# ABInBev

# **Corporate Human Rights Benchmark**

10 August 2018

#### 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 the importance of promoting 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.

We also recognise that human rights is a complex area and even with the best policies, processes and procedures, issues can still arise. We are committed to seeking the perspectives of others, engaging with stakeholders to share good practice, gather insights and continually enhance our approach.

#### Measurement Theme A – Governance and Policy Commitments

#### A.1.1) Commitment to respect human rights

We have two policies that support the embedding of human rights principles into our operations and supply chain. Both policies are publicly available on our website <u>here</u>.

In 2016, we updated our Global Human Rights Policy, which sets out standards and expectations for respecting and promoting 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.

#### A.1.2) Commitment to respect the human rights of workers

See Global Human Rights Policy and Responsible Sourcing Policy here.

#### A 1.3 a & b) Commitment to respect human rights particularly relevant to the industry (land and natural resources; people's rights)

See Global Human Rights Policy and Responsible Sourcing Policy here. See Global Anti-Harassment and Anti-Discrimination Policy (disclosed).

Land Rights: Respect for land rights is identified as a key human rights principle within our Global Human Rights Policy. As a matter of practice, we apply due diligence processes in situations where land purchase or use is part of doing business to ensure land tenure is determined. Where appropriate, we engage in available legal mechanisms to determine land ownership and provenance, and establish fair market value for stakeholders. We engage with

stakeholders through this process and participate in local legal mechanisms if adjudication is required or otherwise appropriate on a case by case basis. To provide an example, in Nigeria as part of the acquisition of land to construct a new brewery we engaged with local communities to ensure that the provenance of the land was appropriately accounted for, and established a process to ensure bona fide stakeholders were duly compensated in accordance with their holding interests. In India, Land Rights issues were similarly identified and the local teams engaged directly with communities and local farmers to resolve similar challenges.

Water: See commitments, targets and performance measurement in our Global Human Rights Policy and Responsible Sourcing Policy <u>here</u>, on our website <u>here</u> and in our annual reports <u>here</u>.

#### A 1.4) Commitment to engage with stakeholders

See Global Human Rights Policy and Responsible Sourcing Policy here.

#### A 1.5) Commitment to remedy

See Global Human Rights Policy and Responsible Sourcing Policy here.

#### A 1.6) Commitment to respect the rights of human rights defenders

See Global Human Rights Policy and Responsible Sourcing Policy here.

#### A 2. 1) Commitment from the top

Our Global Human Rights Policy was approved by the Audit Committee of the Board of Directors in December 2016. Our Global Ethics & Compliance Committee and Regional-level Ethics & Compliance Committees, which are led by members of the Executive Board of Management, oversee implementation of the Policy.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> The Global Ethics & Compliance Committee consists of four EBM – the Chief Legal Officer, Chief Strategy and External Affairs Officer, Chief Financial Officer and the Chief People Officer as well as the VP Ethics & Compliance, VP Control, VP People and the VP of Risk.

At AB InBev, human rights are a key part of our ethics and compliance program, which is administered by the VP Ethics & Compliance<sup>2</sup> a senior-level position that has a reporting line into the Audit Committee. The VP Ethics & Compliance is accountable for setting the agenda and providing regular updates for review and discussion on human rights issues to both the Audit Committee and Global Ethics & Compliance Committees. Where appropriate, investigative findings and/or the results of our human rights legal review process (described in Measurement Theme B2.1 – B2.4) may be reported to the Global Ethics & Compliance Committee and the Audit Committee for review of the relevant case and approval of any remediation action required.

Identifying and addressing human rights issues requires cross-functional effort and commitment, 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 established a working-level Human Rights Committee chaired by a Senior Director within the Global Ethics & Compliance Function.<sup>3</sup>

#### A 2. 2) Board discussions

Compliance with the Global Human Rights Policy regularly features on the agenda of the Global Ethics & Compliance Committee as well as the Audit Committee. By way of example, in the first eight months of 2018, reports relating to compliance with the human rights policy were twice presented to each of the Audit Committee and Global Ethics & Compliance Committee. As part of that process, the Company approved the introduction of a Global Anti-Harassment and Anti-Discrimination Policy this year.

