

Responsible Sourcing Policy

Budweiser Brewing Company APAC (Bud APAC)

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1. Objective and Scope

- 1.1 At Budweiser Brewing Company APAC Limited and its affiliates (“Bud APAC” or the “Company”), we dream big to create a **#FutureWithMoreCheers**. We are building a company to last on a foundation of responsible business practices, policies and commitments that cover our operations as well as the suppliers, vendors, agents, and contractors (“Business Partners”) with who we directly work.
- 1.2 We recognize the responsibility of the business community to respect human rights and embrace responsible workplace practices, environmental sustainability and business integrity. Therefore, we seek to promote these values with our Business Partners as we strive to bring more cheers to the world.
- 1.3 This Responsible Sourcing Policy (“Policy”) outlines our expectations for Business Partners. We further expect our Business Partners to ensure that their employees, temporary and contract workers, and parties involved in their supply chain to provide goods or services to Bud APAC, comply with this Policy too. Different areas and aspects of our expectations are stipulated in this Policy.
- 1.4 This Policy has been approved with oversight by the Audit Committee of the Board of Directors (“Board”). Bud APAC Procurement oversees the implementation of this Policy. This Policy will be regularly reviewed and updated in due course considering legislation, public policy and organizational changes and development in sustainability best practices, or at a minimum, every three (3) years. Updates of this Policy will be presented to the APAC Sustainability and Procurement team for endorsement.
- 1.5 This Policy is communicated to our Business Partners to ensure their clear understanding. We require Business Partners to demonstrate their compliance with this Policy through regular communication, site visits and reporting. In case of any potential challenges and constraints limiting our Business Partners to meet our expectations, we endeavor to work with them on a case-by-case basis to guide their practices and improve their performance.

2. Legal and Regulatory Compliance

- 2.1 All Business Partners must comply with all applicable laws and regulations in the course of providing goods or services to Bud APAC. Such applicable laws include not only the local or national laws in the countries/regions in which the Business Partners operate, but could also include other laws that have an extra-territorial application (such as those relating to foreign bribery, sanctions and export controls, data protection and competition laws).
- 2.2 In circumstances where there is a question as to whether this Policy can be followed lawfully, or where there might be a conflict between applicable laws or a legally recognized collective bargaining agreement and this Policy, Business Partners must seek exceptions or accommodations to this Policy, and such exceptions or accommodations may be agreed by the Ethics and Compliance team on a case-by-case basis. The Ethics and Compliance team, in consultation with the Corporate Affairs and Procurement teams, may in its discretion grant exceptions or accommodations to this Policy for any other legitimate reasons.
- 2.3 Should this Policy set out more stringent standards than applicable laws, we expect our Business Partners to comply with this Policy to the fullest extent permitted under applicable laws, unless otherwise agreed expressly in writing.

3. Human Rights Principles

- 3.1 We are committed to business practices that respect human rights that align with international standards of responsible business conduct and the principles and guidance contained in the United Nations (“UN”) Guiding Principles on Business and Human Rights (“UNGP”). Our commitment is based on:



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- The International Bill of Human Rights (consisting of the Universal Declaration of Human Rights¹, the International Convention on Civil and Political Rights² and the International Covenant on Economic, Social and Cultural Rights³);
 - The International Labor Organization's ("ILO") Declaration on the Fundamental Principles and Rights at Work⁴;
 - The Children's Rights and Business Principles; and
 - The UN Women's Empowerment Principles.
- 3.2 The following human rights principles are overarching principles that we embed into our policies and systems in order. In developing this Policy, Bud APAC consulted with both internal and external stakeholders.
- 3.3 Business Partners are expected to adhere to this Policy and the following principles. Any substantiated violations are required to report to the Bud APAC's Compliance Helpline, online at <http://www.budweiserapac.com/caseReport>, or by phone at a local number available on the website (see section 11 for further details).

