

24 August 2015

For SABMiller plc, the parent company of Chibuku Products Limited, water is a strategic priority, and we believe that we have a responsibility both to optimise water efficiency in our own operations, and to work with others to secure the quality and availability of water resources. The company understands that securing clean water for our own operations is only possible if it is also secured for the communities and ecosystems with which we share water resources.

Chibuku Products Limited does not discharge effluent into the Nankhaka River. CPL's effluent discharge and disposal system is not connected to the municipal effluent treatment system because there is currently no municipality infrastructure to support this. The company pays for its effluent to be taken by tanker that has been procured by the company to a disposal site which is managed by the Lilongwe City Assembly, and CPL pays for this service.

We are aware of the effluent discharge identified and attributed to CPL in the report, but we know that does not originate from CPL but from a neighbouring facility. This is substantiated by the fact the City Assembly Inspector visited our site recently and found all drainage systems to be dry.

We have identified a more sustainable long-term solution for effluent discharge - to construct an 8km effluent disposal line which will feed treated effluent from the brewery into the municipal treatment system. CPL will fund this project and is in the process of tendering for the construction of the line. The company is also investigating how it can enhance the treatment of the effluent at the brewery before it is tankered to the disposal site.

CPL is engaging with the City Assembly Inspector of Environmental affairs to address any concerns they have and to cooperate around the construction of the new disposal line.