#### A 2.3) Incentives and Performance Management

The VP Ethics & Compliance sets compensation-related targets and conducts performance reviews of the Global Compliance team – and in 2018 has cascaded targets relating to the implementation of the Global Human Rights Policy. These targets include the requirement to conduct risk-based human rights assessments across our operations. As a result of this structure, there are approximately two dozen director and manager level employees that have human rights-related compensation targets.

<sup>&</sup>lt;sup>2</sup> As of August 2018, the position is titled VP, Compliance, Competition & Litigation but the position will likely be retitled VP, Ethics & Compliance effective September 1, 2018 – but the reporting lines are expected to remain the same. This position is equivalent to the position titled the Chief Compliance Officer in other organizations. <sup>3</sup>As of September 1, 2018, our VP, Ethics & Compliance will chair the Human Rights Committee.

#### Measurement Theme B – Embedding Respect and Human Rights Due Diligence

B 1.1) Responsibility and resources for day-to-day human rights functions

**B 1.2)** Incentives and performance management

#### In our operations

While all employees are responsible for acting in accordance with the principles of our Global Human Rights Policy, it is the responsibility of the Ethics & Compliance and People teams to ensure that the policy is communicated to all employees and that employees in our operations are complying with the policy. This is achieved through regular trainings, human rights assessments, investigations into reports of non-compliance, and remediation plans.

This system is overseen by the Global Ethics & Compliance Team, under the stewardship of the VP Ethics & Compliance. Compensation and performance reviews for Global Compliance Directors are tied to undertaking human rights risk assessments, ensuring remediation plans are implemented and integrating lessons learned into our processes to continually evolve our approach. Supplementing this, every Zone-level Compliance team in our business has regional accountability for the application of our Global Human Rights Policy and completion of human rights assessments and actions plans. Compensation for Zone-level Compliance Directors is directly linked to the completion of these activities and many of their direct reports similarly have performance targets containing human rights components. In addition, two other Global Ethics & Compliance Directors and several other members of the Global Ethics & Compliance targets that contain human rights components.

#### In our supply chain

Responsible Sourcing is led by the Global Procurement function due to its relationship with suppliers and their role in supplier selection and management. 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, with the Global Sustainability Director and Global Sustainability Manager responsible for oversight on a day-to-day basis.

In 2017, compensation and performance reviews for our Global Sustainability Director and Global Sustainability Manager were tied to defining and implementing our Responsible Sourcing program to identify human rights challenges in the supply chain and the actions required to remediate them. In 2018, compensation and performance reviews for both role-holders are linked to deepening transparency and assessment of issues in our Agriculture supply chain. This activity is undertaken 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. For example, in Africa Zone, the Responsible Sourcing Manager leads the program locally, with the role-holders compensation and performance linked to the successful implementation of Health and Safety training for contractors; Human Rights training with Agriculture suppliers; and enhancing awareness of our Responsible Sourcing Policy both internally and with our suppliers.

#### **B 1.3)** Integrate with enterprise risk management

The governance of the Human Rights Policy is integrated into the company's risk management system, as overseen by the Audit Committee.

B 1.4a) Communication / dissemination of policy commitments within Company's own operations

See Global Human Rights Policy and Responsible Sourcing Policy here.

B 1.4b) Communication / dissemination of policy commitments to business relationships

See Global Human Rights Policy and Responsible Sourcing Policy here.

As we embed responsible sourcing principles into our commercial decision making, it is essential that our suppliers understand these principles and our expectations. They are included in our contract templates and we expect that our suppliers cascade the requirements of our Responsible Sourcing Policy throughout their supply chains.

#### B 1.5) Training on Human Rights

See Global Human Rights Policy and Responsible Sourcing Policy here.

In 2017, the changes to our Responsible Sourcing Policy were communicated to our procurement teams 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 have created an e-learning module for our procurement colleagues that will focus on how to embed responsible sourcing into our procurement processes. We have translated the Responsible Sourcing Policy into several languages including Spanish, French, Dutch, German, Portuguese, Chinese, Korean and Russian. 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.

