



The value of local growth

About SABMiller

SABMiller plc is one of the world's leading brewers with more than 200 beer brands and some 70,000 employees

Latin America



32%

Contribution to group EBITA¹

Understanding local issues

Small and medium-sized enterprises make up over 95% of firms in Latin America, providing employment for over 60% of the population.

Our response

We support entrepreneurship programmes across Latin America. Since we launched the programme six years ago 92% of the 331 new businesses supported by *Destapa Futuro* in Colombia are still trading.

Countries covered in this report

Colombia, Ecuador, El Salvador, Honduras, Panama, Peru.

Europe



12%

Contribution to group EBITA¹

Understanding local issues

According to the World Health Organization, its European region has the highest levels of alcohol consumption and alcohol-related harm. Levels of harm vary and are higher in the east of the region than in the west.

Our response

We are a founding member of the EU Alcohol and Health Forum. This year we submitted commitments to the forum to use age verification procedures on all online brand platforms; increase the number of brands with on-pack responsible drinking messages about not drinking when pregnant; and strengthen our practices to minimise underage exposure to advertising.

Countries covered in this report

Czech Republic, Hungary, Italy, Poland, Romania, Slovakia, Spain (Canary Islands), the Netherlands.

North America



12%

Contribution to group EBITA¹

Understanding local issues

The Environmental Systems Research Institute estimates that, if current rates of population change continue as they have for the past 20 years, by 2035 there will be more minorities than non-Hispanic whites living in the USA.

Our response

MillerCoors has invested in a range of programmes to promote diversity among employees, suppliers and communities. This year MillerCoors has engaged more than 700 minority and woman-owned suppliers and increased diverse supplier spend by US\$29 million.

Countries covered in this report

USA (MillerCoors is a joint venture with Molson Coors Brewing Company).

Africa



12%

Contribution to group EBITA¹

Understanding local issues

Agriculture employs 65% of Africa's labour force and accounts for 32% of gross domestic product.

Our response

We directly employ around 13,000 people in Africa and have helped create and sustain around 765,000 other jobs, many in agriculture.

Countries covered in this report

Botswana, Ghana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

Asia Pacific



13%

Contribution to group EBITA¹

Understanding local issues

In July 2012 unseasonably low monsoon rains across India not only threatened water security but also affected hydropower generation, leading to the largest electrical blackout in history affecting roughly 10% of the world's population.

Our response

SABMiller India has partnered with The International Crops Research Institute for the Semi-Arid Tropics to protect water resources, increase crop productivity and improve the livelihoods of local farmers.

Countries covered in this report

Australia, India, Vietnam.

South Africa



19%

Contribution to group EBITA¹

Understanding local issues

South Africa faces a 17% gap between current water supply and projected demand in 2030 from population growth, industry and the need for more power generation.

Our response

The *Strategic Water Partners Network*, co-led by SAB (Pty) Ltd and part of the Water Resources Group, has successfully brought together a variety of partners to collaborate and implement water projects to reduce the gap.

Countries covered in this report

South Africa.

¹ Excluding corporate costs.

Performance highlights

Strong results across the group

70,000+
employees

242m
hectolitres lager volumes

US\$34,487m
group revenue

US\$6,421m
EBITA

3.7
hl water/hl lager

11.1
kgCO₂e/hl lager

48,000+
employees trained in alcohol
responsibility

Boundary and scope of this report

This report covers the financial year ended 31 March 2013.

Operations are included in this report on the basis of management control by SABMiller entities and are listed opposite. Our US joint venture, MillerCoors LLC, is also included. Our economic interest in MillerCoors is reflected when reporting quantitative key environmental performance indicators. Due to the nature of the joint venture, MillerCoors is excluded from the independent assurance of this report (see page 21). We aim to include new acquisitions or market entries within two years. This year Carlton & United Breweries² (CUB) in Australia is included for the first time. A full list of the operations covered in this report is available on page 4.

Where we hold a minority share in an alliance or partnership, we engage with our partners on sustainable development issues. Information on business partners can be found at www.sabmiller.com/sd

² Carlton & United Breweries is the Australian beverage business of Foster's.

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Find out more

The full online SABMiller Sustainable Development Report includes information on the progress we have made against each of our 10 sustainable development priorities along with additional performance data and case studies, position papers on each of the sustainable development priorities, and reports on specific issues.

 Both the full report and this summary can be found at www.sabmiller.com/sd



Annual Report

For an overview of our markets and operations, please refer to our Annual Report. www.sabmiller.com/annualreport



SAM tool

Learn more about our performance through the Sustainability Assessment Matrix (SAM) scorecards for our operations. www.sabmiller.com/sam

Global Reporting Initiative (GRI) This report has been produced in accordance with the GRI G3 guidelines and meets the requirements of the B+ application. Our GRI content index can be found at www.sabmiller.com/sdreporting.

United Nations Global Compact (UNGC) This document forms our progress report against the 10 principles of the UNGC and the UNGC CEO Water Mandate. Further information is available at www.sabmiller.com/sdreporting.

UN Millennium Development Goals (MDGs) SABMiller supports the MDGs and seeks to make a meaningful contribution to their achievement in the communities in which it operates.

FTSE4Good and Johannesburg Stock Exchange Socially Responsible Investment Index SABMiller is a member of the FTSE4Good and the Johannesburg Stock Exchange Socially Responsible Investment Index (reflecting the listing of shares in both the UK and South Africa), as well as other relevant indices used by the investment community.

Carbon Disclosure Project SABMiller participates in the CDP Carbon, Water and Supply Chain Disclosure Projects, which provide insight into the risks companies face in these areas.

Joint statement by the Chairman of CARAC and the Chief Executive

Our progress and performance are overseen by the corporate accountability and risk assurance committee of the board (CARAC)



Dambisa Moyo
Chairman of CARAC



Alan Clark
Chief Executive

We've become a global brewer by excelling locally – nurturing strong, local brands which suit the tastes of consumers in each of our markets. One of our four strategic priorities is to be constantly raising the profitability of local businesses, sustainably. We do this by producing high-quality beers and soft drinks which are enjoyed by millions of people, and by doing so create jobs, pay taxes and build the skills base in our local markets. This year we generated US\$25,042 million of economic value through our business activities, most of which was distributed to employees, shareholders, governments and local communities.

Business does not operate in isolation. Our success is linked to that of the communities we serve and to how we respond to society's changing needs. By 2030 the middle class³ is expected to rise from two billion to five billion, with most of the increase in emerging and developing markets. Given that these are important growth markets for SABMiller, we're investing in their future. In the past five years we've invested more than US\$1,760 million in breweries and bottling plants in Africa alone.

Promoting economic growth and innovation across our value chain

Small and medium-sized enterprises (SMEs) are a major driver of economic growth. In Latin America, for example, SMEs make up over 95% of local businesses and provide employment for over 60% of the population⁴. In our value chain, small retailers play a critical role in helping hundreds of thousands of families to escape poverty through their own efforts, often in just one generation.

Around the world we've enabled entrepreneurs to establish thousands of new businesses. Many have grown from informal businesses into self-sustaining companies. This year alone SABMiller – including our foundations – invested over US\$6 million in programmes to foster entrepreneurial activity worldwide.

In Africa, the livelihoods of 65% of the population depend on smallholder agriculture. We've pioneered the use of sorghum and cassava in brewing, opening up new markets and incomes for local farmers and helping them to increase their yields. For instance, we launched Impala – the world's first commercially-made cassava beer – in Mozambique in 2011 and this year introduced a cassava beer in Ghana. This year our African division sourced 52% of its agricultural crops from within Africa, achieving a year early its target of 50%.

Reducing the harmful use of alcohol

We operate over 100 programmes around the world to contribute to reducing the harmful use of alcohol, such as drink-driving or underage drinking. Much of our work is in collaboration with government, local partners and communities.

Our approach to helping to reduce alcohol harm also requires regular reviews of our commercial governance practices to reflect society's expectations. We believe that our policies on employee behaviour, commercial communication and product innovation are at the leading edge of our industry, as is the company-wide training programme that reinforces our beliefs in this area.

In October in response to the call by the World Health Organization and its member states in the WHO's *Global Strategy to Reduce the Harmful Use of Alcohol*, we signed a five-year global action plan with other leading beer, wine and spirits companies to help reduce the harmful use of alcohol⁵. These commitments address important issues like underage drinking; responsible marketing; consumer information and responsible product innovation; drinking and driving; and retailer support. We have further committed to independently audit compliance and report annually to the international community. We're confident of meeting these commitments according to the stated timetable.

A joined-up approach to water, food and energy

According to the 2013 World Economic Forum *Global Risks Report*, water supply is one of the top five global risks in terms of likelihood and impact. SABMiller relies on high-quality water and water scarcity is already becoming a reality for some of our breweries.

Water security risk cannot be tackled in isolation: it needs to be addressed alongside food and energy security with businesses, governments and civil society working in partnership to develop practical, local solutions. In areas where water security presents a potential challenge to our business, we're taking a lead in creating these partnerships.

Our *Water Futures* partnership, established in 2009 to protect watersheds and boost groundwater levels, covers local projects in eight countries. In South Africa we're a founder member of the *Strategic Water Partners Network* – part of the global Water Resources Group (WRG) – which brings together businesses and other organisations to improve water efficiency and infrastructure.

Last year water efficiency within our operations improved by 8%, while fossil fuel emissions per hectolitre of lager produced fell by 10%. From a 2008 baseline we're on track to meet our goals of reducing water use per hectolitre of lager by 25% by 2015 and to halve our on-site fossil fuel emissions per hectolitre of lager by 2020.

Consistent leadership

Our 10 sustainable development priorities provide a consistent framework for managing sustainable development, informing how each of our operations focuses its efforts, and prioritising resources. This report illustrates how sustainable development is integrated into SABMiller's regional and in-country business strategies, addressing the issues most material to our local businesses and communities.

As a change in leadership occurs, our commitment remains unwavering. By sharing our local knowledge and collaborating with our stakeholders, we're confident we can continue to find innovative local solutions to shared challenges.

Find out more

 Go online to watch members of our executive committee talk about SD at www.sabmiller.com/sdfilms

³ Middle class is defined as having daily per capita spending of US\$10 to US\$100 in *The emerging middle class in developing countries*, Homi Kharas, OECD Development Centre Working Paper No. 285, January 2010.

⁴ OECD, Latin American Economic Outlook 2013, SME Policies for Structural Change, 16 Nov 2012.

⁵ More information on the Beer, Wine and Spirits Producers' commitments can be found at commitments.global-actions.org

Stakeholder commentary

Working in partnership with a wide range of stakeholders to drive progress on our three key focus areas: water, enterprise development and combating the harmful use of alcohol

We believe that by building strong partnerships we can create better solutions and make a greater difference in our markets than if we worked alone.