Principle 1: Child Labor and Young People

- 3.4 Business Partners must prohibit the improper or unlawful employment and exploitation of children within their operations and must not engage in or support the use of child labor as defined by the ILO, which is work that is mentally, physically, socially, or morally harmful to children, or work that interferes with their schooling. This includes depriving children of the opportunity to attend school, obliging children to leave education prematurely, or requiring them to combine school attendance with excessively long working hours. Business Partners should take reasonable steps to verify the age of job applicants and workers in its operations and supply chain. Business Partners should take suitable measures to rectify and mitigate any incidents of child labor in their workforce and set out relevant requirements for their suppliers to follow.
- 3.5 Young people under 18 (and local legal drinking age) should not be employed at night or in hazardous conditions and must not be involved in the manufacturing, packaging, marketing, distribution, or sale of alcohol products. We are aware that young people under 18 (and local legal drinking age) are entitled to work in certain defined and protected circumstances, such as government-approved apprenticeship programs. This is acceptable as long as it is conducted in line with the requirements of the ILO conventions and applicable national laws.

Principle 2: Forced Labor and Freedom of Movement

- 3.6 Business Partners must prohibit all forms of forced or compulsory labor; all work must be conducted voluntarily, and all workers must be allowed to freely withdraw from the employment relationship with reasonable notice. Workers should be the freedom of movement to leave the work premises.
- 3.7 The use of prison labor or indentured or bonded labor is strictly forbidden, and unless specifically required by applicable laws, workers must not be required to relinquish their identity documents, passports, ATM cards, or work permits as a condition of employment.
- 3.8 Individual workers and jobseekers must not be charged or bear recruitment fees⁵ or related costs payable to Business Partners or any third-party working on behalf of the Business Partners.
- 3.9 Business Partners must also prohibit the trafficking of persons, including arranging or facilitating the

¹ <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

² <http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx>

³ <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>

⁴ <http://www.ilo.org/declaration/lang-en/index.htm>

⁵ As defined by the ILO, the term "recruitment fees" refers to any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection.



travel of another person with a view to that person being exploited.

Principle 3: Freedom of Association

- 3.10 Business Partners must respect the right of all workers to choose whether to form or join lawful trade unions and other organizations of their choice, and to bargain collectively in support of their mutual interests.
- 3.11 Business Partners must not discriminate against or harass in any way workers that choose to form or join trade unions, or against those workers that choose not to form or join trade unions. In those countries or situations in which the legal system prohibits or severely restricts the right of freedom of association, Business Partners should consider supporting, within the framework of applicable laws and regulations, the establishment of alternative means to facilitate the effective representation of workers' interests and communication between workers and management.

Principle 4: Discrimination and Harassment

- 3.12 We believe that there is no place for discrimination or harassment within our supply chain, and therefore we require Business Partners to prohibit all forms of discrimination and harassment within their operations, including, but not limited to, race, religion, culture, gender, age, political opinion, national origin or extraction, social origin, disability, pregnancy and maternity, sexual orientation, gender identity or expression, union membership or any other illegal arbitrary means. Hiring and employment decisions, including those related to compensation, benefits, promotion, training, discipline, and termination, should be made solely based on the skill, ability, and performance of workers. All forms of physical, verbal, and written harassment, including sexual harassment and intimidation, are prohibited. Business Partners must not engage in corporal punishment or take disciplinary-related deductions from workers' pay.
- 3.13 Bud APAC prohibits all forms of discrimination and harassment, as outlined in our Anti-Discrimination and Anti-Harassment Policy. Bud APAC expects Business Partners to ensure that their representatives engaging with Bud APAC colleagues are aware of our Anti-Discrimination and Anti-Harassment Policy and that any cases of discrimination or harassment perpetrated by Bud APAC representatives or representatives of Business Partners are reported through the Bud APAC Compliance Helpline. Click [here](#) to see our Anti-Discrimination and Anti-Harassment Policy.

