



Building locally, winning sustainably



About SABMiller plc

SABMiller plc is one of the world's leading brewers with brewing interests and distribution agreements across six continents.

The group's wide portfolio of brands includes global beers such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch as well as leading local brands such as Águila, Castle, Miller Lite, Snow and Tyskie. We are also one of the world's largest bottlers of Coca-Cola products.

In 2011 our group revenue was US\$28,311 million with earnings before interest, tax and amortisation of US\$5,044 million and lager production of 218 million hectolitres.

Boundary and scope of this report

This report covers the financial year ended 31 March 2011.

Operations are included in this report on the basis of management control of SABMiller group companies. Our US joint venture, MillerCoors is also included. Our economic interest in MillerCoors is reflected when reporting quantitative key environmental performance indicators.

We aim to include new acquisitions or market entries within two years. A list of the operations covered in this report is provided on page 17. Our operations in Vietnam and Ukraine are included this year for the first time.

Where we hold a minority share in a joint venture, we engage with our partners on sustainable development issues. Information on our minority ventures in China and Zimbabwe, and our jointly managed business in Australia, can be found at www.sabmiller.com/sd

a Group revenue includes the attributable share of associates' and joint ventures' revenue of US\$8,903 million (2010: US\$8,330 million).

b Note 2 to the consolidated financial statements of the SABMiller plc Annual Report provides a reconciliation of operating profit to EBITA which is defined as operating profit before exceptional items and amortisation of intangible assets (excluding software) and includes the group's share of associates' and joint ventures' operating profit, on a similar basis.

Group revenue^a

+7%

2011: US\$28,311m
2010: US\$26,350m

EBITA^b

+15%

2011: US\$5,044m
2010: US\$4,381m

Lager volumes

+2%

2011: 218m hectolitres
2010: 213m hectolitres

Go online for more information

Further information on sustainable development can be found on our website. This includes additional case studies and performance data, the Sustainability Assessment Matrix (SAM) scorecards for our operations, position papers on each of the sustainable development priorities and reports on specific issues. www.sabmiller.com/sd

Annual Report

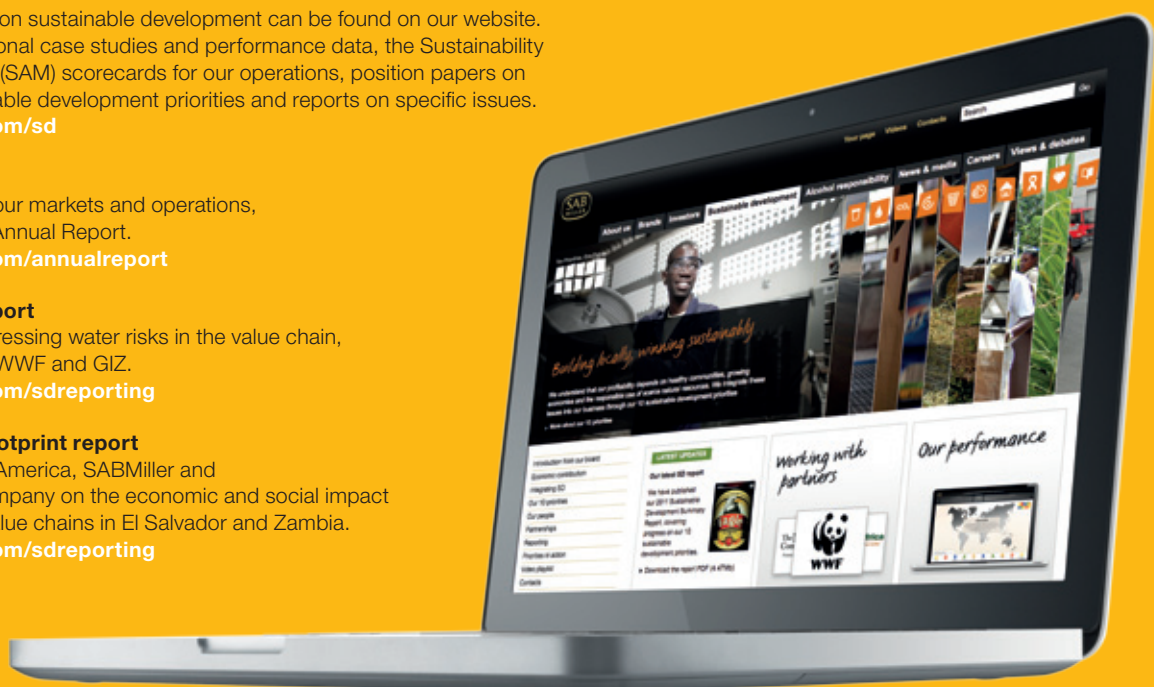
For an overview of our markets and operations, please refer to our Annual Report. www.sabmiller.com/annualreport

Water Futures report

Identifying and addressing water risks in the value chain, in partnership with WWF and GIZ. www.sabmiller.com/sdreporting

Oxfam poverty footprint report

A report by Oxfam America, SABMiller and The Coca-Cola Company on the economic and social impact of our soft drinks value chains in El Salvador and Zambia. www.sabmiller.com/sdreporting



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This summary report explains how we integrate sustainable development into our business and our performance over the last 12 months.

Joint statement by the Chairman of the Corporate Accountability and Risk Assurance Committee of the Board (CARAC) and the Chief Executive

Our businesses understand that their profitability depends on healthy communities, growing economies and the responsible use of scarce natural resources. We integrate these issues into the day to day management of our business.

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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 can be found 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 Sustainability Index

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

Joint statement by the Chairman of CARAC and the Chief Executive

Our progress and performance is overseen by the Corporate Accountability and Risk Assurance Committee of the Board (CARAC).



Dambisa Moyo Chairman of CARAC



Graham Mackay Chief Executive

Winning sustainably

Our businesses make their greatest contribution to society by delivering high quality products that consumers enjoy. In doing so, they are creating jobs, paying taxes, building the skills base and demonstrating that business growth and sustainable development can be mutually reinforcing rather than in conflict.

Our direct economic value creation during the year was US\$21,072 million, which both directly and through economic multipliers, makes a significant contribution to livelihoods around the world. The total taxes borne and collected by the group increased from US\$7,000 million in 2010 to US\$8,400 million in this year, which represents a major contribution to public revenue.

We integrate sustainable development into the day to day management of our business through our 10 priorities and measure our progress through our Sustainability Assessment Matrix (SAM) system. During the year the average group score increased from 2.6 to 2.9, as our local businesses focused on progressing the most material sustainable development issues for their markets. We also added a further performance level to the SAM system, level five, which represents genuine global leadership on an issue.

Recognising upcoming challenges

We recognise that health, economic and environmental concerns continue to grow around the world, and that to protect and grow our business we need to understand these concerns and play our part to resolve them. Most critically for SABMiller, the increasing focus by

both governments and non-governmental organisations (NGOs) regarding social and health challenges, such as alcohol abuse and the influence of excessive alcohol consumption as a risk factor in non-communicable diseases, is leading to both higher regulatory scrutiny and a strong expectation for businesses to play a greater role in leading action to tackle these problems. We share common goals with the World Health Organisation as outlined in its Global Strategy to Reduce the Harmful Use of Alcohol, which was adopted by the World Health Assembly in 2010, and our local businesses are committed to engaging in partnerships that tackle the most pressing alcohol abuse concerns in their communities.

Concerted internal action and partnership development

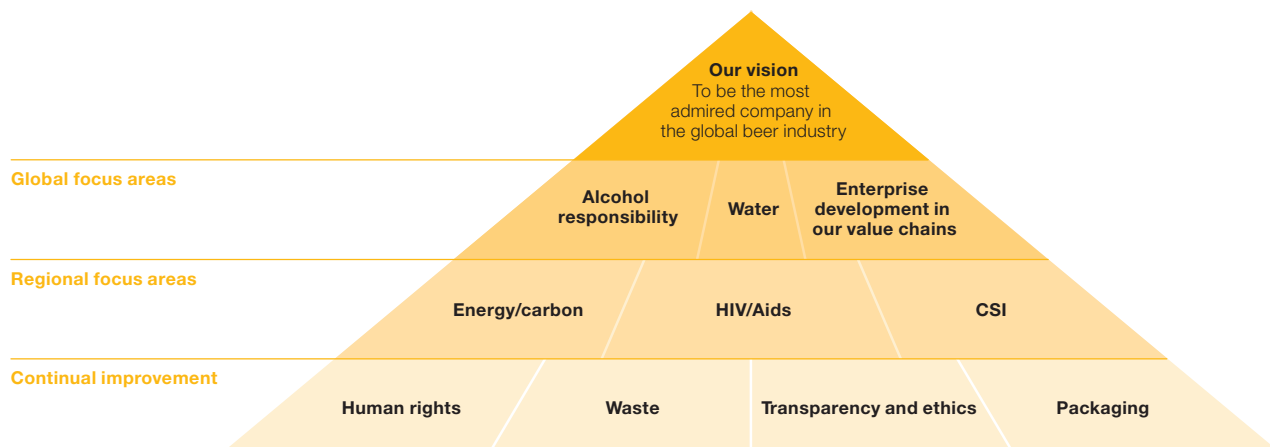
We have extensive programmes which aim to improve water and energy efficiency, to educate our employees on alcohol responsibility and to raise awareness and engagement around the world on our overall approach under the banner 'Ten Priorities. One Future.'

However, internal action alone is not sufficient. Many of the sustainable development challenges we face can only be tackled in partnership with experts from NGOs, governments and academic institutions. This report details how we have expanded our range of partnerships, including the Tavern Intervention Programme in South Africa, which focuses on HIV/Aids awareness, gender violence and responsible drinking, as well as the Water Futures partnership with WWF and GIZ (a part of the German government's development agency).

Creating wealth and benefiting society

The growth of emerging regions such as China, India, Africa and Latin America remains one of the most compelling global trends of the 21st century. The demands on resources that this growth will require compel businesses to be proactive in engaging with governments and other stakeholders to develop solutions to environmental, health and other social issues that arise. SABMiller is well placed to continue to drive growth and deliver improved livelihoods for the millions of people that benefit from our value chains across the world.

A focused approach to sustainable development management



Economic contribution

Our businesses make a significant contribution to local economies around the world.

