



**Asahi**  
BEVERAGES

## Modern Slavery Joint Statement

FINANCIAL YEAR 2023  
Asahi Holdings (Australia) Pty Ltd





OUR VISION

**“TO BRING  
ENJOYMENT  
AND  
CONNECTION  
TO EVERYDAY  
MOMENTS IN  
LIFE”**

# OUR PLEDGE

*“We recognise the need to balance our vision “to bring enjoyment and connection to everyday moments in life”, with our responsibility and leverage as a beverages company to drive positive change. Asahi is firmly committed to respecting human rights and we remain vigilant about mitigating modern slavery in our domestic and global operations and supply chains. This is reflected in our improved and enhanced procurement and monitoring practices to assess and mitigate such risks.*

*Our 2023 modern slavery statement builds on our previous statements, shares our progress, and highlights Asahi's ongoing commitment in this space across our business activities in Australia and New Zealand. We pledge to continue to play our part in supporting the prevention, and hopefully one day, the eradication, of modern slavery.”*

**Roland van Bommel**

Chairman Asahi Holdings (Australia) Pty Ltd





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Asahi Holdings (Australia) Pty Ltd (ACN 135 315 767) **(Asahi)** is pleased to submit this modern slavery joint statement pursuant to the Modern Slavery Act 2018 (Cth) in respect of its financial year 1 January 2023 to 31 December 2023 **(FY23 Reporting Period)**.

This modern slavery statement outlines the steps taken by Asahi and its reporting entities during the FY23 Reporting Period and continuing into early 2024 to identify and mitigate the risk of modern slavery occurring in its business operations and supply chain.

# REPORTING ENTITIES

This modern slavery joint statement is made by Asahi on behalf of itself and the following wholly-owned subsidiaries:

- Asahi Beverages Pty Ltd (ACN 004 243 994)
- Asahi Premium Beverages Pty Ltd (ACN 077 568 480)
- CUB Pty Ltd (ACN 004 056 106)
- CUB Australia Holding Pty Ltd (ACN 615 290 849)
- CUB Beverage Investments Pty Ltd (ACN 150 900 093)
- Fosters Group Pty Ltd (ACN 007 620 886)
- Brewing Holdings Pty Ltd (ACN 004 059 394)
- Brewing Investments Pty Ltd (ACN 004 233 005)

In this modern slavery statement, Asahi and the aforementioned subsidiaries and their owned or controlled entities, are all referred to as the "Asahi Group - Australia".

References to "we", "us" and "our" refer to the Asahi Group - Australia. Asahi Group - Australia operates as one corporate group with centralized management and control functions including senior management, corporate support, sourcing and supply chain functions all managed centrally in the Asahi Regional Hub. All group entities have the same Executive Chairman, Chief Executive Officer and Executive Management and substantially similar board composition. On this basis, the Asahi Group - Australia has been able to implement one due diligence process across all group entities except where differences are noted in this statement.

In addition, there are many shared suppliers across the **Asahi Group - Australia** and all group entities operate under a common set of governance policies and processes set by the Board and the senior management team and all sustainability (or ESG) risks are reported on and monitored centrally.

For these reasons, the Asahi Group - Australia prepares a single, consolidated modern slavery statement annually.

## CONSULTATION WITH EACH OF THE REPORTING ENTITIES AND THEIR OWNED AND CONTROLLED ENTITIES

The process of consultation undertaken to prepare this statement, as between the subsidiaries listed above and their owned or controlled entities, involved consultation with the Executive Management of each entity and the Asahi Group – Australia. This statement was prepared by Asahi with consultation and input from senior managers responsible for Asahi Group – Australia's operations and supply chains, including the Procurement Leadership Team, Group Head of Sustainability and members of the human resources and legal teams, all of which service and support each entity in the Asahi Group – Australia.

Allpress was also separately consulted as part of the preparation of this statement. It was then circulated to relevant members of the senior executive team, including the Chief Procurement Officer and Group General Counsel and Company Secretary prior to board approval. Accordingly, each of the members of the Asahi Group – Australia have been consulted in the preparation of this statement.



STRUCTURE  
OPERATIONS  
PEOPLE  
SUPPLY  
CHAINS







## 1. STRUCTURE

Asahi is the private parent company of the Asahi Group – Australia which comprises privately incorporated wholly-owned subsidiaries. The majority of its subsidiary entities are incorporated in Australia and New Zealand with a small number of entities incorporated in the UK and Singapore.