Our businesses regularly engage with a range of stakeholders including consumers, governments, regulators, NGOs, academic institutions and suppliers. Listening to and working with stakeholders at a global, regional and local level can often provide us with the additional insight and local knowledge we need to address our sustainable development priorities more effectively.

Stakeholders' views, especially those of some NGOs, can often be challenging, but these conversations can also be valuable as part of a constructive collaboration.

We believe that by building strong partnerships we can create better solutions and make a greater difference in our markets than if we worked alone. By working with us, our partners can harness our scale and expertise.



At the launch of Ghana's first cassava beer, Paramount Chief of the Asogli State and President of the Volta Regional House of Chiefs commented:

"I am proud to be associated with a product whose major raw material, cassava, is sourced locally. This means growth, this means better living conditions for those who grow cassava not only in the Volta region but in every part of Ghana."

Togbe Afede XIV
Paramount Chief of the Asogli State and President of the Volta Regional House of Chiefs



"In El Salvador SABMiller partnered with FUNDES to work with more than 600 "tiendas" (small shop owners): an example of Shared Value. The partnership aims to teach small shop owners how to improve their sales and inventory management. These retailers were very poor, and had never been trained in retailing. FUNDES taught them how to display their merchandise, control inventory, improve lighting and manage their stores better. The result was a 38% average increase in sales, which had a huge impact on improving their livelihoods. SABMiller and FUNDES tackled the social problem of poverty among these shop owners, and by applying their business skills helped them become more competitive and grow their incomes. Their combined impact also helped to grow the local economy."

Mark R. Kramer
Managing Director, FSG and Senior Fellow, CSR Initiative Harvard Kennedy School of Government



"SAB (Pty) Ltd is playing a leading role in water stewardship within South Africa. First of all, and most importantly, SAB has made a thorough assessment of its own water footprint and has begun setting clear targets and making operational improvements to reduce that footprint.

Secondly it is exploring water risks within its supply chain and investing in water stewardship in the truest sense, by encouraging and enabling its suppliers to reduce their water risk and water impacts. This is an area where WWF-SA has collaborated very closely with SAB and we are proud of the leading work we are achieving together with hop farmers in the George area.

SAB has taken great strides towards water stewardship since our co-operation kicked off three years ago. It is encouraging to see the continued focus on improving internal water efficiency in the breweries and in the supply chain."

Christine Colvin
Senior Manager, Freshwater Programmes WWF-South Africa



Kingdom of the Netherlands

At the first anniversary celebration of the launch of Impala, the first cassava beer in Mozambique, the Dutch Ambassador commented:

"The launch of Impala beer is something of which SABMiller and Cervejas de Moçambique can be proud. It was the first time in Mozambique that a multinational company managed to successfully incorporate cassava – a small-scale farmers' crop – into its production process.

Without SABMiller deciding to innovate seriously and to brew Impala cassava beer, nothing would have happened; without a Dutch company, DADTCO, coming up with an innovative technology, the AMPU mobile unit technology, it would not have been possible; and without the knowledge of smallholder farmers and agricultural development of smallholder farmers in southern Africa and more specifically in Mozambique that the Dutch have built up during the last 50 years it would have been much more difficult to build a reliable supply chain."

Her Excellency Frédérique de Man
Ambassador of the Kingdom of the Netherlands



ALL-PARTY PARLIAMENTARY BEER GROUP

SABMiller funded the UK-based think tank, Demos, on a two-year study to examine youth binge-drinking (see page 13).

"There's a great deal of concern, both in UK society and in Parliament, about the impact of drinking in our communities. This kind of research helps to stimulate the debate and helps to get people thinking about how we can have both a healthy brewing industry and a healthy society. We only achieve those two things if we share ideas and look at the facts rather than the hype and the media speculation. We don't want to tell people how to live their lives, but there are things that both the industry and government can do in order to help people make the right choices: healthy choices for life.

That's why I'm pleased that SABMiller took this courageous decision to enable Demos to undertake this research and to bring all of the parties together to debate the findings."

Andrew Griffiths MP
Chair of the All-Party Parliamentary Beer Group

Building sustainable development into our operations

Our 10 priorities help us to focus on what's important locally and to integrate sustainable development into our business planning and future growth

The Sustainable Development Way is at the heart of our approach to sustainable development (SD). This provides a consistent and transparent framework for managing SD across our operations, supported by a suite of policies and position papers as well as guidelines, training and tools for building capability.

The SD Way is focused on our 10 sustainable development priorities, which help us to deal effectively with risks and to identify opportunities for our business and the local communities to whom our success is linked. They support our strategic objective of constantly raising the profitability of local businesses, sustainably.

It is up to our local operations to decide how they invest their resources, depending on their own particular issues and challenges. The 10 priorities provide them with a clear framework for managing these issues and articulate what SD means to SABMiller.

At a global level we focus on three priorities material to all our operations – discouraging irresponsible drinking; making more beer using less water; and encouraging enterprise development in our value chains.

Robust and transparent governance

Progress against our 10 priorities is overseen by the group corporate accountability and risk assurance committee (CARAC), a sub-committee of the SABMiller plc board. The CARAC is chaired by Dr Dambisa Moyo, a non-executive director of SABMiller plc. Each region has its own CARAC, chaired by the regional managing director, which

reviews local activity and strategy twice a year. The group CARAC is regularly updated on each region's progress.

Individual operations are ultimately held accountable for improving their own performance. In many cases, SD performance forms part of our senior managers' performance objectives and remuneration.

The Sustainability Assessment Matrix (SAM)

Our businesses assess their own SD performance twice a year using a bespoke monitoring framework, the Sustainability Assessment Matrix (SAM). Each business provides qualitative and quantitative data relating to each of the SD priorities and this is compared against clearly defined assessment criteria or 'stairways'.

The stairways, one for each priority, plot a course through five levels. Level one is the minimum standard we expect all operations to achieve (or have a plan in place to do so), while a company scoring level five is leading edge with performance that represents genuine global leadership. We aim to incorporate any new business within two years. Carlton & United Breweries, for example, is reporting this year for the first time, a year ahead of schedule.

Operating companies included in this report

Many of our local operations publicly report their own sustainable development information:

Australia	○	Carlton & United Breweries
Botswana	●	Kgalagadi Breweries (Pty) Ltd;
Canary Islands	●	Compañía Cervecería de Canarias, SA
Colombia	●	Bavaria SA
Czech Republic	●	Pízeňský Prazdroj, as
Ecuador	○	Cervecería Nacional (CN) SA
El Salvador	●	Industrias La Constanza, SA de CV
Ghana	○	Accra Brewery Ltd
Honduras	●	Cervecería Hondureña, SA de CV
Hungary	○	Dreher Sörgyárak Zrt
India	○	SABMiller India Ltd
Italy	●	Birra Peroni Srl
Lesotho	○	Maluti Mountain Brewery (Pty) Ltd
Malawi	○	Chibuku Products Ltd
Mozambique	○	Cervejas de Moçambique SARL
Panama	●	Cervecería Nacional SA
Peru	○	Unión de Cervecerías Peruanas Backus y Johnston SAA
Poland	●	Kompania Piwowarska SA
Romania	●	Ursus Breweries SA
Slovakia	○	Pivovary Topvar as
South Africa	●	The South African Breweries (Pty) Ltd
Swaziland	○	Swaziland Beverages Ltd
Tanzania	○	Tanzania Breweries Ltd
The Netherlands	●	Koninklijke Grolsch NV
Uganda	●	Nile Breweries Ltd
USA	●	MillerCoors LLC
Vietnam	○	SABMiller Vietnam Company Ltd
Zambia	●	Zambian Breweries plc
Zimbabwe	○	Delta Corporation Ltd

- Regular sustainable development report
- Information provided online
- First sustainable development report published this year
- Included for the first time in this report. Carlton & United Breweries is the Australian beverage business of Foster's Group Pty Ltd

The average score achieved against our Sustainability Assessment Matrix was 3.3 – the sixth year of continual improvement.

This year the average score achieved by SABMiller across all priorities was 3.3, a slight increase over the 2012 score of 3.2 and the sixth year of continual improvement since the SAM system was introduced. Group average scores increased across nine out of 10 priorities, with HIV/Aids maintaining a high average score of 3.8. Significant improvements were made in alcohol, water, enterprise development, and energy and carbon scores – a reflection of the increased focus of our businesses in these areas. We saw a particularly strong performance on enterprise development and value chain management where the score increased by 7% from 2.8 to 3.0, achieving a group average score of level three for the first time.

Four of our businesses – in the Czech Republic, Peru, Poland and the USA – achieved an average score across all 10 priorities of four or higher.

Four of our businesses – in the Czech Republic, Peru, Poland and the USA – achieved an average score across all 10 priorities of four or higher, indicating that these operations are achieving what is currently considered to be global best practice.

Visit our online SAM portal for more detailed information on our scores by priority and by country (www.sabmiller.com/sam). You can also find data on country progress against a range of key performance indicators including water to lager ratio and total CO₂ emissions, as well as information on packaging types used in each of our local markets.

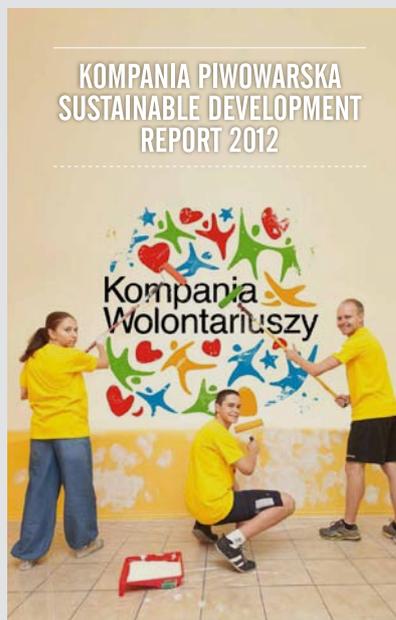
Encouraging a culture of continual improvement

Most of our local businesses have been using SAM for several years and have high levels of expertise in collecting and analysing SD data. This year we established a new SD expert group, bringing together experts from each of our regions to share insights and best practice and to discuss emerging issues and priorities.

Regular SAM reviews or 'deep dives' help us to assess the quality of data provided, ensuring that our reporting and monitoring practices are consistent and reliable. These deep dives usually run over three days, looking in depth at the local strategy and data quality, and enabling us to work with each business to identify areas for improvement. This year we conducted deep dives in El Salvador, the Canary Islands, Lesotho, Malawi, Poland and Zimbabwe.



 Visit our online SAM portal for more detailed information on our scores by priority and by country (www.sabmiller.com/sam).



SAM – a framework for growth and continual improvement from Zimbabwe to Poland

Our Sustainability Assessment Matrix (SAM) provides a consistent framework against which our local businesses can measure their sustainable development (SD) performance, be they new to the system or seasoned reporters.