Contributing to economic growth

Our economic contribution includes direct employment, buying from local, regional and global suppliers, the distribution and retailing of our products, and the return and reuse or recycling of packaging.

In the year ended 31 March 2011 SABMiller generated over US\$21,072 million of economic value, of which the majority was distributed through the course of our business to our employees, shareholders and investors, suppliers and governments as well as to local communities through our Corporate Social Investment (CSI) activities.

A recent independent study undertaken in South Africa showed that our activities were directly and indirectly responsible for 355,000 jobs. Furthermore, this study showed that we contributed over ZAR66,000 million (US\$ 8,600 million) to South Africa's economy, accounting for 3.1% of the country's GDP.

In South Africa, we created over 33,000 new shareholders in our subsidiary, SAB Ltd, as part of a Broad-Based Black Economic Empowerment (BBBEE) transaction completed in June 2010. We have distributed dividends of US\$9 million to employees and local retailers involved in the scheme, as well as to the SAB Foundation to the benefit of the wider South African community.

We look for opportunities to involve new people in market economies. Our smallholder farming programmes involve over 28,000 farmers, many of whom have converted from subsistence farming, and provide them with an income so they can support their dependants, and contribute to the development of their communities.

Our work with Coca-Cola and Oxfam America to determine the poverty footprint of SABMiller's soft drinks value chain in Zambia and El Salvador provided a comprehensive overview of how our operations affect key poverty indicators such as sustainable livelihoods, health and well-being, diversity, empowerment, security and stability. It concluded that the activities of our local businesses generated approximately US\$21 million in Zambia and US\$83 million in El Salvador.

We commission independent research in order to gain a better understanding of the economic impact we have. Over the past three years we have commissioned analyses of our direct and indirect economic contribution in Uganda, Honduras, the Czech Republic, Hungary, Italy, the Netherlands, Poland, Romania, Russia, South Africa, Slovakia, Spain and the UK.

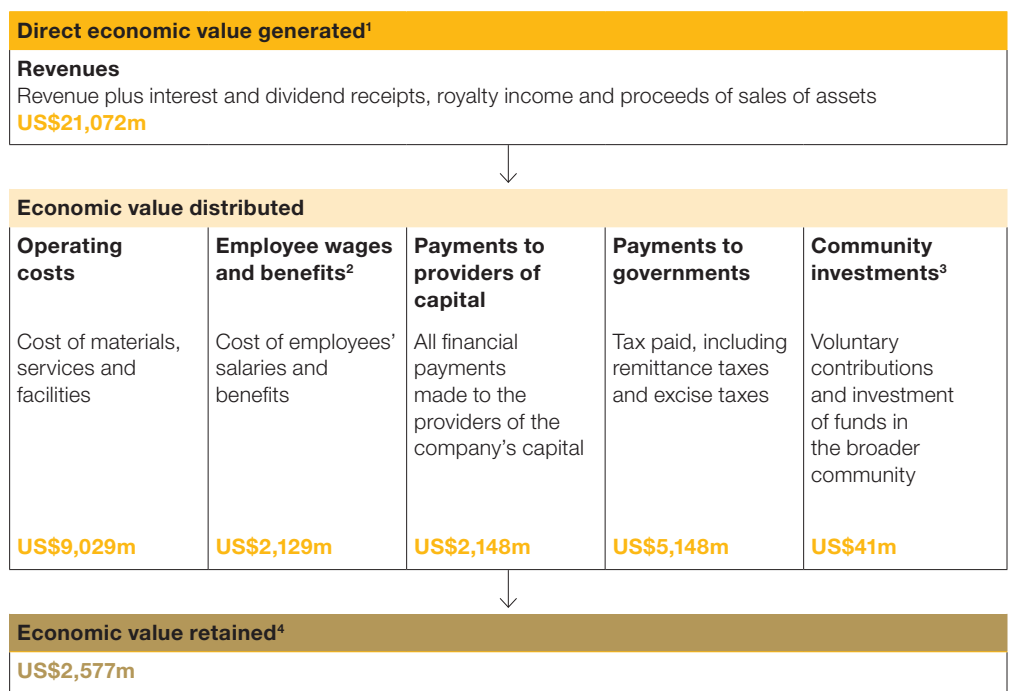
Transparent approach to taxation

We recognise there is a growing interest in the level of taxes paid by multinational companies. We aim to be transparent on this issue and to pay the right and correct amount of tax according to the laws of each country in which we operate.

In the year, total taxes borne and collected by the group amounted to US\$8,400 million (2010: US\$7,000 million). This includes excise taxes, transactional taxes and taxes borne by employees, as well as the share (based on equity interest) of our US joint venture's taxes. We consider this wider tax footprint to be an appropriate indication of the tax contribution from our operations.

The corporate tax charge for the year (before amortisation of intangible assets other than software and exceptional items) was US\$1,069 million, which represents an effective tax rate of 28.2%. This places us in the upper quartile of the FTSE 100 as measured by publicly reported effective tax rates.

The group's presence in many developing economies provides major sources of employment and income and therefore tax revenues. The taxes we pay are split between developed countries 22% and developing countries 78%.



1 This table is constructed based on data contained within the 2011 SABMiller Annual Report and follows guidance recommended by the Global Reporting Initiative (GRI EC1).

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





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

4 Value retained to fund future capital expenditure and acquisitions.

Overview of our progress

The table below summarises the progress we have made towards meeting selected sustainable development targets.

Go online for more detailed information on the progress we have made against all our targets, and to see the full range of targets for the forthcoming year: www.sabmiller.com/sd

	Priority	Selected 2011 target	Progress
	Discouraging irresponsible drinking	Work in partnership with the International Center for Alcohol Policy (ICAP) and stakeholders on global actions to reduce harmful drinking.	SABMiller has supported ICAP by actively participating in the consultations and work plans relating the Global Action on Harmful Drinking initiative, including a pilot study to provide greater understanding of the informal alcohol market in Botswana. SABMiller also hosted an ICAP-industry consultation in South Africa where the evolution of the Global Actions post-2012 was discussed.
	Making more beer using less water	Undertake water footprints and develop action plans for partnership watershed protection projects in South Africa, Tanzania, Peru and Ukraine.	Water footprints have been completed in each market and the findings published in our Water Futures report in September 2010. Using this quantitative analysis, action plans have now been developed by working groups, including local stakeholders, which include watershed protection schemes, further research and engagement with other partners.
	Reducing our energy and carbon footprint	Undertake a comprehensive review of opportunities to improve energy efficiency across the group and continue to reduce fossil fuel emissions from energy use on our sites.	Our fossil fuel emissions were reduced by 3% per hectolitre of beer produced. To drive faster improvements as we aim for a 50% reduction in fossil fuel emissions by 2020, each region has developed detailed action plans to cut energy and emissions, and has identified key engineers to lead these programmes.
	Packaging, reuse and recycling	Review, select and implement a new group environmental impact assessment tool for the evaluation of both new and existing packaging substrates.	We have introduced an environmental impact assessment tool. This enables us to review the environmental impact of our packaging by brand, from raw materials to final disposal. It has been trialled in the UK, Czech Republic and Italy, and is now being rolled out to the rest of Europe.
	Working towards zero waste operations	Explore recycling potential for waste labels, currently sent to landfill in two markets in Europe and Latin America.	At our San Juan brewery in Peru, we are using waste labels to produce a fertiliser for use in a reforestation project close to the plant. A new process to use label waste as a fuel for cement production has been trialled in the Czech Republic. It is currently not cost effective compared to other options available.
	Encouraging enterprise development in our value chains	Develop and launch a new cassava farming project in Southern Sudan.	SABMiller has partnered with the NGO FARM-Africa to introduce an innovative local sourcing model for cassava. We expect this project to provide significant direct benefits for 2,000 smallholder farmers and their dependants, and to offer wider employment opportunities for about 15,600 people in the resulting value chain over the next three years.
	Benefiting communities	Launch newly developed water CSI initiative in Africa.	Projects are underway or have been launched in six markets, including Mozambique, Lesotho, Tanzania and Uganda to provide access to safe drinking water in these communities through the implementation of new community water initiatives.
	Contributing to the reduction of HIV/Aids	Roll out the 'Men in Taverns' education programme in South Africa in partnership with the Global Fund.	Our Tavern Intervention Programme, with co-funding from the Global Fund, is training facilitators who will engage with 4,000 men across South Africa to address HIV/Aids, responsible alcohol consumption, gender violence and children's rights. A pilot project to use our delivery network to distribute condoms to taverns has also been rolled out across the country.
	Respecting human rights	Undertake actions as appropriate, to improve the poverty impact of our soft drinks value chains in Zambia and El Salvador, arising from the ongoing impact study.	The findings of our 'poverty footprint', undertaken with Oxfam America and Coca-Cola and published in March 2011, found that labour conditions, environmental protection and human rights were well respected, and that existing programmes on HIV/Aids and water made a positive contribution. Issues raised include the under-representation of women, and health and safety in our supply chains. These are now being considered by our local businesses in discussion with local stakeholders.
	Transparency and ethics	Launch a comprehensive internal communications campaign to improve employee awareness and engagement in sustainable development.	In June 2010, the 'Ten Priorities. One Future' communications campaign was launched across the group. This involved workshops, meetings, film screenings, posters and newsletters. A subsequent employee survey said that 85% of employees now knew how they could promote sustainable development at work.

Managing sustainable development

SABMiller has a robust, rigorous and transparent approach to meeting its 10 sustainable development priorities, with clear management accountability and responsibilities across the business.

A clear approach based on 10 priorities

Sustainable development is integral to the way that we do business and is aligned with our strategic priority to constantly raise the profitability of local businesses, sustainably.

Underpinning this approach are 10 sustainable development priorities that demonstrate our commitment and provide clarity for our businesses, shareholders and other stakeholders on what we believe are our material issues. They inform how we focus our efforts and prioritise our resources.

These priorities are continually tested and reviewed at group level and by our local businesses to make sure they remain relevant and meaningful. We consult regularly with external stakeholders at both global and local levels to ensure we take their views and perceptions into account and evolve our approach accordingly.

Focusing our efforts and working collaboratively to address complex issues

We have three areas of global focus: to discourage irresponsible drinking; to make more beer using less water; and to encourage enterprise development within our value chain. These are the areas in which we believe we can create the most value for our business and local communities by applying the benefits of our group-wide scale and expertise.