The registered office for all Australian group entities is located at 58 Queensbridge Street, Southbank VIC 3006.

Asahi is a wholly owned subsidiary of Asahi Group Holdings Ltd (AGH), a Japanese public company listed on the Japan Stock Exchange. AGH prohibits all forms of modern slavery in its organisation and supply chain. AGH has a longstanding commitment to human rights, including labour rights and the fight against modern slavery and human trafficking, and these principles are set out in its global codes and policies.

Further details of AGH's approach to human rights are set out in:

**Asahi Group Holdings – Code of Conduct** Group Policies | Group Policies / Corporate Governance | ASAHI GROUP HOLDINGS ([asahigroup-holdings.com](http://asahigroup-holdings.com))

**Asahi Group Holdings – Human Rights Principles** Asahi Group Human Rights Principles | Group Policies / Corporate Governance | ASAHI GROUP HOLDINGS ([asahigroup-holdings.com](http://asahigroup-holdings.com))

**Asahi Group Holdings – Sustainable Procurement Principles including Supplier Code of Conduct** [https://www.asahigroup-holdings.com/en/company/policy/basic\\_procurement\\_policies.html](https://www.asahigroup-holdings.com/en/company/policy/basic_procurement_policies.html)

These AGH Codes and Principles apply to the Asahi Group – Australia and are supplemented with our own Human Rights Policy and Supplier Code of Conduct (as detailed further below).



## 2. OPERATIONS

The Asahi Group - Australia is proud to be Oceania's leading beverages company. The Asahi Group - Australia has a total of 17 breweries and manufacturing plants across Australia, where it produces some of Australia's most iconic and loved alcohol and non-alcohol beverage brands.

Carlton & United Breweries (CUB), a wholly owned subsidiary of Asahi since June 2020, is Australia's oldest continually operating manufacturing business, tracing its origins to the Cascade Brewery, which commenced brewing in Tasmania in 1832. CUB Australia Holdings Pty Ltd, CUB Investments Australia Pty Ltd, Brewing Holdings Pty Ltd, CUB Beverage Investments Pty Ltd and Foster's Group Pty Ltd are all intermediate holding companies.

On the alcohol beverage side of our business (incorporating both CUB Pty Ltd and Asahi Premium Beverages Pty Ltd) our brands include Asahi Super Dry, Carlton Draught, Great Northern, Victoria Bitter, Cascade, Mountain Goat, Pure Blonde, Corona, Peroni, 4 Pines, Balter, Vodka Cruiser, Hard Rated as well as Somersby cider and Corona (both third party licensed brands).

On the non-alcohol beverage side of our business, which includes Asahi Beverages Pty Ltd, our brands include Schweppes, Solo, Coffee's, Spring Valley juices, and Cool Ridge and Frantelle water. We also produce and/or distribute under license a number of globally recognised beverages, including Pepsi, Gatorade, Voss, Lipton Iced Tea and Red Bull.



In 2021 Asahi acquired Allpress Espresso Limited (Allpress), a premium coffee company headquartered in Auckland with operations in Australia, New Zealand, the United Kingdom, Japan and Singapore. Allpress is a leading wholesale coffee bean supplier across New Zealand and Australia and this acquisition heralded Asahi's expansion into the large and growing fresh coffee category.

In 2022, Asahi acquired premium beverage company Strangelove Beverage Company Pty Ltd (Strangelove), an adult soft drink, premium mixer and mineral water business founded in Byron Bay. Strangelove complements Asahi's leading multi-beverage portfolio with products such as Tonic No. 8, Lo-Cal Yuzu and a range of premium sparkling waters.

As a part of our operations, Asahi also participates in Container Deposit Schemes (CDS) in New South Wales, Australian Capital Territory and Victoria, forming a part of the Scheme Coordinator in each jurisdiction. The Scheme Coordinators, Exchange for Change (NSW and ACT) and VicReturn (Victoria), are responsible for managing the marketing of the CDS together with running the Scheme's financial operations and ensuring the integrity of the Schemes.

Asahi is also a shareholder in the Circular Plastics Australia (PET) Joint Venture (Circular Plastics (PET) JV) along with PACT Group, Cleanaway and Coca-Cola Europacific Partners. In early 2022, the Circular Plastics (PET) JV recycling facility in Albury-Wodonga was officially opened and an additional plastics recycling facility located in Altona, Victoria commenced operations in late 2023. The Circular Plastics (PET) JV recycles plastic packaging materials into "rPET" or recycled plastics for re-use in an effort to reduce the amount of virgin plastic used in the industry.