Delta Corporation, our business partner in Zimbabwe, has had a strong record of managing SD for many years, particularly in supporting smallholder farmers and operating a world-class HIV/Aids programme. Delta began using the SAM system two years ago. At first, its scores were some of the lowest in the group and did not reflect its strong local reputation. Since then Delta has worked hard to align its approach with SABMiller's standards, measuring performance more rigorously and broadening the scope of its strategy. Using the SAM system has enabled the business to focus on areas such as energy reduction, water efficiency and waste. This year Delta's energy and carbon score was 2.0, a 70% increase on last year's score of 0.6. Our deep dive found that SD is well-integrated into day-to-day business practices and that the business engaged with local stakeholders across all 10 priorities, shaping its strategy in response to feedback.

In Poland, where Kompania Piwowarska has been part of SABMiller since 1995, the SAM framework has enabled the business to measure and benchmark its performance year-on-year, identify opportunities for improvement, and demonstrate value. Over the last five years the business has improved its overall score from 3.0 to 4.2, marking it out as the best performing of all our businesses. It has achieved level five for three of the 10 priorities (discouraging irresponsible drinking, HIV/Aids and transparency and ethics). This year Kompania Piwowarska was also recognised by Forbes magazine as one of Poland's Sustainable Development Leaders.

Each of our local operations is held accountable for improving its own SD performance, supported by a consistent and transparent SD framework: our 10 sustainable development priorities.

 **Discouraging irresponsible drinking**

We know that most consumers enjoy beer in moderation with friends and family, but there is a minority who drink too much, putting themselves and others at risk of harm. Six core principles (see page 12) guide the decisions we make every day, helping us to promote responsible behaviour. We are training our employees in these principles and we have robust alcohol policies restricting the type of products we develop and the way we market and sell them.

But this is not enough: the challenge is complex and needs multilateral action. We engage with stakeholders globally and locally, working collaboratively to combat the harmful use of alcohol on many fronts. This year we have joined other leading beer, wine and spirits producers to take action to reduce the harmful use of alcohol.

How we are performing: 3.7 (up from 3.5)

We have more than 100 programmes around the world to combat alcohol abuse and 76% of employees have been trained in our approach. Find out more on page 12.

 **Go online** www.sabmiller.com/responsible_drinking

 **Making more beer using less water**

We rely on large quantities of high-quality water in order to make our beer, so water quality and availability are of vital concern. Our approach to water management starts with making our breweries as water-efficient as we can.

By 2015 we aim to have reduced our water use per hectolitre of beer by 25% compared with 2008. We're making good progress as we improve our manufacturing processes. Many of the water supply risks we face affect not just our breweries but local communities as well. To protect our shared watersheds, we're working through local partnerships with experts, NGOs and governments to address specific challenges.

How we are performing: 2.8 (up from 2.6)

Our water efficiency in beer production has improved by 20% since 2008 to 3.7hl/hl this year. Our *Water Futures* partnership has expanded with a new project in Zambia. Find out more on page 17.

 **Go online** www.sabmiller.com/water

 **Reducing our energy and carbon footprint**

The use of fossil fuels and the associated greenhouse gas emissions contribute to climate change, as do certain refrigerants. By limiting water availability and reducing agricultural production in some regions, climate change can potentially threaten our business.

By 2020 we aim to halve our fossil fuel emissions from on-site energy use per hectolitre of lager produced, compared with 2008. Wherever we can, we aim to use alternative and renewable energy sources. We also engage with partners across the value chain to reduce emissions from transport, packaging and refrigeration.

How we are performing: 2.8 (up from 2.5)

Our business used 8% less energy per hectolitre of lager produced this year compared to 2012. Our continual focus on efficiency means our CO₂e emissions are now 26% less per hectolitre than in 2008. Find out more on page 16.

 **Go online** www.sabmiller.com/energy

 **Encouraging enterprise development in our value chains**

As a global business whose success depends on thriving local communities, we play a key role in the social and economic development of the areas in which we operate. Our agricultural programmes, for example, help farmers to improve their practices, generate better yields from their crops and boost their incomes. Higher incomes, in turn, can lead to improvements in community food security, health and other areas of social development.

In countries such as Ghana, Mozambique, Tanzania, Uganda and Zambia, we have introduced new beers brewed from traditional local crops such as sorghum and cassava, which gives farmers the opportunity to transform their businesses from subsistence agriculture to commercial enterprises while at the same time creating market-leading products.

How we are performing: 3.0 (up from 2.8)

Our African division sourced 52% of its agricultural raw materials from within Africa, achieving its target of 50% a year early. Find out more on page 10.

 **Go online** www.sabmiller.com/enterprisedevelopment

 **Benefiting communities**

Investing in local communities helps us to build strong relationships with those communities, as well as with consumers and our employees.

We also recognise that micro, small and medium-sized enterprises are critical to economic growth in many of the communities and markets in which we operate. It is in our interest to nurture and support these businesses as we seek to help create thriving and prosperous local economies. We do this in many ways, including investing in new ideas, promoting entrepreneurship and fostering skills-development through our programmes around the world.

Our Corporate Social Investment (CSI) programmes also support a range of local projects that benefit communities in other ways, from providing clean water to communities near our Dar es Salaam and Arusha breweries in Tanzania to supporting people with disabilities in the Czech Republic.

How we are performing: 3.9 (up from 3.7)

This year we invested US\$37.5 million in CSI programmes⁹ (2012: US\$34 million), which equates to 0.7% of pre-tax profit (2012: 0.8%).

 **Go online** www.sabmiller.com/communities

 **Contributing to the reduction of HIV/Aids**

HIV/Aids has the potential to affect our workforce, consumers and the communities in which we operate, impacting social and economic development. This, in turn, can damage our business. Reducing the prevalence of HIV/Aids is particularly important for our operations in Africa and in regions with emerging epidemics such as parts of Latin America.

In regions with high HIV/Aids prevalence (more than 5% of the population) we work proactively by offering education, awareness training and treatment for all our employees, their spouses and immediate dependants.

As our approach to HIV/Aids has become established, we have built on the lessons learned to implement a broader Wellness Development Programme covering other harmful diseases such as malaria, sexually transmitted infections, hepatitis B and C, and tuberculosis.

How we are performing: 3.8 (2012: 3.8)

In high-prevalence countries 54% of our employees received voluntary counselling and testing (2012: 62%), with one peer educator for every 12 employees (2012: 13). Find out more on page 18.

 **Go online** www.sabmiller.com/hiv_aids

Stairway level assessment criteria

Group average level assessment scores

- 5 Leading edge:** performance that represents genuine global leadership on an issue.
- 4 Best practice:** achieving what is currently considered to be global best practice in a particular field.
- 3 Developing leadership:** applying a comprehensive approach including innovative tools and widespread engagement.
- 2 Progressing:** ensuring consistent performance is achieved in a particular field.
- 1 Minimum standard:** all operations must achieve level one, or have a plan in place to do so, as it represents management of our key sustainable development risks.



Packaging, reuse and recycling

The packaging we use is important for the quality and safe enjoyment of our beer and is integral to product branding. That said, it is also a source of waste and, through its manufacture, distribution and disposal, it generates carbon emissions that contribute to climate change.

We make extensive use of returnable packaging around the world. We work with suppliers to reduce the weight and environmental impact of both returnable and one-way packaging. We also encourage consumers – through clear labelling and supporting local recycling projects – to think about how they dispose of packaging and to recycle it if they can.

How we are performing: 2.9 (up from 2.8)

52% of the beer we produced this year was sold in returnable packaging. Find out more on page 15.



Go online www.sabmiller.com/packaging



Working towards zero-waste operations

Most of the waste produced by our business is organic matter resulting from the brewing process. By using resources efficiently, we aim to reduce the waste we generate and to reuse and recycle waste products where we can, limiting the amount sent to landfill. Where possible, our waste is reused to generate energy, to create new products or for fertilisers or animal feed.

We aim for our breweries to become zero-waste operations. Some have already achieved this ambitious goal. For example, four of MillerCoors' breweries in the USA now send no waste at all to landfill.

How we are performing: 3.4 (up from 3.3)

94.4% of the waste we produced last year was reused or recycled. Find out more on page 15.



Go online www.sabmiller.com/waste

Our bespoke management system, the Sustainability Assessment Matrix (SAM), enables us to monitor our performance against each of these priorities. Every country is assessed against five levels of performance from a minimum standard (level one) to leading edge (level five).



Respecting human rights

We aim to uphold fundamental human rights principles across our business and within our supply chain while at the same time respecting local cultures, national laws and the norms and traditions that exist in our different markets.

We are a signatory to the UN Global Compact and recognise the UN Guiding Principles on business and human rights. We support the UN Millennium Development Goals and we work proactively to prevent discrimination and breaches of human rights within our sphere of influence. We recently rolled out a revised approach to managing human rights risks, helping our businesses to identify and mitigate any significant risks within their operations and value chains.

How we are performing: 3.3 (up from 3.2)

This year we provided training on our strengthened minimum standard on human rights, which helped achieve 100% compliance.



Go online www.sabmiller.com/humanrights



Transparency and ethics

We place a high value on reporting and communicating in an open and honest way with our stakeholders. Our Code of Business Conduct and Ethics and Anti-Bribery Policy apply to all employees and we expect our suppliers to abide by the principles laid out in both documents.

We produced our first sustainable development report in 1998 and many of our businesses produce their own local reports. Increasingly we use new ways of communicating – examples this year include an accessible animation to explain the economic impact of our African division and organising live online debates on the interconnected issues of water, food and energy.

How we are performing: 3.8 (up from 3.6)

16 of our local businesses produced their own sustainable development reports this year. Find out more on page 4.



Go online www.sabmiller.com/transparency

⁶ Includes cash donations, value of gifts in kind and time donated, and management costs of CSI activity. Excludes all alcohol responsibility programmes, the provision of HIV/Aids testing or managed healthcare for our employees and programmes to support smallholder farmers and entrepreneurship within our value chain.

Growing sustainably in our value chains

When we talk about 'local value chains', we mean the suppliers and businesses – both large and small – that contribute to our success in the markets where we operate

Beer is a local product typically brewed, sold and consumed within the same community. We seek opportunities to drive economic growth and stimulate social development in these communities, while using scarce natural resources efficiently.

Most of our brewery waste is organic: spent grain and yeast are often used as animal feed on nearby farms. In some markets, including India, we use agricultural waste – such as rice husks – to fuel our brewery boilers.



Brewing

The basic recipe and process we use to brew beer can be traced back 6,000 years: technology has changed since then, improving quality and allowing us to be much more energy and water efficient

Beer creates jobs within local communities: in Africa and South Africa we employ more than 24,000 people and support more than a million jobs indirectly through our supply chain and the distribution and retail of our beers.



Farming

We work closely with smallholder and commercial farmers, sourcing crops locally where we can

In Colombia, Bavaria's super-returnable bottles are used, on average, 44 times.