Our approach is flexible enough to allow our local businesses to invest their resources in the issues most relevant to them in their own markets. In our work on water, for example, differences in climate, infrastructure and other factors can mean local businesses face very different issues and risks.

Many of the issues we face – particularly those relating to our global focus areas – are complex and best addressed in partnership with others. We believe a collaborative, multi-stakeholder approach can offer different insights and knowledge, and that working together with a shared purpose can have a much greater effect than if we just worked alone.

Robust governance and performance measurement

The group Corporate Accountability and Risk Assurance Committee (CARAC) is responsible for overseeing progress against our 10 sustainable development priorities. It is chaired by

Dr Dambisa Moyo, a non-executive director of SABMiller plc, and is a sub-committee of the SABMiller plc board.

Each region also has its own CARAC, led by the regional managing director, which oversees activity at a local level. The group CARAC is regularly updated on each region's progress and performance.

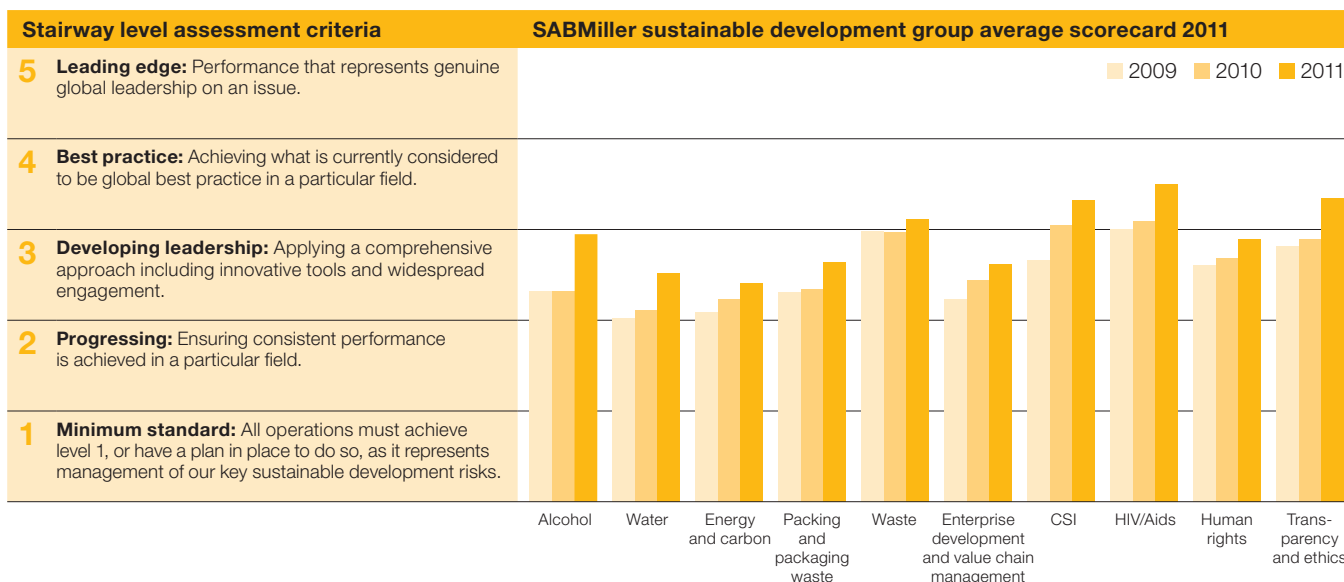
The sustainable development performance of our businesses is reviewed twice a year using a bespoke monitoring framework, the Sustainability Assessment Matrix (SAM). Each business is required to provide both qualitative and quantitative data relating to each of the sustainable development priorities, and this is compared against clearly defined assessment criteria. These criteria are set out in our sustainable development stairways. They plot a course through five levels of performance, from a minimum standard (level one) to a leading-edge standard (level five). We expect all our businesses to meet the minimum standard or have an action plan in place to ensure they do so by an agreed date.

Level five was introduced this year, with input from a variety of stakeholders. The aim was to define what we – and our stakeholders – believe to represent genuine global leadership on any given issue and to provide even greater challenges for our businesses.

The average score achieved by SABMiller across all priorities was 2.9 this year, an increase from 2.6 achieved in 2010. Furthermore, our scores have improved against all priorities, with significant increases in performance in the three areas of alcohol, water, and transparency and ethics. More detailed information on our scores by country and priority can be found by exploring our SAM portal at www.sabmiller.com/sd.

To further strengthen the SAM process we have instigated a more detailed programme of training and in-country reviews. This year we have undertaken reviews in Angola, the Czech Republic, Ecuador, Honduras, Hungary, India, Romania, Russia, Uganda and Ukraine, and training at our jointly managed business in Australia and our minority venture in Zimbabwe. We also held a regional training session for our Latin American businesses with representatives from all our operations in the region.

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





Discouraging irresponsible drinking

Working to combat alcohol abuse and provide balanced and accurate information on alcohol consumption to consumers and stakeholders.

Why this is a priority

We want our consumers to enjoy our beer responsibly. We know that most people who drink our beer do so in moderation, in relaxing and convivial circumstances. However, we also know that a minority drink too much, drink while under age or drink and drive, and potentially cause harm to themselves and those around them.

We do not support, encourage or condone alcohol abuse: it is simply not in our commercial interests to do so nor is it in line with our values. This is why we share common goals with the World Health Organisation (WHO) as outlined in its Global Strategy to Reduce the Harmful Use of Alcohol.

Ensuring high standards to combat alcohol abuse

SABMiller has six core principles that underpin its approach to combating alcohol abuse. These principles are supported by our Alcohol Policy Framework, which consists of a range of alcohol policies, position papers and guidelines.

In 2010 we reviewed, refreshed and updated this framework to make sure we continue to engage with, and respond to, the expectations of our stakeholders and society at large in relation to alcohol abuse and the harm it causes. We provide regular training for our employees to keep them up to date, and over the past 12 months our businesses have trained more than 80% of their employees on average in alcohol responsibility and our policies.

Working with policy makers and being part of the solution

Alcohol abuse is a complex, multi-faceted problem. It requires a comprehensive response from a variety of stakeholders including governments, the public health community, the alcohol industry, law enforcers, parents and families.

We seek to engage with our stakeholders, particularly NGOs and health experts, to share knowledge and benefit from their insights. This engagement may be at a global level – co-operating with the WHO or working in partnership with the International Centre for Alcohol Policy, for example – or at a local level as in our work with bartenders, waiters, and managers in El Salvador.

Building trust and sharing balanced and accurate information

People abuse alcohol for different reasons. While we believe that consumers must be responsible for their own actions with regard to alcohol we also believe it is crucial to understand the contributing factors, so we can understand the influence we may have and what measures we can implement to address them. We commission independent research to help us do so. In December 2010, for example, we asked UK think-tank Demos to identify the causes of so-called 'binge drinking' among 18-24 year olds. The initial findings of this work

have been published on the Demos website (www.demos.co.uk), and further research is now underway which will be published later in 2011.

Our TalkingAlcohol.com website remains an important part of the way we provide balanced and accurate information to consumers and other stakeholders. Now available in nine language versions (Czech, Dutch, English, Hungarian, Italian, Polish, Romanian, Russian and Spanish), the website received 311,605 different visitors in the past year.

SABMiller also aims to place responsible drinking messages on all its product packaging and marketing materials by March 2012. This has so far been done, for example, in the US, the UK, Poland, the Czech Republic, Romania, Colombia, Uganda and South Africa.

Working with our partners to encourage responsible consumption

Across SABMiller, we work closely with a range of partner organisations to discourage the irresponsible consumption of alcohol and its effects.

In South Africa, for example, we are working with the NGO FASfacts to address Foetal Alcohol Syndrome (FAS) which is a common preventable form of intellectual disability. South Africa has one of the highest recorded incidences of FAS globally. Also in South Africa, the Tavern Intervention Programme (TIP) run by SAB Ltd will work with over 4,000 men to address issues including irresponsible drinking. For more details see page 13.

In the Czech Republic, we are partnering with local NGO SANANIM, to provide the Promile INFO service, which allows responsible consumers to check the approximate level of alcohol in their blood by text message or the internet. Since its launch five years ago, the service has been used over 110,000 times.

Offering choice and alternative products for consumers

In some parts of the world, particularly in developing and emerging markets, we are concerned about the consumption of 'non-commercial' alcohol. In response, our businesses are expanding their brand choices to include high quality, affordable beers made from locally sourced crops such as sorghum and cassava. Eagle Lager is one example.

We also recognise an increasing demand for low and non-alcohol beers. One of the many products we offer, the Czech brand Birell was named the best Ultra Low Alcohol Beer at the 2011 Brewing Industry International Awards. Many of our businesses also produce a range of soft drinks and SABMiller is one of the world's largest bottlers of Coca-Cola products.

➔ **Go online for more information**
www.sabmiller.com/sd

Priority in action



Eagle Lager was the first sorghum 'clear beer' to be introduced in Uganda by a leading brewery. Today, Eagle accounts for around 50% of all SABMiller beer sold in the country.

It was introduced, in part, to tackle the consumption of 'non-commercial' alcohol by offering consumers a safe, affordable, high quality beer from locally grown sorghum. Since the first commercial production in 2002, the number of Ugandan smallholders supplying sorghum to brew Eagle has grown to over 9,000 with considerable benefits to local economic development.



Selected 2012 target

Work towards our goal that 100% of global brand labels carry a responsibility message that conforms to the SABMiller-approved standards.

Go online for more 2012 targets for this priority.



Making more beer using less water

Taking a holistic and partnership approach to tackle the water challenges we share with the communities in which we work.

Why this is a priority

We aim to use water as efficiently as possible and have set ourselves the demanding target of reducing our water use per hectolitre of beer by 25% between 2008 and 2015.

The scarcity and availability of water represent a potentially significant risk to parts of our business, as well as to some of the communities in which we operate. We aim to work collaboratively to protect the watersheds that we share with local communities and on which we and they depend.

Taking an active role in the water debate

SABMiller is a founding signatory of the UN CEO Water Mandate, an initiative that helps companies to develop, implement and disclose water sustainability policies and practices.