#### B 1.6) Monitoring and corrective actions

See Global Human Rights Policy and Responsible Sourcing Policy <u>here</u> and commentary in B 2.1 – B 2.4 below.

#### B 1.7) Engaging business relationships

See Global Human Rights Policy and Responsible Sourcing Policy <u>here</u> and commentary in B 2.1 – 2.4 below.

Refusal to accept the principles of the Responsible Sourcing Policy and the Supplier Anti-Corruption Policy, or to undergo an ethical audit and address identified issues can result in suppliers not being selected for business. 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.

#### B 1.8) Approach to engagement with potentially affected stakeholders

B 2.1) Identifying: Processes and triggers for identifying human rights risks and impacts

- B 2.2) Assessing: Assessment of risks and impacts identified
- B 2.3) Integrating and Acting: Integrating assessment findings internally and taking appropriate action

B 2.4) Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

#### In our operations

Compliance teams conduct comprehensive risk-based human rights assessments annually across our operations to evaluate company compliance with our Global Human Rights Policy. During 2017, we conducted assessments in sixteen countries representing eight zones. In 2018, Zone Compliance teams continue to monitor existing remediation plans and conduct new assessments where appropriate.

For each assessment, Compliance teams conducted inquiries with relevant management personnel, site inspections, and interviews with employees of varying seniority and employment tenure. The Human Rights Legal Review Protocol provides guidance to Compliance teams on how to identify and undertake site-level assessments within our direct operations, ensuring consideration of the type of operation, stakeholders to engage, geographic location, potential for human rights issues amongst other criteria.

Assessments are conducted by Zone Ethics & Compliance teams and consider the human rights principles outlined in our Global Human Rights policy, the issues identified during the assessment and information from broader external engagement with stakeholders. Some Zone Ethics & Compliance teams partner with external third parties to undertake the audit and to leverage best practice. For example, our Africa Zone is working collaboratively with Partner Africa.

Following the completion of an assessment, the results are submitted to the Global Compliance & Ethics team. Any breach of Policy identified is investigated and a time-bound corrective action plan is put in place. This is reported to and monitored by both the Zone-level Compliance & Ethics Committee and the Global Compliance & Ethics Committee.

By way of example, in 2017, our Latin America North Zone identified security as a potential human rights issue as a result of their risk assessment process and reported it through the appropriate channels. This led to a number of changes such as recruiting a Security Manager for the region to improve security processes and resources at several at-risk operations.

Insights and lessons learned from the assessment process are integrated into our ways of working to continually improve. In 2017, we identified through our risk assessment processes that harassment and discrimination warranted a deeper assessment. This led, in part, to a review of our relevant practices and compliance with our policies within the company, and ultimately to a refreshed policy governing sexual harassment and discrimination. The Policy is

currently being cascaded through our organisation, alongside the establishment of Policy Ambassadors who will receive additional training on matters related to discrimination and harassment, and will function as an alternative means for colleagues to report or discuss any Policy breaches. Building on this, we will soon roll out a new Global Diversity and Inclusion Policy.

#### In our supply chain

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 supplier pre-qualification process (which includes Responsible Sourcing) is applied to both new suppliers and existing suppliers. All new suppliers are assessed as they enter supplier engagements. With our existing suppliers, those with which we have greatest spend are assessed. Plus, once the contracts of existing suppliers expire they will have to go through the assessment process again.

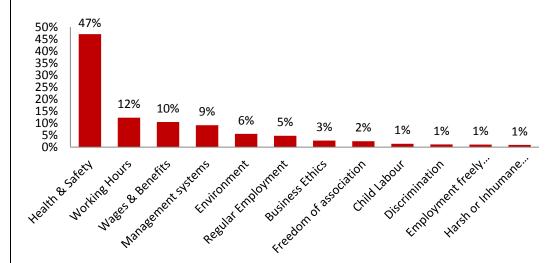
The pre-qualification process includes an initial questionnaire for suppliers aligned to the three pillars of supplier pre-qualification. Supplier responses are then coupled with data from external sources including the International Trade Union Confederation Global Rights Index, Trafficking in Person 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 <u>4-pillar Sedex Members</u> <u>Ethical Trade Audit (SMETA)</u>. The audit is conducted by a third-party company. The audit companies we work with engage directly with our suppliers to visit supplier premises to identify any gaps against our Responsible Sourcing Policy. This is achieved through a combination of management and worker interviews, document reviews and facility viewing. The auditors create the audit reports and agree with each supplier the corrective action plan which is shared with AB InBev.