### 3. PEOPLE

During the FY23 Reporting Period, the Asahi Group - Australia employed approximately 3,500 people across Australia, in our head office in Melbourne, its ten breweries, other manufacturing sites and state sales offices. Asahi Beverages (NZ) Limited a subsidiary of Asahi, employs approximately 360 people across New Zealand with the majority comprising full time employees. Allpress employs approximately 280 people across Australia, New Zealand, Singapore, Japan and the United Kingdom and Strangelove employs approximately 10 people in Australia.

As at 31 December 2023, the Asahi Group - Australia has approximately 18 collective industrial instruments and 5 major unions, however, our employees are free to associate with any union of their choosing.

Our workforce is diverse, and comprises staff that fill roles that include administration, executive/management, manufacturing, warehousing, field sales, service technicians, hospitality and support professionals including finance and legal. In FY23, one of our hospitality staff was under 18 years of age, but above legal working age in the state in which they were employed. We also employ approximately 5 to 10 working holiday visa holders across our business intermittently during the course of the year.

Asahi recognizes it is our workforce's passion, integrity and accountability that brings our values to life, fuels our engagement and enables us to continue to build Asahi as a great 'place to be.' Together with AGH, we conduct engagement surveys with all our global employees through a Global Engagement, Ethics & Compliance Survey to collect feedback, insights and encourage all employees to have their voice heard. The aim of the engagement survey is to measure how our people think, feel and act in relation to our company and whether they are enabled and have the energy to be effective in their work. Through the survey we also look to understand employee awareness of our Code of Conduct being a key foundation that guides how we act as both a company and as



employees in order to identify our areas of strength and improvement. In FY23 we achieved an Oceania region overall engagement score of 83% in the Global Engagement Survey with the survey also demonstrating that the majority of Oceania region employees had read and understood the Asahi Group - Australia Code of Conduct and felt it was safe to speak up at our company most of the time.

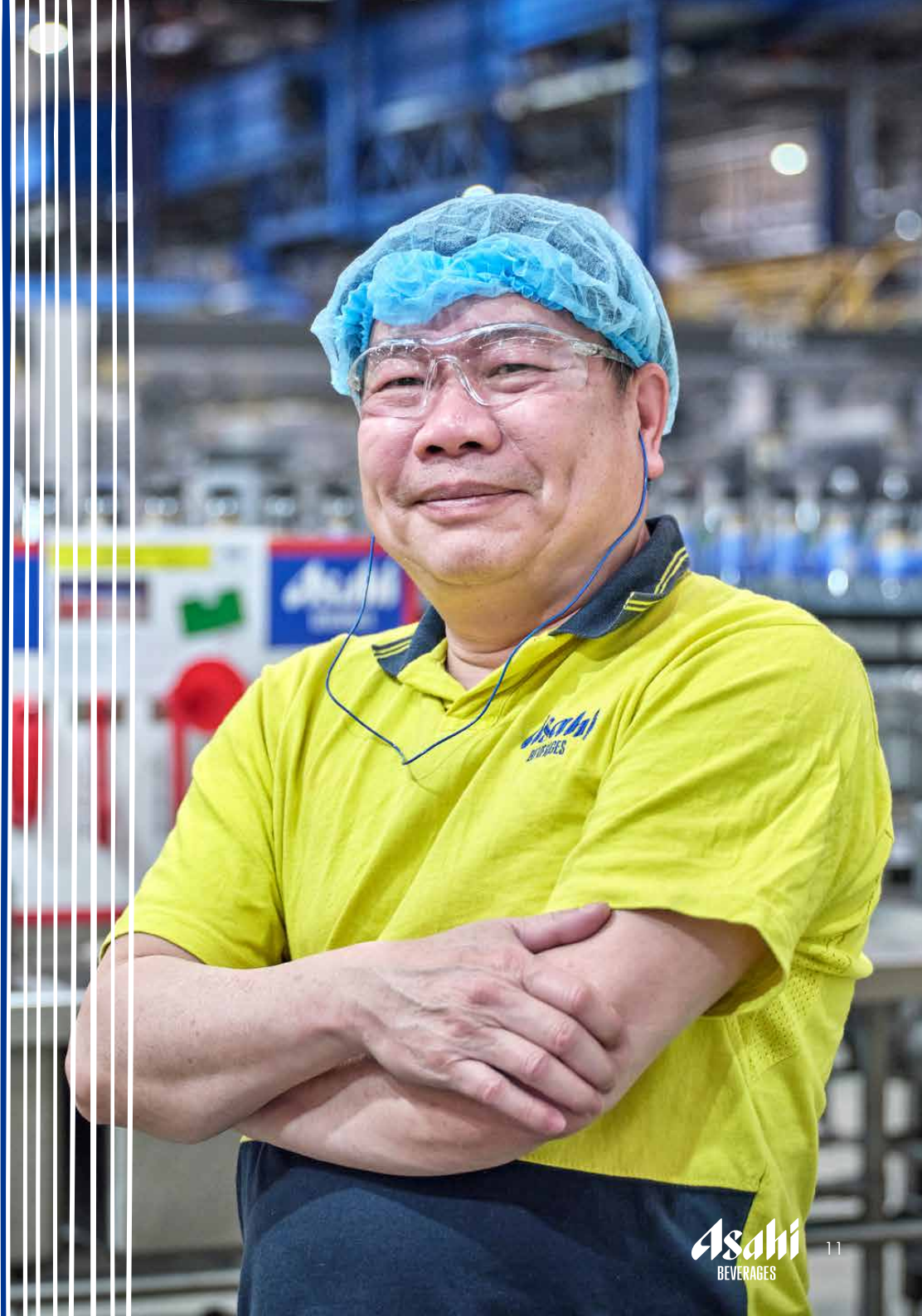
Asahi Group – Australia holds itself and our business partners, including suppliers, to the highest standards of integrity. We are committed to creating a positive and rewarding workplace and ask all of our employees to commit to contributing towards helping us make a positive contribution to the societies in which we operate, including respecting human rights and working with our suppliers to promote the protection of human rights.