Principle 5: Working Hours and Compensation/Adequate Standard of Living

- 3.14 Business Partners must respect the need for workers to have a balance between work and leisure. Working hours and overtime shall comply with applicable wage, work hours, overtime and benefits laws and regulations and local labor agreements. If the employment contract allows for overtime, it must be voluntarily and workers must expressly agree to it.
- 3.15 Business Partners should strive to provide workers with a pay and benefits package that supports an adequate standard of living. Wages and benefits shall be equal or superior to the applicable minimum legal and regulatory requirements, and compensation terms established by legally binding collective bargaining agreements must be implemented and adhered to. Business Partners must communicate employment terms and conditions before onboarding workers. Workers must receive payment for work regularly, in full and on time, and should have access to a payslip, explaining their wage and any deductions. Other than legally mandated deductions, all other deductions from wages must be made only with the express and written consent of the workers, and in compliance with applicable laws and international human rights standards.
- 3.16 Business Partners are encouraged to provide workers with opportunities to develop their skills and capabilities and, where possible, provide opportunities for advancement.



4. Workplace Safety and Health

- 4.1 Business Partners must ensure high standards of occupational health and safety throughout their organizations and strive to prevent all accidents, injuries and occupational illnesses within their operations through management leadership and employee involvement.
- 4.2 Health and safety practices must, at minimum, comply with applicable laws. If such laws do not meet minimum standards under international best practices, the higher standard under international best practice must be applied.
- 4.3 Business partners should, at a minimum:
- Establish safety procedures and training programs for workers to ensure they are aware of workplace hazards and ways to avoid such hazards;
 - Assess, identify and control potential hazards and risks associated with equipment and processes;
 - Track and monitor work-related accidents and injury rates, and corrective actions must be implemented for any incidents;
 - Identify hazardous chemicals and ensure proper provisions are in place for handling and disposal according to applicable laws and best practices;
 - Ensure policies, procedures and safeguards are in place to deal with any emergencies which must include evacuation plans, fire detection systems and emergency exit doors, safety drills and proper training;
 - Provide protective equipment to workers in accordance with their job requirements and the goal of safe working conditions, and communicate instructions for workers to use the equipment safely; and
 - Ensure that worker accommodation is clean, safe and meets the basic needs of workers. Facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations and must be separated from any production area.

5. Brand Promoters and Brand Ambassadors

- 5.1 Brand Promoters and Brand Ambassadors are individuals who are compensated in return for informing customers and consumers about our brands or providing samples, serving or selling our products at bars, clubs, restaurants, or other on- or off-trade events. Business Partners providing Brand Promoters or Brand Ambassadors to Bud APAC must commit to principles set out in our Responsible Marketing and Communications Code and any contractual requirements agreed with Bud APAC. Business Partners providing Brand Promoters and Brand Ambassadors to Bud APAC must be approved before providing such services. Click [here](#) to see our Responsible Marketing and Communications Code.

6. Security

- 6.1 Business Partners should have in place measures to ensure workers, premises and equipment are secure. Any security measures in place must not harm the safety or security of local community members and other third-parties or undermine respect for the human rights of workers and third-parties.
- 6.2 Business Partners providing security services directly to Bud APAC must ensure their personnel takes all reasonable steps to avoid the use of force. If force is used, it shall be in a manner consistent with applicable laws and Bud APAC security standards. In no case shall the use of force exceed what is strictly necessary. It should be proportionate to the threat and appropriate to the situation.

7. Environment



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- 7.1 Business Partners must observe all applicable laws and regulations concerning the environment and provide products and services in an environmentally responsible way through efficient use of natural resources. Business Partners should do this by integrating environmental management practices into operational and training systems.
- 7.2 Unless otherwise agreed in writing, Bud APAC requires Business Partners to have a focus in the following areas:
- **Climate Action:** Business Partners must commit to setting emissions reduction targets in agreement with Bud APAC and develop programs that support the achievement of those targets. Business Partners should identify sites facing reduction opportunities to partner strategically with Bud APAC and implement initiatives with Bud APAC.
 - **Circular Packaging and Waste:** Business Partners must commit to reducing the production of waste, promote recycling and, if applicable, implement initiatives in partnership with Bud APAC to measurably increase the recycled content used in packaging and/or the returnability of packaging.
 - **Water Stewardship:** Business Partners must commit to setting water reduction targets within their operations in agreement with Bud APAC and develop programs that support the achievement of those targets. Business Partners should identify sites facing water stress and opportunities to partner strategically with Bud APAC and implement initiatives with Bud APAC.
- 7.3 Business Partners should report annual KPIs and certificates concerning the above requirement using the designated platforms, as requested by Bud APAC.