Marketing, buying and enjoying

We work with small and large retailers and the on-trade so our products can be enjoyed responsibly in pubs, bars and restaurants, and at home



Packaging

More than half of our beer is sold in returnable bottles and kegs

We include messages on our product labels about not drinking when underage or pregnant and provide health information at www.TalkingAlcohol.com

Our economic contribution

Building value chains that drive economic growth and stimulate social development

Building value chains that drive economic growth and stimulate social development not only generates long-term returns for our business but also creates wealth for the countries and communities in which we work.

The multiplier effect – the jobs and employment created through our investments and operations – can be a powerful force for development. Our operations in Africa and South Africa employ more than 24,000 people, indirectly support a further million jobs and contribute over US\$9,000 million of added value to the economy⁷.

Almost three-quarters of our global revenues are generated in emerging markets, so we have an interest in their social and economic development. Business has an important role to play in ending poverty, providing access to services such as clean water and promoting gender equality – all essential for creating stable, thriving communities and markets. Building on our support of the UN Millennium Development Goals, we're now taking an active role in contributing to the global debate on a new set of post-2015 development goals.

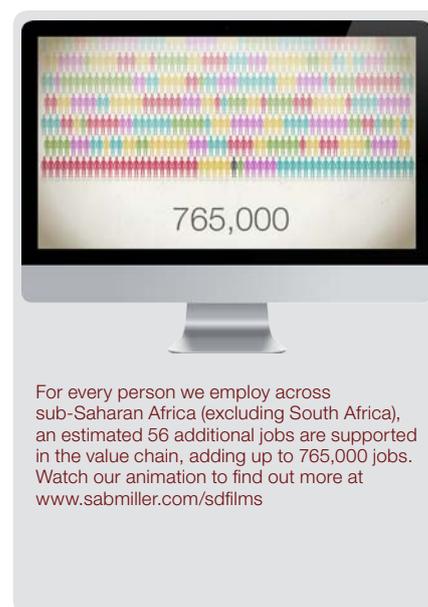
A fair approach to taxation

Given its important contribution to local public services, the level of tax paid by

multinational companies is of major interest to many stakeholders.

We work closely with revenue authorities around the world to ensure our tax returns and related disclosures meet their requirements and this is underpinned by a robust governance structure. This year, we were recognised as *Best Taxpayer of the Year* for the third year running by Mozambique's Tax Authority.

The total taxes borne and collected by SABMiller plc during the year amounted to US\$9,900 million compared with US\$9,400 million last year. These include excise taxes, corporate taxes, transactional taxes and taxes borne by employees, as well as a share of our US joint venture's taxes. Of this total, 73% was paid in developing countries. The corporate tax charge during the year was US\$1,201 million compared with US\$1,126 million last year, giving us an effective tax rate of 27.0% (2012: 27.5%).



For every person we employ across sub-Saharan Africa (excluding South Africa), an estimated 56 additional jobs are supported in the value chain, adding up to 765,000 jobs. Watch our animation to find out more at www.sabmiller.com/sdfilms

⁷ For more information watch our animation, *SABMiller: Our economic impact in Africa*, and read SAB (Pty) Ltd's report, *Working for South Africa: the contribution of SAB to the South African Economy*, both available at www.sabmiller.com



Africa offers great opportunities for business: it's home to 12 of the 25 fastest growing economies in the world.

Over the past 10 years our beer volumes in this region have more than doubled and, over the past five years we have invested more than US\$1,760 million in breweries and bottling plants.

Agriculture is a core element of our African business strategy: this year we sourced half of our agricultural raw materials locally, meeting our target to do so a year early. By localising our supply chain we can build local relationships, reduce our costs, and boost local economies.

The launch of the world's first commercial-scale cassava beer in Mozambique last year was a real breakthrough. Cassava is one of the most widely grown crops in Africa, but it is traditionally seen as a subsistence or emergency crop, with almost no commercial development. In Ghana, for instance, there is an estimated 40% surplus each year, partly because there is little opportunity for farmers to sell cassava in commercial markets. Following our success in Mozambique,

we introduced a cassava beer in Ghana and expect to work with as many as 1,500 farmers in the first year. By using local crops we are able to sell cassava beer at a lower price – typically 70% of the price of a mainstream beer. In Africa, beer is an aspirational, premium product: lowering the price attracts consumers away from informal, unregulated alcohol, creating a new income stream for previously subsistence farmers and revenue for governments.

The single biggest opportunity for Africa is to develop its agricultural capability: there is land and plenty of human resource. What we need are better approaches to farming. This will lead to increased exports, higher levels of food security and local development. SABMiller Africa is pleased to play its role in delivering on this vision.

Mark Bowman
Managing Director, SABMiller Africa

Our economic contribution

continued



Empowering innovative urban businesses

Miller Lite's *Tap the Future* programme, formerly known as the MillerCoors Urban Entrepreneurs Series, has awarded nearly US\$2 million in grants and given hundreds of aspiring urban entrepreneurs the tools to grow their businesses since 1999.

For the first time this year we gave consumers the chance to vote for their favourite urban entrepreneur. The new Consumer's Choice Award allowed finalists to use their social networks to win a business development grant of US\$10,000. The winners were Gabriel Muñoz and Raul Duran who run *Hispanic Employee Recruiting Online*, an innovative website bringing together diversity-friendly companies with good quality, bilingual candidates in the Midwest.

For more information, see mltapthefuture.com

Larry Waters
Senior Director of Community Commerce and Partnerships, MillerCoors

Supporting growth and sustainable agriculture

Agricultural production provides employment for approximately one-third of the world's population.

The local sourcing of crops is an important part of our business model in developed and developing countries alike. Several decades ago Birra Peroni pioneered the barley industry in Italy, supporting the development of varieties suited to the local climate. We now use Italian barley to make Peroni, much of it grown on farms that have supplied us for at least two generations. We continue to source locally in countries as diverse as India, Italy, the Netherlands and South Africa.

Our African division sourced 52% of its agricultural crops from within Africa this year, achieving its target of 50% a year early.

In Africa we're creating completely new beer brands brewed with locally grown crops. Across the continent, SABMiller works with a spectrum of farmers from large-scale commercial growers to near-subsistence smallholder farmers to boost yields, incomes and economic growth. By pioneering the use of traditional crops such as sorghum and cassava in brewing, we're opening up new opportunities, markets and incomes for local farmers and communities (read more from Mark Bowman on page 9).

In 2011 we set a goal to increase local sourcing of our agricultural raw materials in Africa to 50% by 2014, including malting barley, maize, sorghum and cassava sourced from farmers. For the year ended 31 March 2013 our African business sourced 52% of agricultural crops from within Africa, reaching this target a year early.

Using local suppliers, however, is not the only route to resource-efficient and sustainable sourcing. Where local production is not viable or competitive, we use imported crops in our beers. In all our crop sourcing decisions, we carefully consider the trade-offs that face us between cost, productivity, the use of resources and our contribution to local growth.

Encouraging entrepreneurship

Small and medium-sized enterprises (SMEs) are critical to economic growth: they create jobs quickly, stimulate innovation and support the needs of local communities.

This year SABMiller – including our foundations – invested US\$6.1 million in programmes to foster entrepreneurial activity worldwide. Our programmes have helped thousands of small- and micro-scale entrepreneurs to build new businesses and transition from informal business models to self-sustaining, growing companies.

Direct economic value generated^a

Revenue plus interest and dividend receipts, royalty income and proceeds of sales of assets

US\$
25,042m

Economic value distributed

Operating costs

Cost of materials, services and facilities

US\$
8,901m

Employee remuneration^b

Cost of employees' salaries and benefits

US\$
2,492m

Payments to providers of capital^c

All financial payments made to the providers of the company's capital

US\$
2,886m

Payments to tax authorities

Tax paid, including remittance taxes and excise taxes

US\$
6,438m

Community investments^d

Voluntary contributions and investment of funds in the broader economy

US\$
38m

Economic value retained

Value retained for corporate and operational purposes, including funding future capital expenditure and acquisitions

US\$
4,288m

^a This table is constructed based on data contained in the SABMiller 2013 Annual Report and follows guidance recommended by the Global Reporting Initiative (GRI EC1).

^b Excludes share option charges, includes employer taxes and social security contributions.

^c Excludes VAT, indirect taxes and taxes borne by employees.

^d Includes cash donations, value of gifts in kind and time donated, and management costs of CSI activity.



Malaria test kit wins SAB Foundation's Social Innovation Award

An innovative and potentially life-saving malaria test kit, designed by two young entrepreneurs, Ashley Uys (pictured) and Lyndon Munger, won the ZAR1 million (US\$117,487) first prize in the SAB Foundation's second annual *Social Innovation Awards*.

The awards recognise innovative new products that address challenges faced by the Foundation's target beneficiaries – low-income women, youth, people with disabilities and people living in rural areas. Costing US\$0.45, the kit is a rapid, cost-effective medical diagnostic tool that detects all strains of malaria within 30 minutes and determines whether any treatment to cure the disease has been effective.

The SAB Foundation is a beneficiary of SAB's Broad-Based Black Economic Empowerment deal, SAB Zenzele. Since 2010 it has invested in 106 micro- and small-scale businesses and created 372 direct and indirect jobs.

Nicola Jowell
Manager, SAB Foundation

This year we've worked with experts to analyse what makes an entrepreneurship programme successful. Building on our experience around the world, we're developing a new best practice approach that focuses on five key areas:

- **Addressing the entrepreneurship ecosystem:** to help entrepreneurs address the systemic challenges they face, our support needs to be holistic and multifaceted. In South Africa, for instance, *KickStart* offers a range of services such as grants, access to finance and markets, capacity building, mentoring and monitoring.
- **Leveraging scale:** many of the challenges faced by entrepreneurs are the same across the world. By using our global reach to share learning between regions or develop initiatives across regions, we can involve more entrepreneurs and attract other global, multilateral partners to work with us. We will be launching a new programme to help small shopkeepers across six countries in Latin America.
- **Sharing core business expertise:** we can use our expertise across the value chain to help small businesses access formal markets – with access to finance, formal contracts and regulated standards – and avoid some of the barriers they may otherwise encounter. And as our

small suppliers or retailers become more competitive, our business also benefits: suppliers can provide higher quality products at better prices, and retailers will sell more of our products in a safer, more controlled environment. Bavaria, for instance, supports entrepreneurs within its own supply chain in one of the largest such programmes in Colombia: in the last five years 500 small suppliers have benefited from more than 32,000 hours of training in areas such as procurement, strategic planning, financial management, ethics and corporate governance.

