



Human Rights

Human Rights Disclosure

About Anheuser Busch InBev

At Anheuser Busch InBev we are building a company to last, brewing beer and building brands that will continue to bring people together for the next 100 years and beyond.

We are a truly global company, bringing together 200,000 colleagues and more than 500 iconic brands around a passion for brewing the highest quality beer. Millions enjoy our products every day, and we strive to make sure every experience with beer is positive.

Brewing our beers is reliant on a healthy natural environment, as well as on thriving communities. That's why we are committed to improving lives in the communities we are part of and playing a positive role within them, supporting farmers, retailers and entrepreneurs through skills training and access to key business services.

Over the last decade we have worked to embed sustainability throughout our business and across our supply chain, enabling growth and opportunity for our company and for the communities where we belong. Sustainability isn't just related to our business, it is our business. By working together with local communities, NGOs, suppliers, governments, customers, consumers and beyond, we're creating shared value and driving meaningful change.

We recognise our responsibility to promote human rights both in our operations and in our value chain. We follow the definition from the UN Guiding Principles on Business and Human Rights. We prohibit all forms of human rights violations in our organization and in our supply chains, and we have strong policies and processes in place to monitor this. Respect for human rights is a non-negotiable commitment for our business, and we continue to enhance our approach and engagement on human rights throughout our business operations and supply chain.

Human Rights Policies

We have two policies that support human rights standards into our operations and supply chain. Both policies are publicly available on our website [here](#).

In 2016, we updated our **Global Human Rights Policy**, which sets out standards, expectations and commitments on our responsibility to respect and promote human rights within our own company and not contribute to the violations of human rights in our supply chain.

The policy outlines key human rights principles that we believe are most relevant to our business. It is based on the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Convention on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)), and on the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work.

Our **Responsible Sourcing Policy** enables us to cascade our human rights principles through our supply chain. In 2017, the policy was updated in alignment with our **Global Human Rights Policy**. As we embed responsible sourcing principles into our commercial decision making, it is essential that our suppliers understand these principles and our expectations.

In 2017, the changes to our **Responsible Sourcing Policy** were communicated to our procurement team along with key information on how to embed responsible sourcing into our procurement processes. This was supplemented by in-person training to over 140 procurement colleagues. The training covered key topics including: the importance of human rights and the need to embed this into our procurement decision making processes, an overview of our Responsible Sourcing Policy, and the process to ensure our supplier selections take into account human rights practices.

To further strengthen our internal training, we are building an e-learning module for our procurement colleagues that will focus on how to embed responsible sourcing into our procurement processes. We are translating the **Responsible Sourcing Policy** into several languages including Spanish, Portuguese, Chinese, Korean and Vietnamese. We have also provided introductory training to suppliers on responsible sourcing in India and Africa. In 2017, colleagues in our Latin America region trained more than 1,000 suppliers on our Responsible Sourcing Policy, and an additional 4,300 suppliers through online e-learning.

Our global procurement team works closely with our regional teams to ensure training and policy guidance is tailored to each market and integrated into regional and market-level procurement practices.

Human Rights Governance

Our **Global Human Rights Policy** was approved by our Global Audit Committee in December 2016. Our Global Compliance Committee and Regional-level Compliance Committees, which both include members of the Executive Board of Management, oversee implementation of the Policy.

As we continue to embed sustainability throughout our business and across our supply chain, our governance structures have also evolved. In 2017, we established a Global Sustainability Council and a Global Reputation Council, both of which include members of our Executive Board of Management. In 2018, we will seek to include human rights discussions into these forums to supplement the oversight of the Global Compliance Committee.

We recognise that identifying and addressing human rights risks is not the sole responsibility of a particular individual or function within our business. We require input and responsibility of multiple functions, including People (in relation to our direct employees), Procurement (in relation to our suppliers and contractors), Supply (in relation to those working in our facilities), and Legal and Corporate Affairs (in relation to our community stakeholders and wider regulatory environment). To facilitate effective cross-functional working, in 2018 we are establishing a working-level Human Rights Committee chaired by the Global Legal and Compliance Function.

We also encourage employees and stakeholders who have concerns relating to potential violations of our Global Human Rights, Responsible Sourcing or Supplier Anti-Corruption Policies to use the [AB InBev Talk Openly](#). The channel can be accessed 24/7, is available online and via telephone in over 10 languages and can be used anonymously and confidentially. We work with an independent company to capture the reports and escalate them to our Global Compliance who oversee the treatment of reports and conduct investigations. If necessary, follow-up communications can be facilitated anonymously by the independent company via the website. The information on accessing

our grievance mechanisms is listed in our **Global Human Rights Policy, Responsible Sourcing Policy** and **Code of Business Conduct** and is available publicly [here](#).

