concerned about the amount of litter in communities, which is the root cause of diseases. The then acting Minister of Local Government and Housing Bradford Machila said the ministry was happy to partner with National Breweries Plc to realise the objectives of the 'Make Zambia Clean and Healthy Campaign'.



## Heinrich's Beverages Involvement



Heinrich's Beverages which is the newest SABMiller entrant in Zambia, having come into being in 2009 is now the producer of the famous maize produced thick milky non-alcoholic drink that is famously known as 'Super Maheu'.

The company, though just over 2 and a half years old is following after its sister companies footsteps in 'strengthening local communities' through monthly donations to various vulnerable groups through out the country.

As part of its sustainable development program, the company has

'partnered' with the Zambia Development Agency and the Livingstone City Council to help the Livingstone Widows Association build a multi-million kwacha worth training shelter for its members and orphans who currently use Super Maheu used containers to make assorted goods in the form of handbags, door mats and even cell phone covers which are sold to the tourists and the locals of Southern Province. The training centre which will be built at a cost of more than K180 million is expected to be completed before the end of the year with works having been started already. This project not only helps

make Livingstone town environmentally clean as the 'litter' is being put to good use but also helps the widows make a living for themselves and other orphaned children without relying on hand-outs.

Heinrich's beverages also recently went into a partnership with the Catholic Relief Services that is a project that seeks to strengthen capacity of Zambian communities to provide sustainable prevention, care and support services to people living with and affected by HIV and AIDS. CRS provides financial and technical assistance to the Dioceses of Ndola, Mongu, Mpika and the Archdiocese of Kasama, which implement activities in 24 districts of Zambia. Heinrich's Beverages has since its partnership with CRS catered for over 4000 people with their donations of Maheu.

## Other CSR interventions

### HIV and AIDS Policy

Both National Breweries Plc and Zambia Breweries Plc have for many years been actively involved in other corporate social responsibility programmes both internally and externally which includes and the fight against HIV/ AIDS. The HIV/ AIDS policy is recognised as one of the strongest in the country, the challenge of HIV and AIDS however remains one of the biggest to the corporate organisations, given its impact on the labour force in the businesses as well as the supply and distribution chains. The ZB and NB have in place programmes that promote awareness and understanding of the pandemic beyond the workplace.

### Environmental Consciousness

Operating in an environmentally responsible way is a priority to Zambia Breweries Plc, as one of the biggest recyclers in Zambia. Bottles are reused between 10 and 25 times during their life cycle, after which they are recycled. This has provided opportunities for small local recycling businesses to develop. Both National Breweries Plc and Zambia Breweries Plc made a donation of K5m

worth of seedlings for the National Tree Planting exercise which commenced in December 2011.

In 2011, Zambia Breweries Plc and National Breweries Plc undertook various CSR activities totalling more than K500,000,000. Some of the projects are detailed below:

### Producer Responsibility Organisation

The project involved the establishment of the extended producer responsibility framework in Zambia. The activity was undertaken with support from Coca-Cola and a total of K25,000,000 was allocated. And in the same vein, National Breweries Plc, in its continued response to helping the municipalities Keep Zambia clean procured a K37m worth skip to help the local council in the collection of garbage around the Lusaka City.

### Chainda Orphanage

Zambia Breweries Plc sought to improve the water reticulation system in Chainda, and a budget of K5,000,000 was set aside for this project.

### Kalingalinga Hospice

National Breweries Plc pledged to continue supporting the Our Lady's Hospice based in the Kalingalinga area of Lusaka where the terminally ill are looked after with over K15m paid so far in helping the hospice buy re-agents for the laboratory.

### Mazabuka General Hospital

Zambia Breweries Plc allocated K10,000,000 for the improvement of water reticulation at Mazabuka General Hospital. A further K5,000,000 was allocated for a similar project at Ndola's Arthur Davison Hospital. Sichili Hospital, Mission and Basic School were allocated K50,000,000 for the sinking of a borehole, infrastructure rehabilitation and donation of academic development books.

Anti-alcohol and drug abuse campaigns received an allocation of K120,000,000.

Zambian Breweries Plc, National Breweries Plc and Heinrich's Beverages CSI and CSR programmes have received recognition by the Zambian government; however the Zambian government could consider making business and public policy decisions that could even increase the impact and ensure that a business friendly environment is maintained for the private sector to flourish.

On our part, we will ensure that beneficiaries of CSR activities are trained to be self-reliant and able to sustain the activities long after our contributions are withdrawn.

# Ten Priorities. One Future.



*Growing local economies*



# Ten Priorities. One Future.

Combating alcohol abuse



Making more beer using less water



Reducing our energy and carbon footprint

CO<sub>2</sub>

Packaging, reuse and recycling



Working towards zero waste operations



Encouraging enterprise development in our value chain



Benefiting communities



Contributing to the reduction of HIV / Aids



Respecting human rights



Transparency and ethics