Through our Water Futures partnership, we hope to share our learning and promote better watershed management. To this end, in September 2010, we hosted a session at the World Water Week in Stockholm, attended by senior business leaders and other stakeholders. During 2010 SABMiller also participated in the inaugural CDP Water Disclosure project, which aims to inform the global marketplace on investment risk and commercial opportunity relating to water risk.

Managing a shared water risk

As water scarcity becomes more apparent, then so do the risks we potentially face – not least competition for resources, higher costs, the effect on water quality, and the possibility that water shortages will limit production. These risks are often shared with the community around us.

We evaluate the risks to our breweries and bottling plants using a watershed mapping tool, which was updated in August 2010, using the latest data from the World Business Council for Sustainable Development (WBCSD). It covers all our operating sites. We also undertake Source Vulnerability Assessments (SVAs) at our Coca-Cola bottling plants to determine the sustainability of their water supplies.

Although our businesses face different challenges depending on climate and other local factors, our approach is consistent across the group. Based

on the 5Rs (pProtect, Reduce, Reuse, Recycle and Redistribute) it takes account of water-related risks throughout the value chain.

Water Futures

In September 2010 we published detailed water footprints of our operations in Peru, Ukraine, Tanzania and South Africa – all countries at risk of significant water stress. A water footprint tells us how much water is consumed to produce beer throughout our value chain, from crop cultivation to waste disposal.

The results showed considerable variation – ranging from 61 litres of water per litre of beer produced in Peru to 180 litres per litre in Tanzania – illustrating the impact of local factors on water consumed within SABMiller's value chain. Crop cultivation accounted for over 90% of water consumed in the four countries analysed. Using this quantitative approach, we are engaging with local stakeholders in each country to develop watershed protection programmes. This work will continue over the next year. We will also seek to expand this collaboration to other global partners and incorporate initiatives underway in India, Honduras and Colombia, and at MillerCoors in the USA.

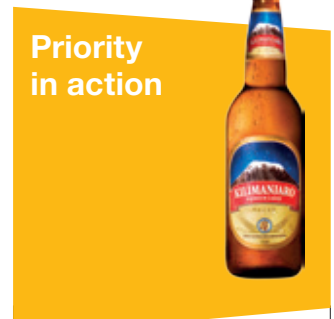
Improving water efficiency of our operations

Last year, SABMiller used 731 million hectolitres of water in its own beer production processes. This has increased as production volumes have grown. Our average water consumption per hectolitre of beer produced for the last financial year was 4.2 hectolitres, a 3% improvement on the previous 12 months. Since 2008, when we first set our target to reduce water use per hectolitre of beer by 25% by 2015, our water efficiency has improved by 8%.

Supporting local communities

Through our Corporate Social Investment (CSI) activities we seek to provide local communities with clean water or to treat waste water so it can be used for irrigation or other purposes. For example, this year we have established water distribution projects in Tanzania, Mozambique, Lesotho, Uganda and Swaziland providing access to water and supporting local farmers and crop irrigation.

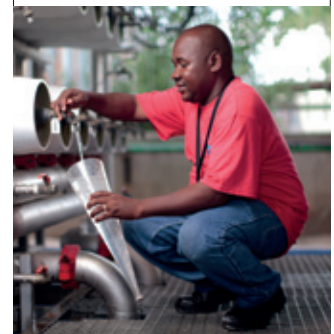
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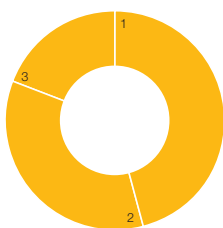
Priority in action

Named after Africa's highest mountain, **Kilimanjaro** is one of Tanzania's most popular beer brands. The brewery in Dar es Salaam in which it is produced lies in an area of potential water stress.

To protect and expand the production of Kilimanjaro and tackle the water related risks we share with the local community, our *Water Futures* global partnership, with WWF and the German government agency, GIZ, has consulted with local stakeholders including the Ministry of Water and Irrigation, on a watershed protection project that addresses the challenges facing Dar es Salaam and the Wami-Ruvu river basin.

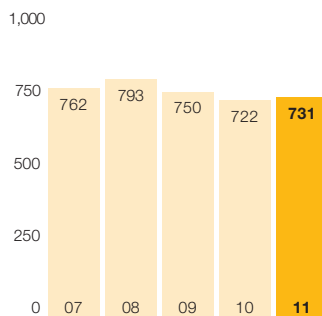


Water sources
(percentage breakdown by volume)

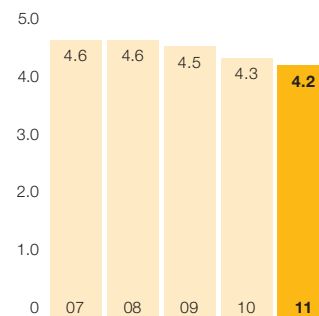


1 Municipal sources 46%
 2 Surface water 35%
 3 Ground water 19%

Total water consumption
(million hl water)



Water to beer ratio
(hl water/hl beer)



Selected 2012 target

Continue to improve water efficiency towards our 2015 target and undertake a comprehensive review of water use within our brewing operations in order to better target water reduction opportunities.

Go online for more 2012 targets for this priority.



Reducing our energy and carbon footprint

Improving our energy efficiency and reducing greenhouse gases.

Why this is a priority

The effects of climate change could have far reaching consequences, particularly in terms of water availability and agricultural production – both of which are vital to the production of beer. It is in our interests to reduce our greenhouse gas emissions and to play a part in combating climate change.

In 2008 we set ourselves the challenging target of reducing the fossil fuel emissions from our on-site energy use by 50% per hectolitre of beer by 2020.

A holistic approach to energy and carbon management

We take a holistic approach to managing energy and carbon. First and foremost, we seek to be energy efficient as we brew beer and operate our facilities.

We also continually evaluate alternative and renewable sources of energy, which produce fewer emissions than fossil fuels and use them whenever we can.

We also consider the carbon associated with our value chain, focusing particularly on packaging manufacture, transport and the refrigeration of our products. This approach is group-wide and is summarised in our carbon strategy, first developed in 2009.

Understanding our potential and being energy efficient

During 2010, with the help of leading independent experts, we reviewed the energy saving opportunities available across our business. We assessed the way energy was used, considered the technologies available and the behaviours that would be introduced, and importantly, calculated the investment that would be required. This has enabled us to develop detailed action plans to reduce energy consumption across the group. As a result of this review, we have also restated our historical data to reflect best practice of greenhouse gas emissions reporting.

Last year we used 24 terajoules (TJ) of energy, which is equivalent to 138 megajoules (MJ) per hectolitre of beer produced. Despite our absolute energy use increasing as production has expanded, our efficiency has improved by 1% over the past 12 months. We plan to accelerate this reduction over the next year through a better understanding of the opportunities available across our business.

Over the same period our emissions totalled 2.4 million tonnes of CO₂e, equivalent to 13.8 kg CO₂e per hectolitre of beer produced. This is a 3% improvement on the previous 12 months and an 8% improvement against the target set in 2008.

Investing in new technology and renewable energy

In 2010 we announced the implementation of an innovative low energy process to provide heat required for brewing. Heating accounts for 40% of the energy used for brewing, so the saving, when fully implemented, will be significant.

Of particular interest is the opportunity to generate energy from brewing waste in order to create a valuable resource and reduce our reliance on fossil fuels. Many of our businesses have installed systems to generate biogas from the anaerobic treatment of waste water.

Reducing our transport emissions

We aim to distribute our products as efficiently as possible and we use alternative forms of transport or seek opportunities to optimise our logistics. In the Czech Republic, the switch to rail transport over a distance of 530,000 kilometres has replaced 430 truck journeys that would otherwise have been made across Europe. In Colombia, better scheduling of deliveries and better vehicle loading has saved over 45,000 tonnes of CO₂e.

Low carbon packaging and reducing refrigeration emissions

The manufacture of packaging represents a significant proportion of the carbon associated with the production of beer. Our new packaging sustainability strategy, launched last year, is now helping our businesses to understand the carbon impact when selecting different forms of packaging.

Many of our products are best served cold and require refrigeration. Working closely with our partners and retailers, we aim not to purchase any new refrigeration equipment that contains chlorofluorocarbons (CFCs) that can contribute to climate change.

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

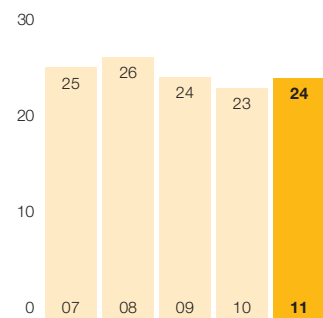


Our brewmasters in the Czech Republic are dedicated to maintaining the integrity of **Pilsner Urquell**, the original pilsner beer first brewed in 1842. With no compromise on the quality and provenance of Czech brewing, we have introduced a range of energy saving measures to reduce carbon emissions across Plzeňský Prazdroj.

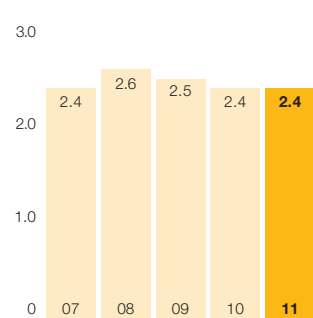
As a result, the business has achieved an energy reduction of over 8% per hectolitre of beer produced in the last 12 months. Our brewery in Pilsen, which brews Pilsner Urquell, has performed better than average as energy use has reduced by over 10% per hectolitre over the same period.



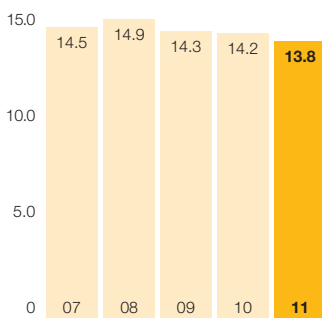
Total energy consumption (TJ)



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



CO₂e emissions from fossil fuel energy used on site (kg CO₂e/hl beer)



Selected 2012 target

Continue to reduce fossil fuel emissions per litre of beer as we work towards our 2020 carbon target.

Go online for more 2012 targets for this priority.



Packaging, reuse and recycling

Our global sustainability packaging strategy seeks to ensure a consistent and sustainable approach to the design, reuse and disposal of all the packaging we use.

Why this is a priority

The packaging we use is integral to how we present our products to consumers. More importantly, it preserves the quality of our beer and keeps it safe for consumers' enjoyment. We need to select packaging that is fit for purpose, while also taking account of its environmental impact from manufacture to disposal.