- **Catalysing social innovation:** entrepreneurship can stimulate creative solutions to social and environmental challenges. In South Africa, for example, the SAB Foundation's *Social Innovation Awards* recognise innovative new products that improve life for the Foundation's target beneficiaries – low-income women, youth, people with disabilities and those in rural areas (see case study above).
- **Gathering data and quantifying success:** our programmes should offer tangible and measurable benefits and use data to demonstrate success. In Botswana, for instance, 80% of the entrepreneurs supported by our *KickStart* programme were still trading after three years, while 40% of other new businesses failed in year one.

Responsible procurement

We're committed to raising ethical and environmental standards in our supply chain and working with suppliers to improve working practices – all of which fosters better relationships and reduces our risks.

This year SABMiller Procurement launched a new Supplier Code of Conduct and Sustainable Development Standards covering the protection of human rights and labour standards, transparency and business ethics and environmental impact. These are aligned to the International Labour Organisation's core conventions and the United Nations Global Compact.

As a member of SEDEX, the Supplier Ethical Data Exchange, and AIM-PROGRESS, a cross-sector forum that promotes responsible sourcing, we work collaboratively to improve supplier standards and share best practices. Two-thirds of our global suppliers' sites have been self-assessed against our standards using SEDEX.

Find out more

 Go online for more information at www.sabmiller.com/sd

Beer in society

Engaging with stakeholders to combat the harmful use of alcohol and ensuring strong, transparent commercial governance

We know that most consumers enjoy beer in moderation, with friends and families. However, there is a minority who drink too much, putting themselves and people around them at risk of harm.

What we believe

SABMiller has six core principles on alcohol that guide the decisions we make every day:

- 1 Our beers add 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

Combating the harmful use of alcohol and related issues, such as drink-driving, underage drinking and the effect on consumer health is a core priority for SABMiller. We work closely with our stakeholders to understand the key issues in our local markets and develop tailored programmes to address them.

A strong and shared commitment

Our approach to promoting responsible drinking is underpinned by local knowledge, robust governance and training. We believe our policies on employee behaviour, product innovation and marketing practices are among the most comprehensive in the industry. We tailor our work to local markets, taking account of cultural differences that influence drinking habits. Around the world, we run over 100 programmes addressing specific local issues.

We support the World Health Organization's *Global Strategy to Reduce the Harmful Use of Alcohol*. In response to the call by the WHO and its member states in this strategy,

we and other industry leaders have committed to a five-year global action plan. This requires us to strengthen and expand marketing codes of practice; provide consumer information and innovate products responsibly; reduce underage drinking; reduce drinking and driving; and enlist the support of retailers to reduce harmful drinking. We're confident we can meet these commitments according to the stated timetable.

We support the World Health Organization's Global Strategy to Reduce the Harmful Use of Alcohol.

In 2013 the UN prepared a draft action plan for the global strategy for the prevention and control of non-communicable diseases (NCDs). This sets out an inclusive, multi-stakeholder plan for tackling NCDs and associated risk factors including the harmful use of alcohol. We fully support the inclusive approach and are part of the World Economic Forum's Consultative Panel for the Healthy Living Initiative.

Strengthening and expanding marketing codes of practice

Our Policy on Commercial Communication governs how and where we market our brands. We do not target our brands at



In Latin America, our most important sustainable development priority is to reduce the harmful use of alcohol.

We continue to work to prevent underage drinking and improve road safety by reducing the incidence of drinking and driving. But our two biggest concerns are the pattern of consumption in the region – typically more skewed towards high intensity and low frequency – and the presence of a large illegal alcohol market.

Tackling the complex factors that lead to the harmful use of alcohol requires a targeted, evidence-based approach. This past year we asked FLACSO, a well-respected association of university sociology faculties in Latin America, to look at alcohol consumption patterns across the region. Among other interesting findings, they found that in countries with lower per capita levels of beer consumption there is likely to be a higher proportion of the population prone to harmful consumption of alcohol, mostly cheap and often illegal spirits.

A second study, with Euromonitor International, helped us to determine the size and shape of the illegal alcohol market in

Latin America. It found illegal alcohol to be roughly a quarter of the total alcohol market – rising to almost a third in countries such as Peru and Ecuador. It also showed that where beer is more affordable – as in Panama – the illegal market tends to be small.

These studies allow us to take more targeted action. For instance in Peru we are working with local authorities to understand the reasons for the existence of the illegal alcohol market. In Colombia our media campaign, *Licores Adulterados de Colombia (LACRA)*, a caricature of a fictional illegal alcohol company, seeks to change consumer attitudes towards illegal alcohol by exposing its dangers.

Through this evidence-based approach, and working in partnership with governments, NGOs and other stakeholders to develop a targeted response, we are helping to reduce the harmful use of alcohol.

Karl Lippert

President, SABMiller Latin America

underage people, nor do we encourage irresponsible drinking by adults of legal drinking age. For example, we require that commercial communication only be placed where at least 70% of the audience is reasonably expected to be of legal drinking age (or 18 if no legal drinking age exists). In Africa, where independent audience demographic data is more sporadic, we're working with interested stakeholders to address the issue.

As more of our messaging moves online, we make sure we engage only legal drinking age consumers by setting up age controls and consumer age affirmation mechanisms.

All our companies have a Sales and Marketing Compliance Committee (SMCC) which reviews all proposed marketing materials for compliance with the Policy on Commercial Communication along with local laws and national self-regulatory requirements. Where materials fail to comply, the SMCC has the authority to reject them or require modification. Over half of our businesses have an independently chaired or audited SMCC and the number is increasing.

Responsible product innovation and consumer information

Our Product Portfolio Policy governs how we develop new products or acquire new brands and sets out principles for evaluating the appropriateness of our products. Publicly available, this policy was developed

by reviewing evidence involving product innovation and aims to address stakeholders' current and emerging concerns. For example, in recognition of the scientific debate surrounding the combination of caffeine and alcohol beverages, the Product Portfolio Policy prohibits caffeinated alcohol beverages across the SABMiller group.

76% of employees received alcohol responsibility training in the past three years.

As well as producing quality products our consumers can trust, it's also important to provide accurate and balanced information about those products to enable them to make informed choices. We take a holistic approach to communicating with consumers: where it's not already required, for example, we include messages on our product labels about not drinking when underage, driving or pregnant. Our *TalkingAlcohol.com* website provides ingredient and nutrition information for each of our brands along with videos, webinars, interviews and fact sheets on the effects of alcohol on the body and in society. The website and its local language sites attract more than 400,000 visitors annually.

In Lesotho, we worked with the government and NGOs to produce 12 weekly radio

programmes on the popular Ultimate FM radio station, incorporating information from *TalkingAlcohol.com*. Topics covered included underage drinking, drink-driving, alcohol and pregnancy and HIV/Aids.

Reducing underage drinking

For many years we've worked with local partners to reduce underage drinking through tailored, multifaceted campaigns.

In Peru, the *Sólo +18* ('Only 18+') campaign run by Backus used a combination of celebrity endorsement, advertising, social media and point of sale materials to reach over 12,000 young people. It was recognised as the most effective marketing communications campaign for non-commercial purposes at the Peruvian Effie Awards.

For two years we worked with the UK-based think tank, Demos, to examine youth binge-drinking. A study of 30,000 children – *Under the influence* – found that some parenting styles make a child more than eight times more likely to drink excessively by the age of 16 and highlighted the role we can play in educating parents.

Find out more

 Go online www.demos.co.uk/publications/undertheinfluence



A day in the life of a Sales and Marketing Compliance Committee (SMCC): an interview with the independent chairman of the Plzeňský Prazdroj SMCC

"As the independent chairman of the SMCC, my role is to assess all of Plzeňský Prazdroj's commercial communication to check it complies with internal policies as well as national and EU advertising codes.

In a typical meeting we analyse our most recent marketing approvals, discuss proposed marketing executions and learn about wider trends and developments in ethical advertising. Committee members review not just final designs but also early drafts. The committee meets on a quarterly basis. Between meetings we use an electronic system to assess new communication proposals remotely.

I believe the company's decision to have an independent SMCC chairman enhances transparency, adds credibility and sets a high benchmark for responsible alcohol communication in the Czech Republic."

Ladislav Št'astný

Chairman of the Czech Advertising Council and Chairman of Plzeňský Prazdroj's Sales and Marketing Compliance Committee

Beer in society continued

Addressing underage drinking in South Africa

Last year we launched our *You Decide* programme to tackle one of the alcohol-related issues that most affects South African society – underage drinking.

The programme – run in partnership with the National Youth Development Agency and the Department of Trade and Industry – works with parents and teachers to teach teenagers about the impact their choices can have on their future.

Through road shows, competitions, lesson plans, a Facebook campaign and 650 school visits, the programme reached nearly half a million teenagers. The campaign also ran workshops for parents, teachers and the community, and provides online tools and a toll-free number to receive advice on how to deal with problems linked to underage drinking.

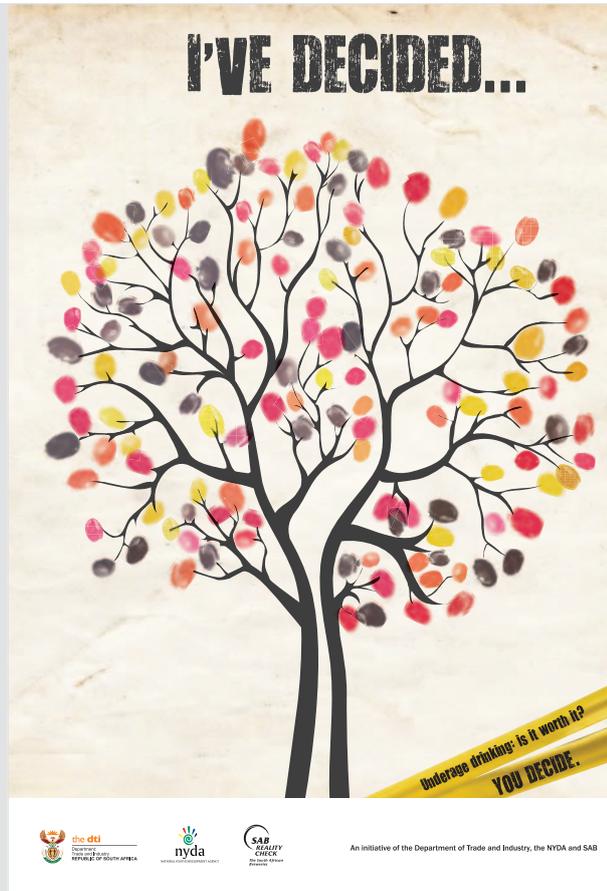
Initial research shows that the programme is making an impact: during the pilot we saw a 3% decrease in alcohol consumption among teenagers exposed to the programme.

For more information see www.youdecide.org.za

Vincent Maphai

Executive Director Corporate Affairs
and Transformation, SAB (Pty) Ltd

► At *You Decide* events, teenagers added their fingerprints to the poster opposite to say 'I've decided'.