To reduce duplication for our suppliers, we also subscribe to SEDEX and the AIM-PROGRESS Mutual Recognition initiative whereby we agree to review the audits conducted on behalf of other companies to identify if they will also meet our needs.

At the end of each audit, the auditor and supplier agree on a time-bound corrective action plan for each gap identified. The type of corrective actions required by suppliers depends on the gaps identified at their sites through the audit. Examples of corrective actions include ensuring that suppliers provide personal protective equipment of suitable quality for the conditions of use; ensuring that emergency evacuation procedures are in place and are practiced by those working at the site; and that the sites have in place the policies to support implementation and management of responsible sourcing principles.

Our Procurement teams engage pro-actively with our suppliers to ensure the action plan is completed. They work to ensure that improvements are being implemented and that follow-up audits and desktop assessments are executed, all within agreed timeframes. Each action is tracked internally, and includes the type of issue, its severity, the timeframe for implementing improvements and how the improvements need to be verified by the auditor.



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, with 47% of SMETA Audits identifying it as 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 work<sup>4</sup>. 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.

#### Supporting suppliers to improve performance

We also recognise that our suppliers value support to implement responsible sourcing principles, including human rights, in their businesses. In 2017, we collaborated with AIM-PROGRESS, Partner Africa, The Coca-Cola Company and Diageo to create a <u>Business Toolkit</u>. It covers the principles in our

<sup>&</sup>lt;sup>4</sup> International Labour Organisation | http://www.ilo.org/global/topics/safety-and-health-at-work/lang--en/index.htm

Responsible Sourcing Policy and ILO Core Labour Conventions as well as 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 has been made available to companies to help enhance their approach to Responsible Sourcing and will be available as online learning and in-person workshop materials to enable scale.

### B 2.5) Communicating: Accounting for how human rights impacts are addressed

See Better World and Global Citizenship Reports here.

Measurement Theme C – Remedies and Grievance Mechanisms

C.1) Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers C.2) Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities

We 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 <u>AB InBev Talk Openly</u> channel. The channel can be accessed 24/7, is available online and via telephone in over 10 languages (languages are based on the needs of our markets), and can be used anonymously and confidentially. Stakeholders that raise grievances are informed that their submission has been received, and are provided with information on how to follow up on the status of their grievance. A part of the ethics & compliance targets, which are shared by the General Counsel and other colleagues, grievances must be resolved within 60 days of submission, unless the case requires an extended timeline to resolve and is granted an exception by the Global Ethics & Compliance team.

See Global Human Rights Policy and Responsible Sourcing Policy here.

C.3) Users are involved in the design and performance of the channel(s)/mechanism(s)

## C.4) Procedures related to the mechanism(s)/channel(s) are publicly available and explained

There are multiple ways to submit a human rights grievance as an employee or other stakeholder. We work with an independent provider to administer a hotline and website that provides for local language operators and web-interfaces to conduct intakes on reports. The system is managed by our Global Ethics & Compliance team who oversee the treatment of reports and conduct investigations. The VP of Ethics & Compliance has real time access to the system and can track and monitor reports. In addition, our Code of Business Conduct available on our website provides contact details for the General Counsel, VP of Ethics & Compliance and VP of Risk through which reports can also be submitted. Employees also have access to a phone-based App which provides details of Company Policies (including the Global Human Rights Policy).

Our Global Human Rights Policy highlights that senior leadership are immediately notified of any grievance filed, specifically the VP of Ethics & Compliance, and the VP of Risk. Should an affected stakeholder have concerns regarding their grievance, they have the right to anonymously file another case to appeal and a new investigator will be assigned to their case.

Any feedback or complaints about the grievance mechanism from stakeholders are integrated into the ongoing process for updating and improving the tool. In addition, Global Ethics & Compliance employs an award-winning<sup>5</sup> data analytics platform that allows for the tracking and monitoring of human rights grievances, and runs metrics related to patterns and trends within the reports as well as the response and remedial measures generated out of any ensuing investigations. The information on accessing our grievance mechanisms is listed in our Global Human Rights Policy, Responsible Sourcing Policy and Code of Business Conduct (available here).