A global packaging sustainability strategy

In 2010 we launched a new global packaging sustainability strategy, which we have continued to roll out this year. We have also strengthened the way in which packaging selections are managed, notably by bringing together the internal stakeholders that are involved in this process – those in our technical, procurement, marketing and sustainable development teams, for example.

Increasingly we are introducing a 'best in class' approach to rationalise the packaging types we use, particularly glass bottles. For example, in Africa we have a programme to standardise bottle types and weights, beginning with those in Ghana and Mozambique. Ultimately, this process will enable us to set global targets across SABMiller to reduce the environmental impact of the packaging we use.

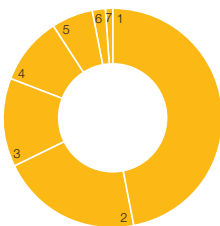
Understanding the environmental impact of our packaging

We have introduced an environmental impact assessment tool that enables us to review and understand the environmental impact of each of our packaging types by brand, from the raw materials used to the final disposal of the packaging. This has been trialled in the UK, the Czech Republic and Italy, and is now being rolled out to the rest of Europe.

In November 2010 we brought together our key packaging suppliers to hold a workshop on packaging and sustainable development, to explain our approach and to explore ways in which we can work together to achieve our shared goals. Our businesses regularly engage with their local suppliers to understand the latest innovations.

Breakdown of packaging type

(% of product packaged)



1 Returnable bottles	47%
2 Aluminium cans	21%
3 Non returnable bottles	13%
4 PET	10%
5 Keg	6%
6 Other packaging	2%
7 Steel cans	1%

Using returnable bottles

Almost half of SABMiller's packaging is returnable and this system is used extensively in Africa, Europe, Latin America and India. Returnable bottles save raw materials in that they are only manufactured once and then used many times. Some bottles, such as the well established 'super returnable' system in Colombia, have scuff resistant coatings and can be reused over 40 times.

SABMiller India recently introduced patented bottles – a move that formalises the returnable bottle market, protects the condition in which these bottles are returned and also promotes its brands. As a result the number of returns per bottle has increased by 10%, using a bottle that is 10 grams lighter.

Reducing product packaging

In developing new packaging, we aim to find solutions that are fit for purpose and best suited to the particular markets in which a product is sold.

While ensuring that our bottles are strong enough to withstand the rigours of distribution, we also seek to reduce their weight where appropriate. We do this through so-called 'lightweighting', or by looking at other elements of our packaging, such as metal bottle crowns.

Our soft drinks business in South Africa has reduced the weight of its 500ml soft drink PET plastic bottles from 28 grams to 22 grams over the past year. This and other initiatives have reduced the annual requirement for PET plastic resin by 11%, saving over 3,000 tonnes. Birra Peroni in Italy has saved almost 750 tonnes of glass a year by switching from a 310 gram to a 185 gram 330 millilitre bottle for its Peroni Gran Riserva brand.

In Peru, Backus reduced the weight of bottle crowns by making them 0.06mm thinner (from 0.23mm to 0.17mm) saving an estimated 950 tonnes of material each year, and potentially saving over US\$5 million if rolled out across Latin America.

We are also trialling innovative new packaging substrates. For example, oxo-biodegradable plastic film to wrap our multi-pack products for brands including Cusqueña and Cristal in Peru. The benefit of this material is that it has a very small amount of catalytic additive included which helps to speed up the degradation process, where oxygen is present.

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

Priority in action



MillerCoors has reduced the amount of packaging it uses by 5.9 million tonnes over the past year, primarily by using a lower gauge of cardboard for 24-pack cases or 12-ounce cans across all brands, and switching from glass to lighter aluminium packaging for some products.

To promote awareness of recycling amongst consumers of **Miller Lite**, MillerCoors ran a marketing campaign to encourage consumers to recycle glass, plastic and aluminium packaging using branded posters, billboards and recycling bins.



Selected 2012 target

Undertake a comprehensive review of packaging value chain carbon impacts and recycling performance, to inform a new set of packaging targets.

Go online for more 2012 targets for this priority.



Working towards zero waste operations

Seeking ways to eliminate or reuse waste.

Why this is a priority

The majority of waste produced by our business is organic matter resulting from the brewing process. This includes spent grains, waste yeast and trub (sediment that appears at the bottom of a fermenter after fermentation has taken place). The remaining waste comprises damaged packaging (including broken bottles), kieselghur, effluent sludge from waste water treatment and other non-recyclable waste.

In managing waste generated by our businesses, we follow the principles of the waste hierarchy to reduce, reuse and recycle our waste in an efficient and, ultimately, value creating way. This requires us to use our resources efficiently and limit the disposal of waste to landfill.

Valuing our waste and making the connection

Much of the waste we generate has a value and can be reused. This may be through the generation of energy, by creating new products (recycled glass bottles from broken glass, for example), or for agricultural purposes such as fertilisers or animal feed.

Last year SABMiller generated 3.1 million tonnes of waste, an increase of 0.3 million tonnes compared to last year, while maintaining the recycling rate at 96%.

We encourage all our businesses to operate in a way that minimises the amount of waste sent to landfill, with the ultimate goal that they become a zero waste operation. Last year, we proved that this was possible when three MillerCoors breweries at Elkton, Trenton and Irwindale made zero waste a reality. The business has maintained this achievement and has invested in further improvements to the way waste is managed. For example, it has embarked on a programme to replace all its wooden distribution pallets with plastics ones that are longer lasting and can be recycled. They also weigh less and so reduce energy and emissions during transportation.

In the Czech Republic, 99% of all the waste produced by the three breweries of Plzeňský Prazdroj and its 13 sales and distribution centres was either recycled or reused. The vast majority of waste produced is organic matter, such as spent grains, which is used for agricultural production in the Czech Republic and Germany. Yeast and malt waste is used to feed livestock. Sediment from the wastewater treatment plant is added to soil as a fertiliser. Diatomaceous earth, used in filtration, generates waste that is ploughed into the soil in recultivated areas. In addition, biogas generated during wastewater treatment is used as an energy source in breweries in Plzeň, Velké Popovice and Nošovice, so reducing their use of fossil fuels.

In 2004 17% of the solid waste produced by Cervecería Nacional in Panama was sent to landfill. Last year, this figure was less than 1% and the business has been able to gain additional income by selling recyclable materials.

Generating energy from waste

We are increasingly exploring opportunities to use waste to generate energy, either through its direct combustion or by converting it into biogas or biofuel to replace fossil fuels. In this way, we are not only using our waste as a resource, but are also reducing our dependence on fossil fuels.

In Honduras, we are undertaking an innovative project to use bagasse – the fibrous matter that remains after sugarcane stalks have been crushed to extract their juice – as a biofuel to power the Cervecería Hondureña brewery, with surplus energy delivered to the national grid to help satisfy Honduras' rising demand for energy. By displacing some of the energy that would otherwise be provided by fossil fuels, the project is saving an estimated 20,000 tonnes of CO₂e each year.

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



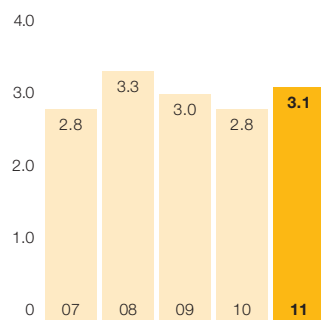
Priority in action

At our San Juan brewery in Peru, we are using waste from the production of **Pilsen Callao** – one of the country's most popular beers – to support a substantial reforestation project in the local area, so contributing to conservation and biodiversity, and restoring the natural environment for the local community to enjoy.

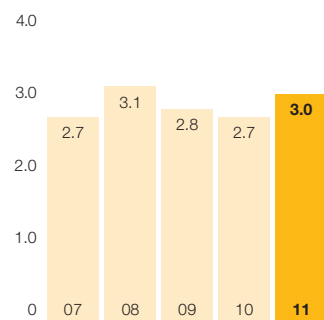
Brewery waste is treated in a newly constructed organic fertiliser plant on site, which was completed in 2011, and used to cultivate seedlings in a nearby nursery garden before planting. Over five years, the project will reforest more than 290 hectares and the brewery will seed over 323,000 trees.



Waste produced (million tonnes)



Waste recycled or reused (million tonnes)



Selected 2012 target

Investigate the external reuse options for kieselghur and ash in Colombia to prevent them being sent to landfill.

Go online for more 2012 targets for this priority.



Encouraging enterprise development in our value chains

Promoting enterprise development and sourcing raw materials locally.

Why this is a priority

As a global business, we think carefully about where and how we buy our raw materials, as well as other products and services, to balance the commercial advantages associated with our scale with the benefits we attain from supporting the local communities in which we work.

Where it makes sense, we seek to source locally to maximise the economic benefit, as well as reduce import and distribution costs of raw materials. Moreover, by sourcing locally we can make a contribution to the health and economic development of the markets in which we operate.

Understanding our role and responsibilities in our value chain

The reach and scale of our business means that we play a key role in the economic development of the local communities in which we operate. In 2011 we spent over US\$9,000 million with our suppliers around the world.

We are well aware of our influence with our suppliers and the importance of developing close and equitable relationships with them. We aim to pay a fair price for their products, materials or services and will often work with them to help improve their working practices and efficiency. In Mozambique, for example, we are supporting over 1,500 new farmers to grow cassava that is of sufficient quality and yield for brewing beer.

In return, we expect our suppliers to meet the minimum standards set out in our Group Responsible Sourcing Principles which are available on our website. These cover eight principles: business conduct; working conditions; forced or compulsory labour; child labour; fair wages and working hours; diversity; freedom of association; and the environment. All new contracts have these principles incorporated into the terms and conditions of supply.

Balancing economies of scale and sustainable development

In 2010 we established a global procurement business called Trinity Procurement. For those products and materials such as packaging that

all our businesses require, we are able to establish group-wide buying deals and benefit accordingly.

Sustainable development has been incorporated into Trinity's operations from the outset. All staff have been trained in our approach and sustainable development has been integrated into the new category procurement strategies.

Encouraging local sourcing and working with smallholder farmers

We recognise and encourage the role that local suppliers play in our value chain. The long term benefits of local sourcing can include better access to quality raw materials; lower logistical and inventory costs; zero import duties; and shorter, more visible and more secure supply chains.

