Headquartered in London, SABMiller* is a global beer and beverage company with substantial market share in emerging markets. Its presence in these markets has made the company acutely aware of the social and financial gains when sustainable and inclusive business activities are integrated into its business lines. SABMiller has adopted an inclusive business strategy that focuses on economic development and environmental sustainability and complements its overall business strategy. Economic development projects create value for the business operations by expanding supply chains and consumer markets, while environmental sustainability projects ensure that the resources SABMiller needs to make its products still exist in the future.

In 2015, SABMiller adopted five imperatives that outline the company’s commitment to its development objectives. This inclusive business strategy, known as Prosper, developed a shared corporate-wide language surrounding sustainable development and defined measurable objectives for SABMiller’s inclusive business activities. The objectives of Prosper are aligned with the UN’s Sustainable Development Goals (SDGs), and represent the private sector’s commitment to engage with the public sector and civil society organizations on issues related to global sustainability and inequality.

**COMPANY OVERVIEW**

SABMiller is a global beer and soft drinks company with over 200 beers in its portfolio. The company was founded in South Africa in 1895 and is now headquartered in London. It is a holding company with one of the world’s largest brewer networks, employing over 69,000 people and operating in over 80 countries. In 2015, SABMiller’s net producer revenues exceeded $26 billion, with 72% of earnings before interest, taxes, depreciation, and amortization (EBITDA) coming from developing countries. Africa and Latin America accounted for 64% of EBITDA and are two of the company’s fastest-growing markets.

**SABMILLER’S INCLUSIVE BUSINESS EDGE**

There are two key elements of SABMiller’s inclusive business strategy that set it apart from other multinational corporations (MNCs): First, the vast majority of its market share is in developing countries, thus making these countries a natural fit for the company’s inclusive business operations. Since SABMiller’s market share is predominantly in emerging markets, the company intimately understands the links between inclusive business activities and corporate strategy. SABMiller’s emerging market background has “informed the company culture and to a certain degree...the very idea of [inclusive business is in] our DNA...it’s just a way to run an efficient business in emerging markets.”

The company believes that corporate and local contributions are essential to long-term sustainability for both groups; SABMiller’s suppliers and products are locally procured, and local enterprises benefit by having a long-term business partner like SABMiller. As a result, much of SABMiller’s approach to inclusive business focuses on the economic development of small enterprises that are part of the company’s supply chain.

The second element that makes SABMiller’s inclusive business strategy stand out is that it is strategically aligned with the SDGs. When the SDGs were adopted in 2015, SABMiller saw an opportunity for the “private sector in shaping and delivering the goals” beyond simply financing nonprofit and public sector initiatives. The company analyzed its inclusive business approach to see how best SABMiller’s current work and expertise aligned with the SDGs.
resulting in the adoption of Prosper in 2014. Prosper has five shared imperatives with outcomes it hopes to achieve in each category by 2020. Eleven of the 17 SDGs are represented in this project. Aligning Prosper with the SDGs eases the process of finding partners with shared development objectives and is a reflection of the private sector’s role and commitment to tackling large systemic issues.

EXECUTION: In 2015, the adoption of Prosper simplified SABMiller’s sustainable development objectives to five shared imperatives that complement its overall business strategy. Specifically, Prosper’s language established the following as its inclusive business objectives: (1) a thriving world, (2) a sociable world, (3) a resilient world, (4) a clean world, and (5) a productive world. The first imperative, “a thriving world,” aims “to accelerate growth and social development through value chains,” with the goal of directly supporting half a million small enterprises by 2020. SABMiller’s partnerships with local enterprises are crucial for its success in developing countries, since these small enterprises are the suppliers and consumers of its products. The second, “a sociable world,” hopes to make beer the preferred choice for moderate and responsible drinkers. In collaboration with the public and nonprofit sectors, SABMiller has established more than 100 locally tailored programs to tackle alcohol-related harm across the world. These programs range from road safety awareness campaigns to supporting responsible retail practices.

Prosper’s remaining goals are connected to environmental sustainability. The third imperative, “a resilient world,” focuses on “securing shared water resources” for SABMiller’s production facilities and local communities. In order to secure a water supply for the future, SABMiller is using conservation efforts with the goal of reducing the amount of water used to produce beer from 3.0 liters per liter bottle to 1.8 liters per liter bottle by 2020. The company has already shown signs of success in this area. Within a six-year timespan (2008-2014), the company was able to improve its brewery water efficiency by 25%. SABMiller has used the lessons learned from its successes to create a global network of partnerships with civil society organizations, governments, and companies to help protect future water supplies.

The fourth imperative, “a clean world,” aims to reduce waste and carbon emissions. One of the key ways SABMiller achieves this is through its bottling services: 53.4% of its beer is sold in returnable bottles and kegs. Lastly, the “productive world” imperative aims to “support responsible, sustainable use of land for brewing crops.” For example, SABMiller works with barley farmers to improve the profitability and environmental and social impact of their farms through programs such as Better Barley, Better Beer, coordinated in association with the World Wide Fund for Nature (WWF) in South Africa.

APPROACH: SABMiller’s approach to inclusive business includes an inward-looking strategy as well as external promotions. Internally, the sustainability team, which is separate from the business lines, works business managers to analyze and recommend specific inclusive business activities and metrics for evaluating success that align with the imperatives of Prosper. However, the sustainability team cannot mandate specific actions or decisions; it can only advise. SABMiller has developed local, regional, and international partnerships with various organizations to implement Prosper. These partnerships include local execution to adapt to the needs of local communities. Additionally, because each relationship is unique, the metrics for evaluation are also set on a case-by-case basis.

“It is pretty much impossible for us to do what we set out to do without very close collaboration with others and without some real changes – such as in the enabling environment, [and] the governments and municipalities that will provide the infrastructure for water resources. Without them it is difficult for us to play our part.”
SABMiller has continuously worked to make inclusive business activities an inherent part of its business practices. It has a substantial footprint in emerging economies, particularly in Africa and Latin America, and development is the best way to efficiently do business in these markets. SABMiller recognizes the importance of the environment in the sustainability of its business and has focused many of its inclusive business activities on protecting the natural resources needed to create its products. Water, specifically, is vital to the future success of SABMiller and its partners. Water scarcity remains a serious issue at the top of the UN agenda, and many of the countries most impacted are based in Africa, one of SABMiller’s most profitable regions. By 2025 it is expected that 1.8 billion people will be living in countries or regions with absolute water scarcity. Therefore, the future of SABMiller’s business in these regions is dependent upon successful water conservation efforts. SABMiller also recognizes that the economic development of small social enterprises is crucial to build reliable supply chains, and working in emerging markets often presents opportunities to collaborate with local governments to build infrastructure that will help these companies operate more efficiently. SABMiller is aware that in some instances there are expectations for the private sector to support public infrastructure, but by proactively investing in mutually beneficial projects, the company hopes to avoid situations that are not sustainable for the business. The goal is to “strike a balance between taking action and engaging with government municipalities and local authorities on their enabling role. [SABMiller] is not providing a public service.”