In 2017, concerns were publicly raised regarding labour rights at our sugar mill Azunosa in Honduras. When such grievances are raised AB InBev and our local companies have sought to understand the concerns and respond – see <u>here</u> for response.

See Global Human Rights Policy and Responsible Sourcing Policy here and commentary in C.1 and C.2.

#### C.5) Commitment to non-retaliation over complaints / concerns made

We have employed mechanisms for our employees and third parties to raise concerns freely without fear of retaliation and more broadly, we are committed to non-retaliation when issues are raised in good faith. We also take steps to ensure access to these mechanisms for potentially affected stakeholders.

<sup>&</sup>lt;sup>5</sup> https://www.ft.com/content/50790328-a8e7-11e7-93c5-648314d2c72c

See Global Human Rights Policy and Responsible Sourcing Policy here.

C.6) Company involvement with State-based judicial and no-judicial grievance mechanisms

See Global Human Rights Policy and Responsible Sourcing Policy here.

C.7) Remedying adverse impacts and incorporating lessons learned

See Global Human Rights Policy and Responsible Sourcing Policy here and commentary in B 2.1 – B 2.4.

Measurement Theme D – Performance: Company Human Rights Practices

#### D1.1 a & b) Living Wage

See Global Human Rights Policy and Responsible Sourcing Policy here.

#### D 1.2) Aligning purchasing decisions with human rights

AB InBev has developed close relationships with many of the farmers from which we source our key crops, such as barley, cassava and sorghum. These close relationships allow us to directly contract with farmers, and provides us with the opportunity to clearly set out our quantity and quality requirements, as well as enabling us to provide a clear explanation of how pricing will be determined. However, more importantly, through this direct relationship we support our farmers by offering both agronomic advice as well as financial and business skills depending on their needs.

#### D 1.3) Mapping and disclosing the supply chain

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

In 2018, we are working with first tier sugar suppliers in Brazil to map the supply chain to determine the mills and plantations that our sugar is primarily sourced from. As part of the mapping exercise with suppliers, we are gathering information on workers such as how workers are recruited, the employment of migrant employees and workforce gender diversity.

In order to reach our Smart Agriculture goals and to deliver the impact needed, we require enhanced visibility of our direct agricultural supply chains going back to the individual farmers we source from. To provide us with this farmer level data we are leveraging both our internal teams as well as our delivery partners to conduct a global supply chain transparency exercise. This exercise will provide more transparency of all farmers in our direct supply chains and will have information on the location of their fields, basic demographic information and importantly their contact information. This will enable us to engage directly and offer the support that farmers require.

More broadly, in our Promotional Materials supply chain, we are working with first tier agents and traders in North America to secure visibility of primary production sites and their performance against our Responsible Sourcing principles. This will enable identification of human rights issues and improve performance where there are gaps against our expectations.

This approach to supply chain mapping is a key priority for our business to identify and address human rights issues that exist within our supply chains.

# D 1.4 a & b) Child Labour

See Global Human Rights Policy and Responsible Sourcing Policy here.

# D 1.5 a, b, c, d) Forced Labour

# D 1.6 a & b) Freedom of association and collective bargaining

See Global Human Rights Policy and Responsible Sourcing Policy here.

# D 1.7 a & b) 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 <u>here</u>).

# D 1.8 a & b) Land Rights

See Global Human Rights Policy and Responsible Sourcing Policy here and commentary in A 1.3.

### D 1.9 a & b) Water and sanitation

See commitments, targets and performance measurement in our Global Human Rights Policy and Responsible Sourcing Policy <u>here</u>, on our website <u>here</u> and in our annual reports <u>here</u>.

See Global Human Rights Policy and Responsible Sourcing Policy here.

#### D 1.10 a & b) Women's Rights

See Global Human Rights Policy and Responsible Sourcing Policy <u>here</u>. See Global Anti-Harassment and Anti-Discrimination Policy (disclosed).

END