We are committed to expanding our sourcing from smallholders in a way that generates commercial value for the business and also improves the lives of those in the communities in which we operate. We typically guarantee to buy local crops at a pre-negotiated and jointly agreed price and encourage farmers to develop other crops and other outlets for their crops, so that we become just one of their customers.

During the past year, over 28,000 farmers were engaged in our smallholder programmes across the world. This has remained broadly unchanged since last year as we have focused our efforts and resources on establishing the existing programmes already underway. We also buy crops grown by over 1,500 smallholder farmers in Ghana, and 4,500 smallholder farmers in Zimbabwe, as part of our minority venture there.

We currently have projects underway to grow sorghum or cassava in Uganda, Zambia, Zimbabwe, Botswana, Southern Sudan, Tanzania and Mozambique. Both of these crops enable the development of innovative, affordable products for consumers in these countries, countering the demand for potentially harmful 'informal' alcohol. More information on Eagle Lager, the first of these brands, is available on page 6.

We have also developed initiatives in Tanzania, Uganda, Mozambique and Zambia to grow barley. Similar projects are also underway in India and parts of Latin America. For example, SABMiller India plans to procure all its malt barley requirements for its breweries directly from Indian farmers in the next five years, which is estimated to be around 150,000 tonnes.

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



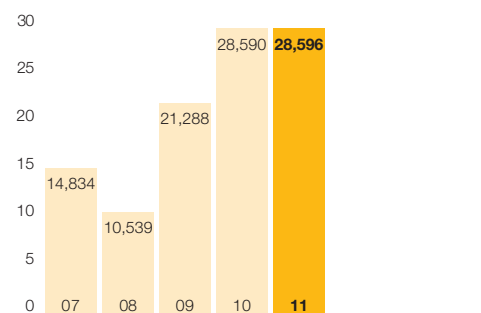
Priority in action

White Bull is our flagship brand in Southern Sudan, brewed at our brewery in Juba. To date, we have created employment for over 200 local people, and a pioneering land lease agreement ensures that the local community receives royalties from the growth of the brewery.

In partnership with FARM-Africa, we are working with 2,000 smallholder farmers to introduce a local sourcing model to grow cassava, one of the ingredients we need to brew a new type of more affordable beer. We estimate that as a result approximately 15,600 people could benefit in our value chain over the next three years.



Smallholder farmers
(number of farmers included in our smallholder programmes) (000s)



Selected 2012 target

Explore the feasibility of establishing a malting facility in Zambia and exploit barley export opportunities as they arise, building on our achievement of 100% self-sufficiency last year.

Go online for more 2012 targets for this priority.



Benefiting communities

Supporting entrepreneurship and making a valuable contribution in the communities in which we work.

Why this is a priority

The prosperity of our business is closely aligned to the health and well-being of the communities in which we work. We recognise that our investment in communities will bring benefits in terms of our reputation, the commitment and advocacy of our employees, and the loyalty of our consumers.

Defining Corporate Social Investment (CSI) and measuring outcomes

We define CSI as 'a contribution or investment of cash, knowledge, employee time and equipment to people or communities to enable them to flourish and help sustain the environment in which we can be a successful business'.

This year we have developed and trialled a set of guidelines on Social Return on Investment (SROI) that can be used to understand, measure and manage the value of our CSI projects by placing a monetary value on social and environmental outcomes. It has so far been piloted in our businesses in the Czech Republic and Uganda.

At Nile Breweries, these guidelines were used to measure the benefit from a UGX 800 million (US\$352,000) investment in community projects, including drilling eight boreholes to provide clean water to farmers in Uganda. The results showed that the benefits were more than 16 times this initial investment, as the health of farmers improved and their productivity increased.

An integrated approach to CSI

In 2011, SABMiller invested US\$41 million in its CSI programmes, equating to 1.3% of our pre-tax profits which is a small increase since last year (2010: 1.2%).

Our businesses seek to invest in CSI projects that have the greatest relevance and make the biggest difference to their communities and connect with our other sustainable development priorities. For example, to address water scarcity risks for the community and the brewery operations in the Alwar district of Rajasthan, SABMiller India has undertaken a project to capture rain water, which would normally evaporate or run off, to 'recharge' ground water sources. This water is used by 30 villages located near the Rochees brewery for domestic purposes and farming.

Supporting entrepreneurship and education

Successful entrepreneurs are able to make a valuable contribution to the economic development of a community, creating jobs and improving local incomes. In turn, local economic growth offers us greater market opportunities, a better educated workforce and healthier communities. Many of the entrepreneurs that we support also supply goods and services to us directly.

We have a longstanding commitment to promoting entrepreneurship across the business, but particularly in South Africa, Africa and Latin America. The first, Kickstart, was launched by SAB Ltd over 15 years ago. Since then, 22,936 young entrepreneurs have graduated from the programme and created over 3,200 successful businesses. Independent research has shown that in South Africa over 80% of the businesses we supported are still trading successfully after three years.

Kickstart has subsequently become a model that has been replicated by other SABMiller businesses. There are similar programmes running in Botswana, Swaziland, Colombia, Ecuador, and Peru. In Hungary, Dreher Breweries runs a 'Young Entrepreneur of the Future' competition for students from colleges and provides seed funding for successful applications.

During the next year, we will investigate the benefits of aligning these projects more closely under a common umbrella of programmes to facilitate the replication of successful entrepreneurial initiatives and share best practice.

We also seek to improve business skills and education. This work is mainly focused on entrepreneurs, but some of our businesses have also developed programmes to strengthen the grass-roots educational infrastructure in the communities in which they work. For example, the 'Virtual School', run by Backus in Peru, has trained more than 170 elementary teachers from Lima, Puno, Arequipa, Chiclayo, Cusco and Trujillo, in partnership with the NGO Fundación Cisneros.

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

Priority in action



MillerCoors have invested in the creation of new businesses and entrepreneurs since the launch of the MillerCoors Urban Entrepreneurs Series (MUES) in 1999. MUES invites multicultural entrepreneurs to participate in an annual business plan competition for a chance to vie for US\$150,000 in business grants.

The most recent winner was Back to the Roots, a sustainable company that developed a kit to grow gourmet mushrooms out of recycled coffee grinds. Since the award, MillerCoors has worked with this company to use spent grains, a waste product of brewing beers, such as **Miller Genuine Draft**.



Corporate social investment	US\$ million
Cash	21.9
Gifts in kind	11.8
Value of employee time	1.4
Management costs	5.4
Total CSI	40.5

Selected 2012 target

Establish a learning and knowledge exchange platform across our entrepreneurship programmes to improve performance and guide new programmes.

Go online for more 2012 targets for this priority.



Contributing to the reduction of HIV/Aids

Raising awareness and addressing the impact of HIV/Aids among employees, suppliers and local communities.

Why this is a priority

Contributing to the reduction of HIV/Aids is particularly important and relevant for our operations in Africa and in those countries with emerging epidemics, in regions such as Latin America. HIV/Aids has the potential to affect our workforce, our customers and our supply of raw materials, as well as having an impact on the economic development and stability of the communities in which we operate.

Focusing our programmes

Our programmes mainly focus on those countries where the prevalence of HIV/Aids is high, i.e. more than 5% – a list that includes South Africa, Swaziland, Botswana, Lesotho, Zambia, Mozambique, Uganda, Angola, Malawi and Tanzania. We seek to provide education and awareness training for all our employees, and provide access to voluntary counselling and testing (VCT) in countries with prevalence greater than 1%.

Educating our employees and providing healthcare

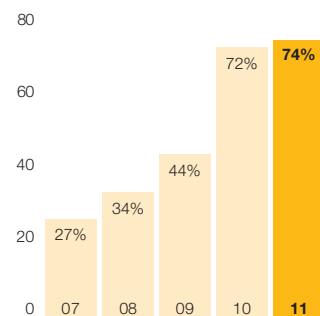
All our businesses in areas of high HIV/Aids prevalence run 'peer educator' programmes, which aim to inform our employees, encourage VCT and reduce the stigma associated with HIV/Aids. On 31 March 2011 we had 1,415 peer educators which equates to one peer educator in place for every 13 employees within our businesses in countries of high prevalence.

VCT plays an important role in ensuring that HIV positive employees and their spouses get early access to managed healthcare programmes (MHC), as well as providing a strong reminder of the risks associated with irresponsible sexual behaviour. We encourage all our employees, and their spouses, to participate in annual VCT. In 2010 we reached a high level of testing amongst employees of 72% and we have increased this level in the last year to 74%. In addition, we tested 1,952 spouses or dependants, a 54% increase on the previous 12 months.

If an employee, or their spouse, is diagnosed as HIV positive in a country of high prevalence, they and their dependants have access to our managed healthcare system with its free anti-retroviral (ARV) drugs. Last year, 1,338 employees were on managed healthcare programmes, as were a third of spouses and dependants tested and found to be HIV positive.

HIV/Aids annual testing rate

(number of tests undertaken as a percentage of employees in countries with a prevalence rate greater than 5%)



Eliminating barriers and extending our reach

The stigma associated with HIV/Aids can often delay testing and access to treatment for those that need it. We therefore place great emphasis on interventions that reduce this stigma.

Accessing employee spouses in particular is still a major challenge. At Nile Breweries (NBL) in Uganda, we have piloted a programme that tests couples in their own homes. As a result, NBL has the highest proportion of employees and spouses tested and registered on MHC programmes.

As a next step, in 2010 NBL partnered a local NGO, Health Initiatives for the Private Sector (HIPS) to develop a programme for the farmers in the remote Katakwi District-Usuk Parish, which has been rolled out this year. To date, 4,127 people have been tested. In April 2011, NBL was recognised for their work in 'building a healthy workforce and community' at awards hosted by HIPS and UNAIDS.

Leveraging our HIV/Aids work to tackle other issues

We are increasingly expanding the scope of our HIV/Aids programmes to address a broader range of issues often linked with the disease – examples being irresponsible consumption of alcohol and gender violence.

For example, our Tavern Intervention Programme (TIP) underway in South Africa is a six week interactive and experiential life skills programme working with 4,000 men on addressing HIV/Aids, responsible consumption of alcohol, gender violence and children's rights, in partnership with the Global Fund to Fight Aids, Malaria and Tuberculosis. As part of this co-investment, we have also piloted the distribution of 1.8 million condoms to taverns, averting approximately 3,600 new infections based on research undertaken by the South African government's Department of Health. This condom distribution programme is now being extended across South Africa.