Reducing drink-driving

We work with a range of stakeholders, including law enforcement agencies, to develop locally relevant programmes aimed at consumers who choose to ignore national laws on drinking and driving.

In India, our *Respect The Road* campaign works with taxi drivers in Delhi to encourage consumers not to drink and drive, while a local radio station urges listeners to take an on-air pledge. Social media has also played a part: the campaign's Facebook page has more than 20,000 fans.

Plzeňský Prazdroj in the Czech Republic has promoted the message by creating chill-out zones at summer festivals and offering advice to potential drivers about alcohol consumption and drink-driving. Piloted at three festivals during the year the concept will be extended to a further 10 festivals during 2013, reaching around 150,000 people.

In the USA, MillerCoors has helped more than 3.2 million people with free rides, taxicab services or other opportunities to drink responsibly and participate in a safe-ride-home programme since it established its *Free Rides™* programme 25 years ago.

Enlisting the support of retailers to reduce harmful drinking

Retailers and staff at licensed premises are vital in preventing underage sales and excessive drinking and in protecting communities from alcohol-related antisocial behaviour. Our close relationship with retailers enables us to work effectively with them on these issues.

In the UK our *Scholars programme* has provided an Award in Responsible Alcohol Retailing (ARAR) to over 3,000 licensees and bar and counter staff covering licensing law and strategies for dealing with underage sales or intoxicated customers.

In Ghana, our *Responsible Retailing* programme works with experts from the Health and Work Environment Agency on issues such as alcohol's effect on the body, underage drinking, excessive drinking and alcohol and pregnancy.

In Uganda, Nile Breweries received the *best road safety campaign award*, organised by MUNK Communications Ltd with the Ugandan police, in recognition of their campaigns discouraging drink-driving.

In Colombia, as part of the *Alianza +18* ('18+ Alliance') campaign, we work with key trading associations, large supermarket chains and retailers and other sites where alcohol is sold to encourage retailers to request legal ID before selling alcohol.

Find out more

Go online for more information at
www.sabmiller.com/responsibledrinking

The water-food-energy nexus

Recognising the importance of resource efficiency for long-term growth and integrating nexus thinking into our supply chain

By 2050, the world will need to grow and process 70% more food in order to feed a global population of nine billion⁸.

Agriculture accounts for 70% of freshwater consumption today and by 2030 demand for water is predicted to outstrip supply by approximately 40%⁹. In a world with a finite amount of land and water and a changing climate, it's clear that businesses must adapt, and soon.

Water, food and energy are interconnected. We need water to grow food and to generate energy; we need energy to grow food and to treat and move water; and we need land (and in the case of biofuels, crops) for energy production. We cannot manage these three resources in isolation as the availability of each affects the availability of the others. This interconnectedness is often called the water-food-energy nexus.

Applying nexus thinking to our operations

We rely on large quantities of high-quality water and agricultural crops to make beer, and the brewing process requires energy. To continue to make high-quality beers in an increasingly resource-constrained world,

we need to place nexus thinking at the heart of how we operate, addressing the relationship between water, food and energy on a daily basis.

This year we used 667 million hectolitres (hl) of water, which equates to 3.7 hectolitres of water per hectolitre of lager produced, an 8% improvement on 2012. We are on track to meet our 2015 target of a group average of 3.5hl/hl, with 25 of our plants already achieving an efficiency of 3.5hl/hl and six plants below 3.0 hl/hl, including our Yatala brewery in Australia (read more on page 16).

Using less water requires less energy to pump, heat and treat it. This year we used 127 MJ/hl – a reduction of 8% compared with the previous year – and our CO_{2e} emissions fell by 10% to 11.1 kgCO_{2e} per hl. In absolute terms, we have reduced water use by 16% and carbon emissions by 26% between 2008 and 2013.

Brewing more efficiently also reduces waste. The waste we produce is mainly organic and

94.4% is reused or recycled. In South Africa, for example, spent grain is sold to farmers for cattle feed and spent yeast goes to food manufacturers for use in savoury spreads. This year Compañía Cervecería de Canarias in the Canary Islands sent over 13,000 tonnes of its organic waste to 176 farmers and cattle breeders to use as fertiliser or animal feed. In the USA, four of MillerCoors' eight major breweries do not send any waste to landfill at all.

As well as finding outlets for our own waste, some of our businesses use the by-products of food production to generate energy – rice husks, for example – so providing additional income to local farmers.

Over half of our beer is packaged in returnable bottles and kegs which have a lower carbon and waste impact than single-use types of packaging. In South Africa, over 80% of SAB (Pty) Ltd's beers are packaged in returnable bottles. In Colombia, Bavaria's super-returnable bottles are used, on average, 44 times. We work with suppliers to reduce the weight and environmental impact of both returnable and one-way packaging. For example, this year, Grolsch changed its iconic swing-top bottle for a lighter version, saving over 100 tonnes of steel a year.

⁸ UN FAO, High Level Expert Forum – *How to Feed the World in 2050*.

⁹ McKinsey and Company, *Charting our Water Future*, 2009.



We've set ourselves two stretching targets: to achieve a 25% reduction in water use by 2015; and to cut on-site emissions from fossil fuels in half by 2020, both against a 2008 baseline.

Reaching these targets will yield major environmental benefits and bring us closer to resource security for our breweries, many of which already operate in areas of water scarcity. They also bring significant cost savings; to date, we estimate that resource efficiencies have generated annual savings of around US\$90 million.

A 25% reduction in water use by 2015 means reaching a water ratio of 3.5hl/hl. I'm pleased to say that we are on track (this chapter provides details on our performance).

This progress has been driven by clear and stretching targets at a brewery level, benchmarked globally each month. Breweries have clear accountability; this year we introduced a 'user pays' philosophy, which assigns responsibility for resource efficiency within a brewery at each step of the manufacturing process from brewing to packaging. We have also invested in technology and brewing innovation.

The most important factor in improving resource efficiency is, without doubt, our people. This is clearly visible across Latin America, where our breweries are not the most modern and face hot, humid conditions, often with water quality and energy issues. Yet the region dominates SABMiller's global list of top performing breweries. El Salvador's Industrias La Constancia has been the top performing brewery each month for over two years. This extraordinary achievement is due to our people, starting with our leaders, who have created a culture of learning and improvement and driven exceptional operational standards.

Sharing knowledge, expertise and best practice across the entire business will help all of our breweries reach these levels of performance.

Tony van Kralingen

Director: Supply Chain & Human Resources
SABMiller plc

The water-food-energy nexus

continued

The World Economic Forum's *New Vision for Agriculture* describes sustainable agriculture as agricultural growth that provides food security for all, in an environmentally sustainable way, while generating economic growth and opportunity.



We also encourage our consumers to recycle and we work with retailers and municipalities to help ensure that recycling facilities are available. In Zimbabwe, Delta Corporation joined forces with the local municipality, a local NGO and a local entrepreneur to introduce a scheme whereby people in the Victoria Falls area were paid for collecting 80 tonnes of cans, 60 tonnes of glass and five tonnes of PET which could then be processed and sold.

Sustainable agriculture and food security
Our direct operations are only a small part of our overall resource footprint.

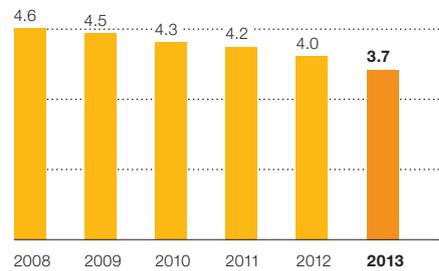
Within our supply chain, we have strong relationships with farmers – small- and large-scale alike – and work with them to improve land, water and energy efficiency. Agriculture is essential to nexus thinking. We work with large-scale commercial farmers to improve their resource efficiency, and

support smallholder farmers in improving their cultivation practices so they can increase yields and adapt to changes in climate.

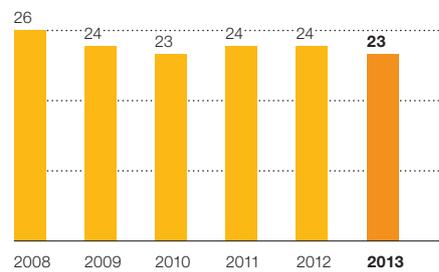
In South Africa, we're working in partnership with WWF to improve the sustainability of barley farming through our *Better Barley, Better Beer* initiative. The programme helps barley farmers to become more resilient by considering all aspects of their operations, from minimising environmental impacts to the management of labour and finances.

In India, where we take a similar approach, our *Progress through Partnership* initiative has helped over 7,400 farmers to improve their barley yields by 35% and increase their incomes by 11%. Advising farmers on how to irrigate their fields more efficiently and improve cultivation practices is bringing us closer to our goal of sourcing locally 100% of the barley we need in India.

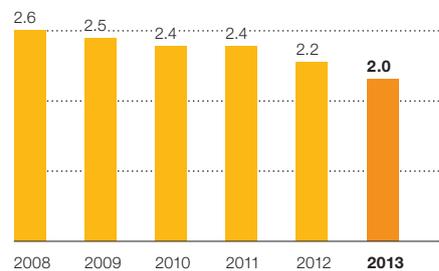
Water to lager ratio
(hl water/hl lager)



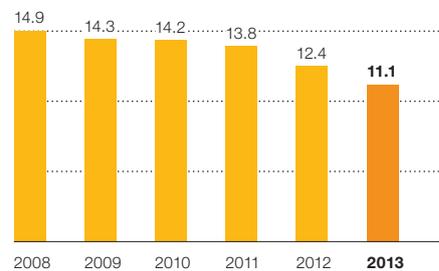
Total energy consumption
(PJ)



Total CO₂e emissions from fossil fuel energy used on site
(million tonnes)



CO₂e emissions from fossil fuel energy used on site
(kgCO₂e/hl lager)



World-class brewing – water efficiency at Yatala

In Australia, Carlton & United Breweries' Yatala brewery in water-stressed South East Queensland is one of the world's most efficient breweries, using just 2.3 hectolitres (hl) of water to produce 1 hl of beer. When the brewery was built about 15 years ago, it used 6 hl of water per hectolitre of beer.

As we've grown, we've put water conservation at the heart of our operations and invested in new technology so we can use high-quality recycled water in our non-brewing processes, such as cleaning. Today the brewery produces about a quarter of all the beer consumed in Australia in a way that is three times more efficient than the beer we brewed in 1998.

Charlie Foxall
Health Safety and Environment Manager,
Carlton & United Breweries



Expanding the *Water Futures* partnership

“The *Water Futures* partnership was established in 2009 to facilitate local action to address some of the most pressing shared water risks facing SABMiller and surrounding communities and ecosystems. It set out to prove the business case for private sector action.

