For SABMiller plc, the parent company of ILC, 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 shared water resources. The company understands that securing water for our own operations is only possible if water is also secured for the communities and ecosystems with which we share water resources.

Industrias la Constancia (ILC) believes everyone should have uninterrupted access to safe, clean water. As a wholly-owned subsidiary of SABMiller, Industrias la Constancia fully adheres to the company's policies and targets and completely shares SABMiller's commitment to securing shared water resources through working in effective partnerships.

SABMiller, as a result of the efforts of its subsidiaries, has an industry-leading water efficiency agenda. In 2008 we set a global target to improve our water efficiency by 25% by 2015, a target which was hit a year early, and we currently use an average 3.3 litres of water to produce 1 litre of beer in our breweries. We were one of the first companies to publish a full value chain <u>water footprint</u> of our product and we publicly disclose information on our water efficiency performance at the country level.

We also have a strong track record on understanding water risk and establishing partnerships to secure water both for our business and for water users around us. We work with organisations such as WWF and The Nature Conservancy within these partnerships. As part of the <u>2030 Water Resources Group</u> we are also playing an active role in multi-stakeholder partnerships aiming to develop holistic policy level solutions in countries that have major national water issues. This model is now established in South Africa, Tanzania and India.

Last year, SABMiller launched a new sustainable development strategy with new public targets. In relation to water, our target is to, by 2020:

- Secure the water supplies we share with local communities through partnerships to tackle shared water risks
- Further reduce water use to 3.0 litres of water per litre of beer and 1.8 litres of water per litre of soft drink
- Have programmes in place to mitigate shared water risks for our key crop origins at risk

ILC is fully committed to achieving all of these public targets in El Salvador.

In Nejapa we want to play our part in securing fair and sustainable access to clean water for everyone in the region.

Several studies have shown that the underground and surface water supply in Nejapa is in fact sufficient to cover the needs of people in the area, and that community water supply is hampered by poor infrastructure rather than lack of available water. We understand and respect that there are organizations with a different view, and indeed share their concern about community water access. We have already expressed our willingness to meet with these organizations to better understand their point of view and work together to find a solution to the water issue.

An in-depth solution requires commitment and action from everyone: government, community, civil society, and other companies alongside ILC. ILC already has a range of projects to improve access to clean, safe water for the population. ILC is committed to continue working with the communities and the municipal office to achieve a holistic, long-term solution that can be implemented in the coming months.

Finally, we support the adoption of a General Water Law in El Salvador, which has been championed by NGOs and is currently under discussion at the Legislative Assembly. This will allow an integrated approach to managing this critical resource, and we welcome the search for consensus to approve this law as soon as possible.