Gender inequality and women's vulnerability to HIV/Aids is an increasing area of focus. In Swaziland, we are working with vulnerable women to offer advice on HIV/Aids, as well as educating them on basic farming and business skills. In Lesotho, as part of an outsourcing initiative, four widows of HIV positive employees have been assisted to set up a bottle sorting company.

We also have programmes in place to tackle other infectious diseases, such as tuberculosis and malaria. For example, in October 2010, National Breweries in Zambia launched its first 'Kick Out Malaria' month across its five breweries, and provided all employees with malaria nets.

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

Priority in action



We increasingly adopt an approach to reducing HIV/Aids that has a wider focus than just our employees. By testing couples in their own homes, for example, Nile Breweries in Uganda has provided VCT for almost 25% of employee spouses over the last two years.

We support existing community facilities that treat HIV/Aids. Over the last year our water company in Uganda has donated 437 hl of **Rwenzori** bottled water to the MildMay centre that offers care to more than 21,000 men, women and children living with HIV/Aids. We also work with MildMay to provide training for healthcare workers in our community programmes with small scale farmers in the Katakwi District.



Selected 2012 target

Distribute 20 million condoms in 6,000 outlets across South Africa as part of Project Promote.

Go online for more 2012 targets for this priority.



Respecting human rights

Working to protect the human rights of our employees and other stakeholders in our value chain.

Why this is a priority

SABMiller is a global business that operates in over 75 countries on six continents. We work within a wide and diverse range of cultures and acknowledge and respect their different laws, norms and traditions.

We also recognise, however, that there are fundamental principles that we need to uphold within our own business and within our supply chain. We respect and promote the values of the international community, in particular the Universal Declaration on Human Rights. As a global business, we recognise our responsibility to uphold labour standards, both in our local operations and in our supply chain, and to seek to prevent discrimination and breaches of human rights. To this end we are committed to a number of conventions, including the UN Global Compact, to which SABMiller is a signatory.

Our human rights principles

Our human rights policy, developed on the basis of international agreements, sets out the minimum standards of conduct that we expect our businesses and their suppliers to follow. We ask that each business incorporates these standards into its own local policies and practices.

We also recognise that these principles must be considered within the local context of the communities in which we operate and we accept that some of our companies face complex issues in meeting these standards. We need to be sensitive to these issues in order to support, rather than undermine, the development of stable societies. Precautions are taken that aim to ensure we do not contribute directly or indirectly to human rights abuses.

In the coming year, we plan to review our human rights principles and processes in light of the recently published UN policy framework for managing business and human rights challenges, developed by Professor John Ruggie, the Special Representative of the UN Secretary-General on Business and Human Rights.

We ask that all suppliers meet our responsible sourcing principles, and we will work with them to help develop appropriate systems and processes if required. The establishment of our central procurement function, Trinity Procurement, will make for greater co-ordination and will help develop a consistent approach throughout our supply chain.

Bavaria, in Colombia, has worked with its nine pallet suppliers and coal suppliers to establish responsible social principles, and has improved their operational efficiency by suggesting process improvements.

This is part of a broader programme to help suppliers manage their sustainable development issues, develop ethical standards and share best practice. Since 2007 over 200 suppliers have implemented their own sustainability policies as a result of this work.

Recognising and respecting the rights of our employees

We seek to promote a culture that is honest and open and in which our employees feel valued and fairly treated. All our employees are paid a fair wage for the work they do and are entitled to paid holiday and sick leave. Some are also entitled to other benefits, including access to company share schemes.

In recognising the rights of our employees, we will often go beyond the local statutory requirements. In many countries, for example, we offer our employees access to free medical healthcare if they need it. This can include health checks, preventative treatments and the provision of insecticide-treated malaria nets in areas where the disease is prevalent.

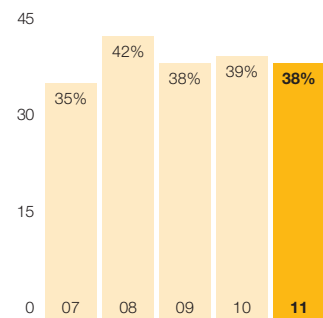
Some of the countries in which we operate have historically suffered systemic inequalities and we will often work with local partners and governments to redress the balance. In South Africa, for example, we are a strong advocate and supporter of Broad-Based Black Economic Empowerment (BBBEE).

Recognising the value of good labour relations, we respect the right of our employees to have union representation and have developed productive partnerships with trades unions on collective bargaining and other issues in many of our local businesses. 38% of our workforce belongs to a union.

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

Trade union membership

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



Priority in action



For more than a century, Industrias La Constancia (ILC) has brewed **Pilsener** in El Salvador from ingredients that include barley and sugarcane. Our recent poverty footprint study revealed that sugarcane harvesters are among the most vulnerable workers in our value chain in El Salvador.

With local partners, including the El Salvador Sugar Association, ILC has worked to promote better labour standards on sugarcane plantations. As the partnership has built awareness, monitored cane plantations and supported education, nearly 6,000 underage workers have so far been withdrawn from the work.



Selected 2012 target

Review our human rights policies, procedures and performance measurement in the light of the final report from the UN Special Representative on Business and Human Rights.

Go online for more 2012 targets for this priority.



Transparency and ethics

Communicating effectively and clearly with our stakeholders and working ethically.

Why this is a priority

High standards of ethical behaviour and transparency underpin all that we do. We therefore place a high value on reporting and communicating in an open and honest way with all our stakeholders.

This is one of the reasons that we have established many partnerships around the world. We also regularly publish the results of partnership work – a recent example being our poverty footprint study with Oxfam America and Coca-Cola which sought to increase our understanding of the issue in a transparent way and, in so doing, to inspire local action and encourage other companies to embark on a similar journey.

Understanding the needs of our stakeholders

To give us additional perspectives, we commission regular surveys to get a better understanding of how SABMiller is perceived and what stakeholders regard as the most important issues for our business. For example, a recent survey undertaken by Globescan – an independent market research agency – indicated that both energy and water will be the most pressing concerns for our stakeholders over the next five years, and that collaboration and communicating with the public are all seen as an important part of our approach to sustainable development.

Our local businesses also undertake their own stakeholder engagement activities. For example, Backus in Peru recently invited over 70 stakeholders to a working session aimed at gathering their views on our activities, opportunities for improvement, further issues to address or omit, and potential alliances we should enter into. The session generated very good feedback and Backus now expects to conduct these meetings at least once a year, focusing on specific priorities. Similar programmes are also underway in Colombia.

In March 2011 SABMiller Russia held a round-table discussion on environmental aspects of sustainable development in the supply chain in the city of Kaluga, near Moscow. The aim of this event was to promote stakeholder dialogue and transparency.

Eighteen of our local businesses produce information online about their sustainable development activities and 12 countries produce separate sustainable development reports.

Leveraging our global scale and working together

For the most part, beer is a local product, brewed and enjoyed by people in local communities. While our businesses are often in the best position to identify and exploit these opportunities, we also recognise that we have a wealth of accumulated knowledge within SABMiller and that this can be beneficially shared. The challenge is to find innovative ways to make this happen and enable employees in different businesses to collaborate.

Our work with smallholder farmers and in areas such as watershed protection, enterprise development and entrepreneurship, HIV/Aids and packaging has been informed by SABMiller's experiences around the world. These have helped us to develop a consistent approach that we know works, subject to specific local factors, and can be replicated. We use a series of tools to make it easier for cross-functional and cross-regional project teams to work together.

In June 2010 we launched our first global communication campaign to raise awareness of SABMiller's approach to sustainable development. The campaign reached over 48,000 employees across 27 markets.

Engaging with decision makers and public policy

Our engagement with public bodies is based on integrity, openness and transparency. We believe it is essential to engage with government institutions at all levels on issues that have a major impact on our business and on stakeholders' interests. We seek to engage in constructive policy dialogues through industry-wide groups or directly with government and other stakeholders and to be open about the way we do this.

Any engagement we undertake is in accordance with our values and business principles, and is subject to our Code of Business Conduct and Ethics and the standards our stakeholders expect of us.

Business conduct and ethics

We believe that we have robust policies and procedures for combating bribery and corruption throughout the group, but we have conducted a thorough review of the application of our group-wide Code of Business Conduct and Ethics to ensure that any enhancements which may be appropriate in light of the new UK Bribery Act 2010 (which will be brought into force on 1 July 2011), and the related 'adequate procedures' guidance, are identified and implemented.

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



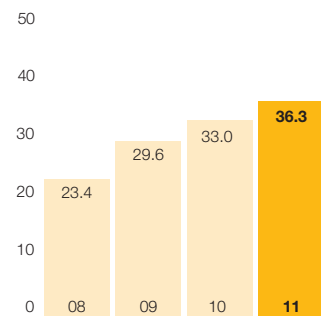
Priority in action

In support of SABMiller's commitment to the UN Global Compact, and recognising its responsibility to demonstrate good practice, Bavaria, brewer of **Aguila**, has developed a robust approach to business ethics over the past five years.

Since it first adopted its ethics policy and guidelines in 2006, over 14,700 employees, subcontractors and strategic suppliers have been trained in the company's principles. Training has taken place at all breweries, distribution centres and offices and all senior managers, including the president, vice presidents and directors of the business, have participated in the process.



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



Selected 2012 target

Integrate our jointly managed business in Australia and minority venture in Zimbabwe into our SAM reporting system.

Go online for more 2012 targets for this priority.

People are our enduring advantage

Valuing and empowering our employees.

SABMiller employs some 70,000 people from diverse backgrounds and cultures. We aim to treat them all fairly and with respect, to provide a safe working environment and to offer access to development opportunities and career progression. These principles are consistent across our business and apply equally to contractors and temporary workers.

Our permanent employees are paid a fair wage for what they do and are entitled to paid holiday and sick leave if they need to take it. In many cases, our businesses are able to go further and to offer additional benefits to some employees. Depending on factors such as length of service, these may include access to life insurance and medical care.

Equal opportunities, equality and diversity

We have clear policies and processes relating to diversity and covering issues such as ethnicity and gender. Recognising the benefits that a diverse workforce can offer, we encourage a culture that is respectful and tolerant of difference.