In 2017, concerns were publicly raised regarding labour rights at our sugar mill Azunosa in Honduras. When such grievances are raised Anheuser Busch InBev and our local companies have sought to understand the concerns and responded – see [here](#) for response.

Operationalising Human Rights

In our operations

In 2017, we conducted comprehensive risk-based human rights assessments across our operations to evaluate company compliance with our **Global Human Rights Policy**. During 2017 we conducted assessments based on our Human Rights Policy in sixteen countries representing eight regions.

For each assessment compliance teams conducted inquiries with relevant management personnel, site inspections, and interviews with employees of varying seniority and employment tenure. The completion of these assessments was linked to the compensation for Compliance Directors. The Compliance Committee of each region is responsible for reviewing identified risks and ensuring the appropriate action plan is put in place. In 2018, compliance teams will undertake further assessments and develop remediation plans under the oversight of global and regional Compliance Committees.

Health and Safety: our global safety team is committed to ensuring safe working conditions throughout the organisation and embedding a culture where safety is not only a priority but a core value. Our **Occupational Health and Safety Program** is central to how we achieve this and is embedded in the key policies and processes that each facility must have in place to pro-actively and effectively manage health and safety.

Our Chief Supply Officer is accountable for overall health and safety performance within our own operations and is involved in the safety target setting process and defining safety strategies to be executed throughout the business. The Chief Supplier Officer closely monitors safety performance by holding a monthly safety meeting and requiring detailed reports on strategy execution, severe incidents, fatalities, lost injury time (LTIs) and total recordable injuries (TRIs). To lead implementation of our health and safety program, we have a Global Safety Director for Supply and a Global Safety Director for Distribution, who are supported by Safety Directors in each of our 9 Zones with additional safety teams strategically deployed throughout each region.

We aim to continually improve our safety performance, which includes setting stretching targets. In 2017 we succeeded in reducing lost time injuries for both our people and our contract workers in breweries and vertical operations by 38% from 2016, which exceeded our targets by 21%.

In distribution we divide the area into two distinct categories, Logistics and Sales. Logistics includes our Tier II warehousing operations and Distribution drivers that deliver product. Tier II Logistics experienced an 11% improvement in our safety performance compared to 2016 and the sales department finished the year with a 43% improvement compared to 2016. With a target of 17% year-on-year improvement the combined departments achieved an overall improvement of 29%

over the prior year. Further analysis reveals a 30% improvement for our own employees and 22% improvement with our contractor workers.

Our safety processes are supplemented with a monthly report to our Chief Executive Officer and a quarterly submission to the Global Audit Committee, and further complemented by public reporting in our Annual Report of serious incidents and steps taken to improve our performance (see p38 [here](#)).

In our supply chain

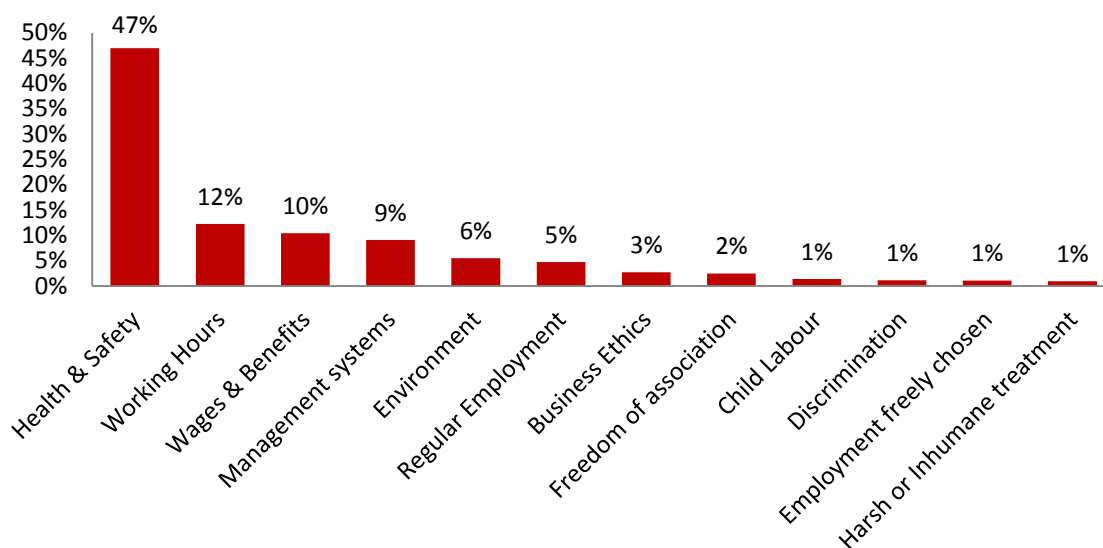
Our Chief Procurement and Sustainability Officer and related Procurement function are accountable for the implementation of our **Responsible Sourcing** policy into our supplier selection and management processes. Within our procurement function, the Vice President of Supplier Value Creation and Sustainability leads the Responsible Sourcing Program, working in close collaboration with regional teams with either specific Responsible Sourcing roles or, where individual roles are not required, through regional procurement capabilities and sustainability teams. In 2017, compensation and performance reviews for our Global Sustainability Director was tied to the defining of our Responsible Sourcing programme.