#### 4. SUPPLY CHAINS

The Asahi Group - Australia's supply chain arrangements remained largely similar to the previous reporting period.

The Asahi Group - Australia sources a broad range of goods and services from Australia and internationally from countries including United Arab Emirates, Italy, China, Japan, Vietnam, Brazil, Philippines, Belgium, Denmark, Switzerland, USA, India, England and Singapore and works with several thousand suppliers and service providers.

The majority of our annual \$3 billion supplier spend (excluding the non-Australian corporate entities) occurs with our significant partner suppliers located in Australia (approximately 85%) sourcing significant quantities of raw ingredients including hops, barley, malt and sugar, packaging materials, and transport and logistics services. Another major portion of our annual supplier spend emanates from the import of finished goods such as products under the Peroni and Asahi brands manufactured by related Asahi entities internationally (in Japan, China and Italy) and Corona manufactured by other 3rd party suppliers from Mexico.



# COUNTRIES WE SOURCE GOODS & SERVICES FROM



PRIMARILY SOURCED IN AUSTRALIA



HOPS



BARLEY & MALT



SUGAR



PACKAGING MATERIALS



TRANSPORT & LOGISTICS

ASAHI BEVERAGES REGISTERED OFFICE





**Less than 15% of our significant partner suppliers are domiciled outside Australia.**

The key goods and services which contribute to our products include:

- Packaged finished alcoholic and non-alcoholic beverages;
- Packaging;
- Ingredients including agricultural produce (such as hops, malt, sugar, fruit and coffee beans), carbon dioxide, fruit-based and beverage concentrates and flavours;
- Freight and logistics;
- Facilities and office-based support and equipment, including information technology systems and support;
- Machinery, equipment and consumables for our manufacturing sites; and
- Container exchange and deposit schemes.





RISKS OF  
MODERN SLAVERY  
PRACTICES IN  
THE OPERATIONS  
AND SUPPLY  
CHAINS OF THE  
ASAHI GROUP -  
AUSTRALIA



As our supply chain has remained relatively consistent over the years, our focus in the FY23 Reporting Period has been to minimize modern slavery risks when engaging new suppliers and ensure that there is continued and ongoing oversight and monitoring of our suppliers and their compliance with our Supplier Code of Conduct while also improving our supply chain visibility via Sedex. Reflecting on our progress during 2023, we remain of the view that there is more risk of the Asahi Group - Australia 'being linked with' modern slavery via our supply chain rather than causing or contributing to modern slavery within our own operations.