At 31 March 2011 19.5% of our employees were female (2010: 19.5%) and a quarter of executives and managers within SABMiller were women. At SABMiller plc board level, a third of our independent non-executive directors are women.

The brewing industry is traditionally perceived as male-dominated, so we face particular challenges in fostering female empowerment and leveraging our impacts in this area. As such we are working within our own business as well as in our value chain to address this issue. MillerCoors, for example, has a number of Employee Affinity Groups that have been established to advance diversity, and promote inclusion and the rights of minority groups, including those of certain women. In the last financial year, SAB Ltd invested over ZAR25 million (US\$3.5 million) on skills development for women in South Africa, particularly through its enterprise development initiatives to support small businesses and entrepreneurship.

In South Africa, Asian, black and coloured representation was 77.3%, which is an increase from last year and continues an upward trend.

Safety, health and wellbeing

We seek to create a safe working environment. We have robust systems in place across our operating businesses to avoid hazards and to minimise the risk of accidents at our breweries, bottling plants and offices.

During the year we recorded 1,454 industrial injuries, 2% fewer than in 2010. Across the business we lost 13,210 days through injury, down 7% compared with the previous year. These downward trends reflect our ongoing commitment to health and safety as we continue to raise awareness of this issue amongst employees, aim to ensure appropriate

SAB Ltd: Employee Assistance Programme

In South Africa, SAB Ltd and ABI offer a comprehensive Employee Assistance Programme (EAP) to employees and their dependants called Sinawe. The EAP addresses lifestyle issues including alcohol dependence and physical fitness as well as stress management.



standards and safe working practices and provide better guidance on internal reporting of data.

It is with regret that we report seven employee and contractor fatalities this year. Four of these related to accidents involving vehicles, two related to accidents while undertaking maintenance or repair activities and one was a result of an employee being struck by lightning. In each case, we have undertaken a detailed investigation and as a result we have reviewed our working practices and put in place appropriate measures to minimise the likelihood of such an incident occurring again.

The health and wellbeing of our employees and their families is important to us. From a commercial point of view, absent or unmotivated employees can damage productivity. Independent research undertaken in South Africa, relating to our HIV/Aids programmes, suggested a fourfold return on the investment made by SAB Ltd in terms of reduced absence and increased productivity.

We often support government campaigns to inform employees about issues such as healthy lifestyles and diets, stress reduction and recommended levels of physical activity. Along with our broader employee assistance programmes, we offer professional medical and counselling services to employees and family members who suffer from stress disorders, obesity, alcohol dependence or other related medical conditions. For example, in 2010, Cervecería Hondureña in Honduras opened its second health centre to provide a range of healthcare services for employees. To date more than 1,500 employees have benefited directly from these services, and its work has been recognised by the Honduran Social Security Institute.

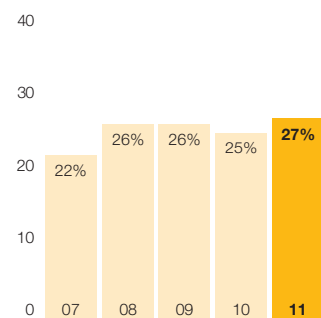
Promoting talent and providing opportunities

If employees are to perform to the best of their abilities and make the greatest contribution to the business, we need to equip them with relevant skills and knowledge. In the year ended 31 March 2011 we provided 3.8 days of training for every employee, a slight decrease on the previous year, during which there was a particularly high level of training.

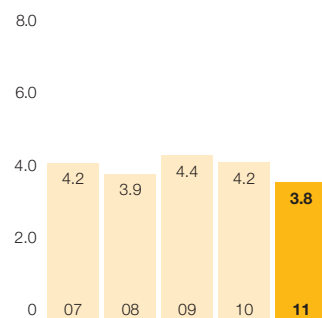
Our training curriculum offers over 400 courses around the world, many facilitated by the world's leading educational institutions. For example, leaders of our European businesses have undertaken management development training at Said Business School at the University of Oxford with particular focus on future challenges facing society. In Africa we are working with the Gordon Institute of Business Science, based at the University of Pretoria in South Africa, to provide more regionally focused management training for our future leaders from across our African businesses.

At the heart of our business is the brewing of beer. We therefore have a strong programme of technical training to preserve the art of brewing while also looking for innovation in the way we produce our beer. We offer schemes through which employees can qualify as master brewers and we encourage our brewers to work towards internationally recognised qualifications and professional accreditation such as those offered by the Institute of Brewing and Distillation.

Female executives and managers
(percentage of total workforce)



Training days per employee
(number of days)



Assurance and commentary

SABMiller has commissioned Corporate Citizenship to provide an expert view on the quality of reporting and the progress made during the year.

Assurance

Corporate Citizenship has conducted a full AA1000AS assurance of the SABMiller Sustainable Development Summary Report 2011. Our complete statement and commentary is available at www.sabmiller.com/sdreporting. Here we comment on the overall approach and on future trends in reporting.

Reporting approach

The test of a good report is whether it meets the needs of a broad range of readers to understand the company's particular social, economic and environmental impacts: how those are identified and managed, whether the views of stakeholders are responded to, how challenges are addressed and what results are achieved.

This summary report focuses on SABMiller's chosen 10 sustainable development priorities and the actions being taken by the business. It demonstrates how the Sustainability Assessment Matrix (SAM) enables effective management across the company, by setting universal, measurable standards while allowing the businesses freedom to select where and how to improve performance. The introduction of a level five into the system has added a leading-edge challenge.

Overall, this summary report presents a strong picture of action. However, in our experience readers increasingly want to see the outcomes for society of commitments and to understand where that falls short of what is required for a truly sustainable business.

SABMiller provides additional material on its website and Annual Report and in special reports on topics such as water and poverty reduction. There the difficulties and dilemmas arising are discussed. Future summary reports should, we believe, incorporate more of this debate and so adjust the balance of material here between actions and outcomes.

Global focus areas

In the chosen focus areas, we believe the report shows real progress on commitments.

On alcohol, an increased focus on 'alcohol abuse' as distinct from 'responsible drinking' allows the issue to be more clearly defined and the actions taken to combat it are robustly outlined.

In particular, addressing the need to combat the consumption of 'non-commercial' alcohol is welcome. Future reports could define

and demonstrate what success constitutes in reducing the overall adverse effects of alcohol on society.

On water, the report identifies the commercial risks that water scarcity poses for the business. The challenge is to show that the actions being taken across the full water footprint mitigate the risk and how they benefit communities in watershed areas.

In the third area, the value chain, SABMiller is committed to further expansion of its sourcing from smallholder farmers. This will reduce the need for imported materials and has the potential to increase local prosperity among farmers and improve government revenues. Here too, it will be instructive for future reports to show the outcome achieved for people and economies in Africa.

Regional focus areas and improvement

Progress is being made in the other priority areas as well. In our full assurance statement we comment further, notably with regard to:

- the need to see the results once new global targets for packaging reduction are set;
- wider lessons that can be learned from success in reducing carbon emissions; and
- the results from community investment arising from the adoption of the Social Return on Investment guidelines throughout SABMiller.

Sustainability

Looking beyond actions and outcomes, the growing challenge is to consider how a company can become truly sustainable in a resource-constrained world. This involves systematically addressing the full life-cycle impacts of the business and its activities, economic and social as well as environmental.

This would shift the focus further away from what the company is doing on its chosen priority areas and more towards goals that reflect the expectations of society and governments. We believe SABMiller's long-standing approach to managing and reporting its impacts provides a strong foundation to move forward in this direction for future years.



Corporate Citizenship
London, 3 June 2011

Operating businesses covered in this report

The following operations produce their own sustainable development reporting

- Regular sustainable development report
- ▲ Information provided online

The following operations and their subsidiaries under the management control of SABMiller group companies are included in this report. Our US joint venture, MillerCoors LLC, is also included. We aim to include new acquisitions or market entries within two years.

Angola ▲
Coca-Cola Bottling Luanda Ltd;
Coca-Cola Bottling Sul de Angola SARL

Botswana ▲
Kgalagadi Breweries (Pty) Ltd;
Botswana Breweries Ltd

Canary Islands ■ ▲
Compañía Cervecería de Canarias S.A.

Colombia ■ ▲
Bavaria S.A.

Czech Republic ■ ▲
Plzeňský Prazdroj, a.s.

Ecuador ▲
Cervecería Nacional CN S.A.

El Salvador ■ ▲
Industrias La Constancia, S.A. de C.V.

Ghana ▲
Accra Breweries Ltd

Honduras ▲
Cervecería Hondureña, S.A. de C.V.

Hungary ■ ▲
Dreher Sörgyárak Zrt

India ▲
SABMiller India Ltd

Italy ▲
S.p.A. Birra Peroni

Lesotho ▲
Maluti Mountain Brewery (Pty) Ltd

Malawi ▲
Chibuku Products Ltd

Mozambique ▲
Cervejas de Moçambique SARL

Panama ■ ▲
Cervecería Nacional S.A.

Peru ■ ▲
Union de Cervecerías Peruanas
Backus y Johnston S.A.A.

Poland ■ ▲
Kompania Piwowarska S.A.

Romania ▲
Ursus Breweries S.A.

Russia ■ ▲
SABMiller RUS LLC

Slovakia ▲
Pivovary Topvar a.s.

South Africa ▲
The South African Breweries Ltd

Swaziland ▲
Swaziland Beverages Ltd

Tanzania ▲
Tanzania Breweries Ltd

The Netherlands ■ ▲
Royal Grolsch N.V.

Uganda ■
Nile Breweries Ltd

Ukraine ▲
PJSC Miller Brands Ukraine

United States ■ ▲
MillerCoors LLC

Vietnam ▲
SABMiller Vietnam Company Ltd

Zambia ▲
Zambian Breweries plc;
National Breweries plc

Further information

Go online for more information.



For further information on our sustainable development reporting go online
www.sabmiller.com/sd

For more detailed performance data, including SAM level assessment scores by country and priority
www.sabmiller.com/sd

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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 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, of which 50% is de-inked post consumer and 25% is pre-consumer. All of the pulp is bleached using an elemental chlorine free process (ECF). Printed in the UK by PurePrint using their *pureprint*® and *alcofree*® environmental printing technology, and vegetable inks were used throughout. PurePrint is 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.