In 2017, we developed a supplier pre-qualification process that comprises of three pillars - financial stability, business integrity, and responsible sourcing and human rights – and embedded it into our procurement ways of working. In 2018, we continue to build on this process with requirements for responsible sourcing within our online sourcing tools, enabling greater visibility and management of responsible sourcing within our procurement processes. The process is applied to both new suppliers and existing suppliers and is triggered by our contracting cycles. As we have a number of existing suppliers that have not been through our pre-qualification process we are also assessing our existing top spend suppliers in each of our regions during 2018.

The pre-qualification process includes an initial questionnaire for suppliers aligned to the three pillars of supplier pre-qualification. Supplier responses are then coupled with risk data from external sources including the International Trade Union Confederation Global Rights Index, Trafficking in Person Index from the US State Department, and data on child labour prevalence from UNICEF. The outcome of this assessment determines the action required.

If a supplier is identified as potentially higher risk in terms of responsible sourcing and human rights, they are required to undergo a 4-pillar Sedex Members Ethical Trade Audit (SMETA). At the end of each audit, the auditor and supplier agree on a time-bound corrective action plan for each gap identified. Our Procurement teams engage pro-actively with our suppliers to ensure the action plan is completed. In rare cases when suppliers are not willing to adopt improvements, our Procurement teams are empowered to de-authorise the supplier. This action is always a last resort as our preference is to work in partnership with our suppliers to support them in effectively implementing responsible sourcing practices. Since 2015, we have taken steps to de-authorise six suppliers for refusal to adhere to responsible sourcing practices.

SMETA Audits are valid for three years, and during this period we monitor key findings from the audits which highlight areas of risk:



Health and Safety is the most significant risk, with 47% of SMETA Audits identifying it an issue. We recognise this is a common challenge in global supply chains - the International Labour Organisation report 2.78 million deaths per year and 374 million injuries and illnesses every year, many resulting in extended absences from work¹. In 2017, we implemented a supplier health and safety training program in key markets in our Africa Region - South Africa, Tanzania, Nigeria, Uganda and Zambia - reaching 246 suppliers. In 2018, we are expanding the program to include farmers in our agricultural supply chain to support them with the information and guidance they need to protect themselves and their employees.

We recognise there are limitations to the supplier pre-qualification process and audits alone. To better understand how systemic human rights risks relate to our supply chains, in 2017 we partnered with the World Wide Fund for Nature to carry out a supply risk analysis covering key social, environmental and economic risks, including human rights risks, for our priority agricultural crops globally. This highlighted potential risk of child and forced labour in Latin American supply chains, and we are undertaking deeper analysis to better understand the risk and any action required.

We also recognise that our suppliers value support to implement responsible sourcing principles in their businesses. In 2017, we collaborated with AIM-PROGRESS, Partner Africa, The Coca-Cola Company and Diageo to create a Business Toolkit that includes training on productivity and efficiency, quality, safety, time management, workforce cooperation and communication, workforce management, environmental management, business integrity and land rights. In 2018, the toolkit will be available as online learning and in-person workshop materials to enable scale.

Working with communities on water risk

Water: Our approach to water management and stewardship is also overseen by our Chief Supply Officer alongside our Chief Procurement and Sustainability Officer. More than just a key ingredient in

¹ International Labour Organisation | <http://www.ilo.org/global/topics/safety-and-health-at-work/lang--en/index.htm>

our beer, we know that water is a critical resource for the economic, social and environmental well-being of the communities where we belong. In 2017, we achieved our 2017 Water Sustainability targets which were:

- reduce water risks and improve water management in 100% of our key barley-growing regions, in partnership with local stakeholders;
- engage in watershed protection measures at 100% of our facilities located in key areas in Argentina, Bolivia, Brazil, China, Mexico, Peru and the United States, in partnership with local stakeholders;
- reduce our global water usage to a leading-edge 3.2 hectoliters of water per hectoliter of production .

However, we know that the scale of the global water challenge is bigger than us. In March 2018, we announced a new commitment that 100% of our communities in high stress areas have measurably improved water availability and quality by 2025, ensuring water access and quality for our communities and our breweries. We will also continue to drive efficiencies across our operations to further cut our water use to 2.8 hl/hl by 2025. More on our water stewardship can be found [here](#).