This has been done through local partnerships in eight countries with projects to protect watersheds, upgrade the infrastructure and strengthen local water management institutions. For instance, in George, South Africa, SAB (Pty) Ltd is working with the Department of Environmental Affairs, WWF and local hop farmers to clear alien vegetation. This will help to improve water run-off in the area and relieve stress to the region. This year a new project in Zambia joined the partnership: Zambian Breweries is working with stakeholders to rehabilitate a local spring used by both its Ndola facility and the local community.

To open up the knowledge, experience and benefits of the partnership to more participants, we have agreed to scale it up into a broader *Water Futures* initiative. This will expand our reach, increase our global network of local partnerships and encourage new partners to join us in collaborative action.”

For more information, see www.water-futures.org

Stuart Orr
Head, Water Stewardship, WWF International

Leading a connected debate

Many of the resource challenges we face can only be addressed by working with a broad coalition of partners to create practical, local solutions to the risks we all share.

In recent years we have played an active role in shaping the nexus debate. We believe the private sector must encourage governments to set resource policy in an integrated way so as to maximise economic and social value and manage the inevitable trade-offs. To this end, in South Africa we're a founder member of the *Strategic Water Partners Network* – part of the global Water Resources Group (WRG) – which brings together

businesses and other organisations including the Development Bank of Southern Africa, the South African Water Research Commission and the South African Local Government Association to improve water efficiency and infrastructure.

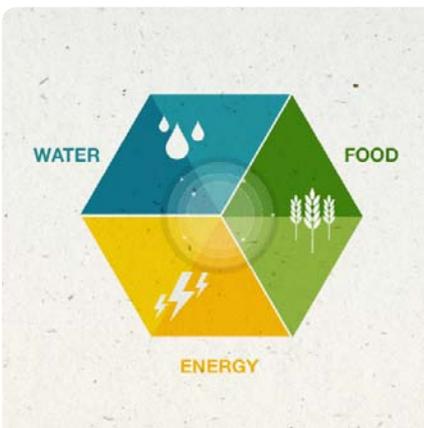
This year, building on our commitment to sustainable agriculture and our work with farmers, we became members of *Grow Africa*, which is part of the World Economic Forum's *New Vision for Agriculture*. *Grow Africa* is developing partnerships in eight countries in Asia, Latin America and Africa to help achieve sustainable agricultural growth. By playing an active role both in

Grow Africa and in WRG, we hope to contribute to new policies that take into account the interconnections between water and agricultural issues.

This year we participated in the CDP Carbon, Water and Supply Chain Disclosure Projects which provide insight into the risks companies face in these areas. This year we also joined the Cambridge Natural Capital Leadership Compact, a collaboration to put a monetary value on the earth's natural resources which should lead to much better resource pricing and incentives for efficiency.

Find out more

 Go online for more information at www.sabmiller.com/nexus



Leading the debate on the nexus

In February SABMiller linked up with The Guardian to hold a day of broadcasts and live, online debates on how to achieve interconnected action on water, food and energy security. The debates were viewed online by over 3,000 people from 101 countries. We estimate that through social media we reached over 1.5 million people.

Watch our animation to find out more about the water-food-energy nexus at www.sabmiller.com/nexus

Valuing and empowering our people

Being an employer of choice around the world

We believe that better business decisions come from groups of competent, high-calibre individuals with a mix of skills, experience and backgrounds.

SABMiller employs over 70,000 people around the world. Our success is driven by each individual's contribution and we recognise the advantages of a diverse workforce with the right skills, commitment and motivation.

We seek to treat all our employees and contractors equitably and with respect and to provide a safe working environment. We reward them fairly by providing a variety of benefits, along with opportunities to reach their potential and enjoy long, fulfilling careers with us.

Creating a safe place to work

First and foremost, we aim to ensure that our employees, contractors and visitors to our breweries, bottling plants and offices are safe. Systems to minimise risks include regular audits and the robust monitoring and reporting of incidents.

It is with regret that we report 14 employee and contractor fatalities this year. Two of these related to accidents while undertaking maintenance or repair activities, nine related to accidents involving vehicles¹⁰, and three related to robberies or assaults on our staff while on sales or trade visits. In each case we have undertaken an investigation and, where applicable, implemented measures to minimise the likelihood of such an incident recurring.

During the year we recorded 15,695 days lost through injury – a 12% decrease on 2012. However, we recorded 1,788 industrial injuries, which represents a slight increase on last year (2012: 1,713).

This year we've undertaken a detailed review of our global health and safety practices, the results of which have been shared with the group CARAC. A working group is now looking at strengthening our health and

safety management and reporting structures across all of our operational functions. This review has a high priority within the business and we aim to implement any changes in the coming financial year.

Encouraging the wellbeing of employees

We know that absent or unmotivated employees can damage productivity. We want to create a healthy and positive work environment. Employers are well positioned to help improve the health of their workforces and help reduce the likelihood of certain non-communicable diseases (NCDs). We support the World Economic Forum's alliance on workplace wellness and share information about our programmes with other members – one example being our Employee Alcohol Policy.

Following successful pilots in Botswana, South Africa, Swaziland and Tanzania, we're rolling out our new Wellness Development Programme which focuses on HIV/Aids, malaria, sexually transmitted infections, hepatitis B and C, and tuberculosis. Under the programme, we train employees to become peer educators engaging with their colleagues and the surrounding community to promote prevention, testing and treatment.

¹⁰ Includes one fatality in our Kenyan operations, which are not otherwise included in this report.



At MillerCoors, our ability to innovate and gain a competitive edge in the rapidly changing beer industry is driven by the diversity of our great people.

That's why we have an unwavering commitment to diversity and inclusion. We recognise and appreciate that our similarities and differences are a source for new perspectives, creativity and innovation. Our brands are sold into a diverse marketplace and it's important for our organisation to reflect that diversity.

Here are just a few examples of how we're winning with our people:

- We foster Employee Resource Groups (ERGs). These self-governed employee networks increase cultural and intellectual awareness by aligning our focus on diversity and inclusion with our overall business objectives. These groups are open to all employees and promote collaboration and community involvement while helping us build a workplace where everyone is valued.
- We invested US\$500,000 in our cultural competence programme which helps everyone at MillerCoors learn how to leverage differences to achieve business results. Our goal is 100% employee participation in the day-long course

by the end of 2014. With more than 65% of our salaried workforce completing the course since 2012, we are well on our way to achieving our goal.

- We seek suppliers with the best quality products and services, and we firmly believe the best suppliers know and represent the diversity in the communities where we live, work and play. That's why we engaged more than 700 minority- and woman-owned suppliers in 2012. We also increased our diverse supplier spend by US\$29 million over 2011.
- We choose investments that will make an impact in the diverse communities where we operate through signature programmes like the Thurgood Marshall College Fund, Tap the Future and ¡Adelante!

Through our commitment to diversity and inclusion, we will continue to empower our employees and build a winning team culture that drives growth and advances our vision to create America's best beer company.

Tom Long
Chief Executive Officer, MillerCoors



Vida Saludable – creating a healthier workforce

In Peru, we have introduced our *Vida Saludable* ('Healthy Living') programme to improve the health of employees and increase productivity. The programme focuses on nutrition, physical activity and education.

Employees are offered monthly consultations with a nutritionist, either online or at regular brewery visits. Nutritional information has also been added to canteen menus. The scheme encourages people to take exercise and offers an annual medical examination, with follow-up monitoring if required.

As a result, the incidence of poor health factors, such as high cholesterol or obesity, has fallen and we've seen a high level of satisfaction among those taking part.

Manuel Villafana Ramirez
Director of Organisational Development, Backus

As we tackle HIV/Aids in countries of high prevalence (defined as greater than 5% of the population), this approach has proved effective in reducing the associated stigma, and increasing voluntary counselling and testing for employees and their dependants. On 31 March 2013 we had 1,733 HIV/Aids peer educators – one for every 12 employees – in high prevalence countries. In countries with prevalence greater than 1%, we provide access to voluntary counselling and testing and managed healthcare programmes for our employees and their immediate dependants if they need it.

Attracting and retaining talent

The global workforce is predicted to change dramatically over the next 20 years. A recent report¹¹ cited two challenges faced by global organisations – a blocking of the talent pipeline in developed markets as older employees work longer; and a potential global shortage of skilled workers, because growing labour markets in developing countries will be mostly unskilled¹². We're responding in three ways:

First, we've introduced a new career framework to identify the skills, experience and competencies required for roles. This way, we can match employees' own needs to those of the business and develop more effective Individual Development Plans.

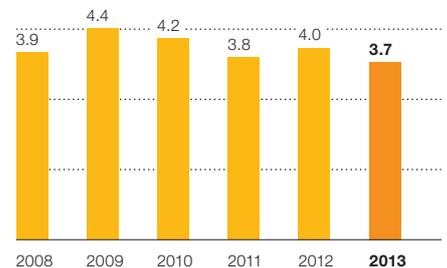
Secondly, we offer continuous development to our employees, whether in their current role or to prepare them for a new one. This year we introduced more functional training, particularly in technical areas such as engineering and brewing, so as to boost our capabilities and guard against potential skills shortages. In the year ended 31 March 2013 we provided an average of 3.7 training days for every employee (2012: 4.0).

Finally, we seek to ensure that the talent we need to protect our growth and provide tomorrow's leaders is identified early and properly nurtured. The roles most critical to delivering business strategy within SABMiller have been identified, as have potential candidates for these roles across all regions. This helps us to get the right people quickly into position. In the past year we made 36 key appointments from this global talent pool with experienced executives taking up senior posts groupwide. Any moves by these individuals need to be approved by SABMiller's executive committee to ensure the best deployment of talent in accordance with both individual skills and aspirations, and organisational needs.

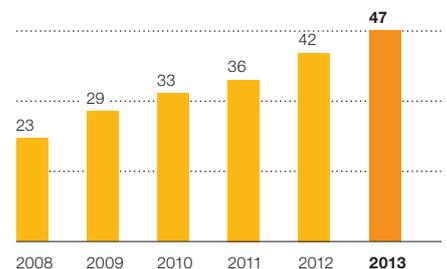
Valuing diversity and equality

We treat all employees equally, respecting and promoting diversity in our workforce. We have clear policies and processes in place to ensure that we recruit and treat people fairly and on merit, regardless of age, gender, sexual orientation, religion, disability or ethnic origin. We believe that better business decisions come from groups of competent, high-calibre individuals with a mix of skills, experience and backgrounds.

Training days per employee (number of days)



Employees trained in ethics within the last three years (thousand employees)



¹¹ McKinsey & Company, *The world at work: Jobs, pay, and skills for 3.5 billion people*, June 2012.

¹² Those without college training in advanced economies or without secondary education in developing economies.

Valuing and empowering our people

continued



Project Sangam – improving employee retention

In recent years in India we've seen high employee turnover rates of around 20%. In a competitive labour market we've faced a particular challenge in attracting and retaining employees with the talent and skills to support the growth of our business.