8. Land Rights

- 8.1 Business Partners must follow all applicable national laws relating to the rights of land and national resources ensuring land acquisitions and changes of use are made respecting the rights of individuals and communities impacted. Business Partners must conduct due diligence around land rights and titles during the development of new business opportunities. Business Partners must seek free, prior and informed consent and have a grievance mechanism in place to resolve any disputes over land titles.

9. Business Integrity

- 9.1 Bud APAC expects its Business Partners to adhere to the highest standards of business integrity and ethics, including by avoiding bribery, corruption and facilitation payments and effectively managing conflicts of interest. Business Partners should comply with all other applicable international laws and regulations including economic sanctions, export controls, anti-money laundering and counter-terrorist financing, data protection and competition laws. In particular, we stipulated expectations in the following areas of concern.

Bribery and Corruption

- 9.2 Bud APAC requires its Business Partners to prohibit and report any forms of corruption such as bribery or other forms of improper or unlawful payment under any circumstances including financial fraud, money laundering, facilitation payments, or extortion. Further information can be found in our Supplier Anti-Corruption Policy, which outlines how we require our Business Partners to act to ensure that our high anti-corruption standards are continually achieved. Click [here](#) to see our Supplier Anti-Corruption Policy.

Conflict of Interest

- 9.3 All and any conflict of interest in any business dealings with Bud APAC, of which the Business Partner is aware or should have been aware, should be disclosed to Bud APAC for proper management. Such conflicts of interest include, without limitation, any ownership or beneficial interest in a Business Partner by an Bud APAC colleague or someone who has a close personal relationship with an Bud APAC colleague.



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International Trade Compliance

- 9.4 Bud APAC requires its Business Partners to comply with all applicable economic sanctions, export control, and anti-boycott laws, regulations, orders, directives, designations, licenses and decisions. As such, Business Partners must implement effective internal controls to minimize the risk of breaching such laws, and to minimize the risk of causing Bud APAC to breach such laws, particularly where their work involves international financial transfers or cross-border supply or purchase of products, technologies, or services.
- 9.5 Bud APAC prohibits Business Partners from knowingly engaging or attempting to engage in any transaction involving proceeds derived from unlawful activity, or financing of terrorist acts and terrorist organizations.
- 9.6 Further, all Business Partners must conduct their business in compliance with applicable tax laws. Business Partners should not use any business relationship with Bud APAC to facilitate tax evasion, and they should take appropriate steps to ensure that their employees, agents, partners and third parties that act for them do not facilitate tax evasion.

Fair Competition

- 9.7 Bud APAC is committed to the principles of lawful and free competition based on the merits of our products and services. We abide by all applicable antitrust and competition laws in all countries in which we operate. We expect Business Partners to have a similar level of commitment to fair competition.

Digital Ethics

- 9.8 Bud APAC has policies and procedures in place to ensure cybersecurity, data protection and ethical use of digital assets. Business Partners must comply with all applicable laws relating to data protection and privacy and must not (by any act or omission) put BUD APAC in breach of them. Business Partners will notify BUD APAC as soon as they become aware of any unauthorized access, theft, loss or damage, or any other breach of cyber- or data security, concerning any personal data processed by them (or any of their agents, affiliates or subcontractors) on behalf of or disclosed to them by BUD APAC. If a Business Partner processes personal data on behalf of BUD APAC, it must notify BUD APAC and agree that it will do so according to such data processing terms as BUD APAC may reasonably require.