To tackle the issue, we've run a comprehensive employee engagement campaign, *Project Sangam* ('Bringing Together' in Sanskrit), which communicates our strategy and ensures consistent execution across the business. Greater alignment has resulted in greater engagement and has, among other things, reduced turnover to about 8% this year. We've also built clear frameworks to show how employees can progress and enjoy a fulfilling career with SABMiller India. We're doing more to communicate our aspirations – including holding regular 'town hall' meetings with our senior leaders – so that all employees feel part of our future success.

Alok Ranjan
Human Resources Director, SABMiller India

We are signatories of the UN Global Compact and have recently rolled out a revised approach to managing human rights risks, taking account of the UN's Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights. This approach helps our local businesses to identify and mitigate any significant risks within their operations and value chains.

In an industry traditionally perceived as male-dominated, we have various initiatives for ensuring better representation for women. For instance, MillerCoors' *Building Relationships and Empowering Women (BREW)* mentoring programme in the USA, which is supported by a female executive sponsor. In South Africa, SAB (Pty) Ltd has seen rapid growth in the numbers of women employed at all grades with a 77% increase in female middle executives since 2008. As at 31 March 2013 18.8% of our workforce was female (2012: 19.0%) and 28.1% of our executives and managers were women (2012: 27.8%). Although only two of the 12 members of the executive committee are female, 19% of SABMiller's plc board are women, which is higher than the FTSE100 average¹³ and three of our eight independent non-executive directors are female.

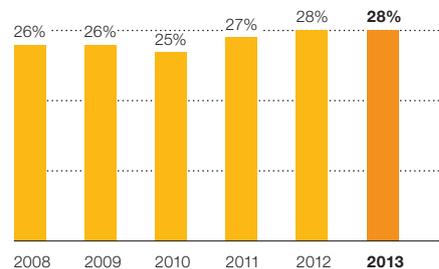
For many years in South Africa we have supported Broad-Based Black Economic Empowerment (BBBEE) initiatives aimed at growing the economy by including and empowering previously disadvantaged South Africans. More than 78% of SAB (Pty) Ltd's workers are from previously disadvantaged groups and 61% of the company's workers are black. This year in the annual BBBEE verification, SAB achieved 73.11 (2012: 72.9) and is therefore a Level 4 contributor to BBBEE. Through its BBBEE ownership programme, SAB Zenzele, the business has created almost 40,000 shareholders among staff and retailers.

Our employees play a crucial role in our success and it's important that we solicit their views and listen to their ideas and opinions. This is done in almost all of our operations through employee engagement surveys. We also respect the right to union representation and 37.8% of employees are union members. Many of our businesses have developed productive partnerships with trade unions on collective bargaining and other issues.

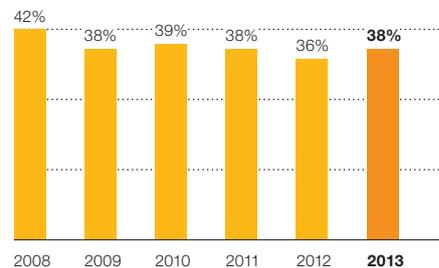
Find out more

Go online for more information at www.sabmiller.com/people

Female executives and managers (percentage of total executive and manager workforce)



Trade union membership (percentage of employees who are members of a trade union)



¹³ The Female FTSE board report 2012, International Centre for Women Leaders, Cranfield University.



2013 assured data and Independent Assurance Report

The Directors of SABMiller plc engaged us to provide limited assurance on the information described below and set out in SABMiller's Sustainable Development Summary Report 2013 for the year ended 31 March 2013

What we are assuring ("Selected Information")

The selected Sustainable Development (SD) data for the year ended 31 March 2013 that we are assuring (see panel below) excludes data relating to MillerCoors LLC. The scope of our work was restricted to the Selected Information for the year ended 31 March 2013 and does not extend to information in respect of earlier periods or to any other information in the Sustainable Development Summary Report 2013.

How the information is assessed ("Reporting Criteria")ⁱ

We assessed the Selected Information using SABMiller's Reporting Criteria (Reporting Principles and Methodology) as set out at www.sabmiller.com/sdassurance

Professional standards appliedⁱⁱ and level of assuranceⁱⁱⁱ

We have used ISAE 3000 (limited level of assurance) and we have complied with the ICAEW Code of Ethics.

Understanding reporting and measurement methodologies

There are no globally recognised and established practices for evaluating and measuring the Selected Information. The range of different, but acceptable, techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Reporting Criteria used as the basis of SABMiller's reporting should therefore be read in conjunction with the Selected Information and associated statements reported at www.sabmiller.com/sdassurance

Work done

Considering the risk of material misstatement of the Selected Information, we:

- made enquiries of SABMiller's management, including the SD team and those with responsibility for SD management and group SD reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included visiting three operating companies to perform walkthroughs on the indicators and obtaining supporting information, and at a further six operating companies, selected on the basis of their inherent risk and materiality to the group, holding interviews and obtaining supporting evidence to understand the key processes and controls for reporting operating company performance data to the group SD team;
- performed analytical reviews over all 28 operating companies in scope;

- carried out limited substantive testing on a selective basis of the Selected Information at corporate head office and at operating company level in relation to five of the operating companies mentioned above to assure that data had been appropriately measured, recorded, collated and reported; and
- assessed the disclosure and presentation of the Selected Information.

SABMiller's responsibilities

SABMiller management are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring SABMiller's performance based on the Reporting Criteria; and
- the content of the Sustainable Development Summary Report 2013.

The corporate accountability and risk assurance committee of the board (CARAC) have reviewed the procedures established by management to prepare the Sustainable Development Summary Report 2013, and the Chairman of CARAC has reviewed that report on behalf of the board of directors of SABMiller.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of SABMiller.

Our conclusions

As a result of our procedures nothing has come to our attention that indicates the Selected Information for the year ended 31 March 2013 has not been prepared in all material respects with the Reporting Criteria.

This report, including our conclusions, has been prepared solely for the Directors of SABMiller as a body in accordance with the agreement between us, to assist the Directors in reporting SABMiller's Sustainable Development performance and activities. We permit this report to be disclosed in the Sustainable Development Summary Report

2013 for the year ended 31 March 2013, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and SABMiller for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants, London

11 June 2013

i The maintenance and integrity of SABMiller's website is the responsibility of SABMiller management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on SABMiller's website.

ii We have complied with International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the IAASB, and with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. To comply with those standards, our work was carried out by an independent and multi-disciplinary team of sustainability and assurance specialists.

iii Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter assessed against the Reporting Criteria. Reasonable assurance gives more confidence than limited assurance, as a limited assurance engagement is substantially less in scope in relation to both the assessment of risks of material misstatement and the procedures performed in response to the assessed risks.

SABMiller selected information subject to independent limited assurance

The information below consists of the selected 2013 data, which has been prepared in accordance with our reporting principles and methodology (see www.sabmiller.com/sdassurance) and subject to assurance by PricewaterhouseCoopers LLP.

- Total water consumption (million hl): 505
- Water to beer ratio (hl/hl beer): 3.7
- Total CO₂e emissions from fossil fuel energy used on site (million tonnes): 1.4
- CO₂e emissions from fossil energy used on site (kgCO₂e/hl beer): 10.4
- Percentage of employees trained in alcohol responsibility: 75%
- Sales and Marketing Compliance Committees (SMCC) had been established in accordance with SABMiller's Policy on Commercial Communication, in relevant companies

Further reports and contacts

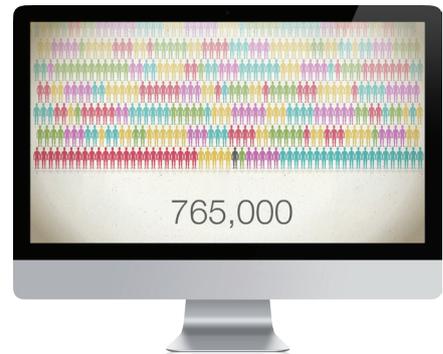
The following key publications are available at www.sabmiller.com/sd

Find out more

 You can watch the animations featured in this report, along with videos of executive committee members talking about sustainable development at www.sabmiller.com/sdfilms

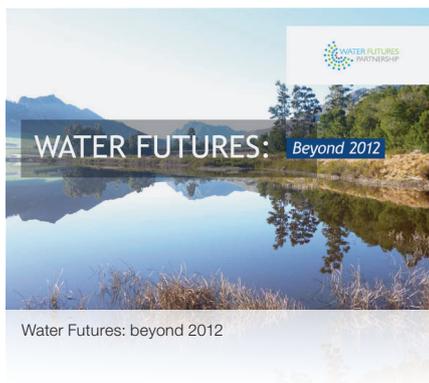


Water-food-energy nexus

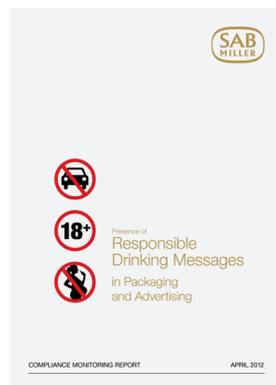


The economic impact of our African division

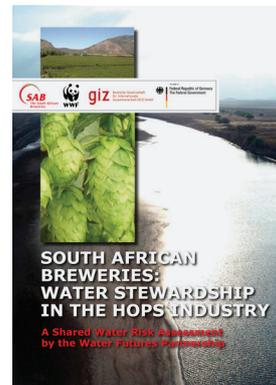
 You can download these reports, along with country sustainable development reports, at www.sabmiller.com/sdreports



Water Futures: beyond 2012



Responsible drinking messages in packaging and advertising



South African Breweries: water stewardship in the hops industry



European Beer Pledge: a package of responsibility initiatives from Europe's brewers

Please note

This report contains certain forward-looking statements including those that relate to water management, the implementation of certain reuse and recycling measures, investments in alternative energy, local sourcing of agricultural raw materials and expenditure at operational level. 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, crop yields, consumer demand, excise duties and taxation policies, 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.

The paper used in the report contains 75% recycled content, all of which is sourced from de-inked post-consumer waste. All of the pulp is bleached using an elemental chlorine free process (ECF). Printed in the UK by CPI Colour, a CarbonNeutral® company. Both manufacturing mill and the printer are registered to the Environmental Management System ISO14001 and are Forest Stewardship Council (FSC®) chain-of-custody certified.

Designed by Further™
furthercreative.co.uk



Registered office

Church Street West
Woking, Surrey, England GU21 6HS
Telephone +44 1483 264000

Head office

One Stanhope Gate
London, England W1K 1AF
Telephone +44 20 7659 0100

Investor relations

Telephone +44 20 7659 0100
investor.relations@sabmiller.com

Sustainable development

Telephone +44 1483 264134
sustainable.development@sabmiller.com

SABMiller plc

(Registration No. 3528416)