10. Confidentiality

- 10.1 Any confidential information, trade secrets and intellectual property shared with our Business Partners must be appropriately managed and protected to ensure that confidentiality is maintained and that information is not disclosed, lost, or compromised, regardless of whether a non-disclosure agreement is entered into. All Business Partners must protect our information and other information entrusted to us in accordance with good industry practices. If there has been any unauthorized disclosure, loss, or compromise of any such confidential information, trade secrets and intellectual property belonging to Bud APAC, the Business Partner must notice such breach to Bud APAC as soon as practicable and use its best effort to mitigate any potential risks relating to the breach and any future incidents.



11. Grievance Mechanisms and Transparency

- 11.1 Business Partners must have systems in place to enable grievance reporting by workers and external individuals. The objective of any grievance mechanism should be to seek to understand allegations, mitigate any negative consequences, and provide some form of remediation, where appropriate. Business Partners should ensure that workers know how to use the grievance mechanism and explain the process for handling any issues that are raised. Issues should be dealt with promptly.
- 11.2 If reasonably credible evidence of any issue is identified, via the grievance mechanism or otherwise, which indicates that a violation of this Policy (including any violation of the human rights principles outlined above) may have occurred, Business Partners must report the issue through Bud APAC's Compliance Helpline, online at <http://www.budweiserapac.com/caseReport>, or by phone at a local number available on the website. The Compliance Helpline is available 24 hours and is toll-free. It is available to anyone, and reports can be made confidentially and anonymously. Alternatively, reports can be made to Bud APAC's Legal team or the Ethics and Compliance team. Business Partners' employees or other stakeholders may also report issues directly to Bud APAC via the helpline.

12. Non-Retaliation

- 12.1 Business Partners must prohibit retaliation against anyone who: raises in good faith any concerns or issues related to compliance with this Policy; formally or informally reports concerns to Business Partners or directly to Bud APAC; assists another colleague in reporting actual or suspected violations of the Policy; or participates in investigations into possible violations of this Policy.

13. Implementation and Training

- 13.1 Acknowledgment of this Policy, and an agreement to abide by the standards set forth herein, is a prerequisite in every Bud APAC contract with a Business Partner. The Policy will be made available to Business Partners during the sourcing process and can be accessed on our website.
- 13.2 Our contracts with Business Partners include clauses designed to commit Business Partners to implement this Policy. However, nothing in this Policy is meant to supersede any more specific provision in a particular contract, and to the extent, there is any inconsistency between this Policy and any other provision of a particular contract, the other provision will control.
- 13.3 We engage with our Business Partners at an early stage in our procurement activities assessing their practices against this Policy using self-assessment questionnaires and third-party on-site audits. We also assess our Business Partners based on compliance with applicable laws and regulations, as well as financial performance in the past three years. Where possible, Bud APAC seeks to provide training and guidance for Business Partners to support effective compliance with this Policy.
- 13.4 We expect our Business Partners to undertake the following steps:
- Communicate this Policy to their workers to ensure they are familiar with the requirements set out by this Policy;
 - Provide training to their workers for effective compliance with this Policy;
 - Report any potential violation of this Policy to Bud APAC promptly;
 - Cooperate in investigations and remedial actions at their own expense in connection with any potential violations of this Policy, including by granting proper access of information, regardless of whether such potential violations are reported by the Business Partner; and
 - If remediation is required, work with Bud APAC to implement such remedial actions as required by Bud APAC.



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- 13.5 Business Partners must cascade the same principles in this Policy to their supply chain. For selected Business Partners, Bud APAC may request the mapping of the upstream supply chain to facilitate compliance assessments.

14. Consequences for Violations

- 14.1 If Bud APAC has a reasonable suspicion that a Business Partner has violated the terms of this Policy, Bud APAC may terminate or restrict its business relationship with the Business Partner. Bud APAC may restrict its business relationship with the Business Partner by suspending the making or reimbursing any payments.

15. Contact

- 15.1 We look forward to working with you; if you have any queries regarding the principles set out within this Policy, please reach out to your Bud APAC procurement contact.