**This is because:**

- 30% of our staff operate under enterprise agreements in Australia;
- the Asahi Group – Australia predominantly conducts its own recruitment and where we use recruitment agencies, we do so for limited roles using licensed agencies;
- of the robust policy framework in place (see below);
- the training and education we provide to our staff (see below);
- all employees are paid at least the minimum wage and salaries are periodically benchmarked;
- we have reviewed our whistleblower reports and have not identified any reports that raise modern slavery concerns; and
- all employees are free to associate with any union of their choosing.

As flagged earlier in this statement, the salient risks of modern slavery such as forced labour, child labour, debt bondage and deceptive recruiting for labour or services are in our supply chains, more likely beyond tier 3. These risks are heightened in the agriculture sectors, in farms that use vulnerable workers such as children, temporary, seasonal and migrant workers with limited ability to read or write in the language native to their jurisdiction. The labour hire sector in Australian farming has been in the spotlight in recent years due to the reports of exploitation of workers on seasonal visas under the federal government's labour mobility scheme.

These risks are not particular to the Asahi Group – Australia, but exist in any industry that relies on manual, low-skilled migrant workers, such as in the agriculture, construction, security and cleaning industries. The risk is lower (but not eliminated) in developed economies with robust workplace relations laws such as those in the countries in which the Asahi Group – Australia's operations are located.

Overall, the following areas have been identified as having potential risks of modern slavery practices in the Asahi Group - Australia's supply chain. As part of our risk-based approach, we continue to review, investigate and mitigate modern slavery risks with a particular focus on commodity, country and labour risks.



## COMMODITY RISKS

We have identified the commodities or services in our supply chain carrying higher risks of modern slavery due to the inherent risks in the commodity or service. They include:



CITRUS PRODUCTS



FRUIT



COFFEE/COCOA BEANS



GRAIN PRODUCTS



SOLAR PANELS



OCEAN FREIGHT



SUGAR



TEA PRODUCTS



GLASS & ALUMINUM

Like all businesses, we also appreciate the inherent risk of modern slavery in the IT hardware, corporate merchandise, uniforms, PPE and furniture we use to operate our business.

In most instances, our risk assessment has found that our direct suppliers in the above-mentioned chains have a low to moderate risk of modern slavery in their own operations, with the exception of the agricultural sector. Our first-tier suppliers are often wholesalers or importers, so the risk assessment outlined above is largely driven by potential modern slavery risk that we have identified beyond our direct suppliers.



## COUNTRY RISKS

The Asahi Group - Australia procures a smaller volume of goods or services manufactured in, or sourced from, countries with a higher prevalence of, or vulnerability to modern slavery<sup>1</sup>, including:

- China (eg. Asahi Super Dry finished product, juice, sweeteners, flavours and additives)
- Malaysia (eg iced tea finished products)
- Indonesia (quinine flavour)
- Germany (equipment)
- Brazil (eg. coffee beans, citrus concentrates and apples)
- Colombia (eg. coffee beans)
- Mexico (Corona finished product, limes and mango juice)
- Philippines (pineapple)
- the United Arab Emirates (eg. glass bottles)
- Ethiopia (coffee beans) and
- India (offshore business services).

We understand that by procuring higher risk goods or services from riskier countries for modern slavery, Asahi Group – Australia's supply chain may become linked to adverse human rights impacts and potentially, modern slavery practices.



<sup>1</sup> Global Slavery Index <https://www.walkfree.org/global-slavery-index/map/>



## LABOUR RISKS

The utilisation of vulnerable workers such as low-skilled, temporary and seasonal labour in areas of high labour intensity and low oversight is also a source of modern slavery risk, particularly debt bondage, irrespective of country risk. As noted earlier in this statement, this is an issue even in Australia, which is a country considered to have an overall lower prevalence of, and vulnerability to modern slavery, according to the Global Slavery Index. This risk is compounded where foreign workers are sourced via labour hire companies typically in the agricultural, manufacturing and cleaning sectors.

We identified a small number of suppliers with labour-related non-compliances reported in our Sedex data, due diligence and audit reports. The issues identified included irregularities in the payment of overtime, payment of wages and excessive working hours. Further engagement and investigations were undertaken with such suppliers to understand their processes and either satisfactory evidence was presented or corrective actions were developed where required.

The complex nature of global supply chains means that the above-mentioned risks are also pertinent in the supply chains of our direct suppliers. Where we are aware of the risks beyond our direct suppliers, it is described in this statement. For example, we have noted the possible risk of modern slavery in our ocean freight service providers, citrus suppliers, and solar panel suppliers and discuss in detail below our coffee bean and tea sourcing risks.



# HIGH RISK COMMODITIES

## COFFEE BEANS

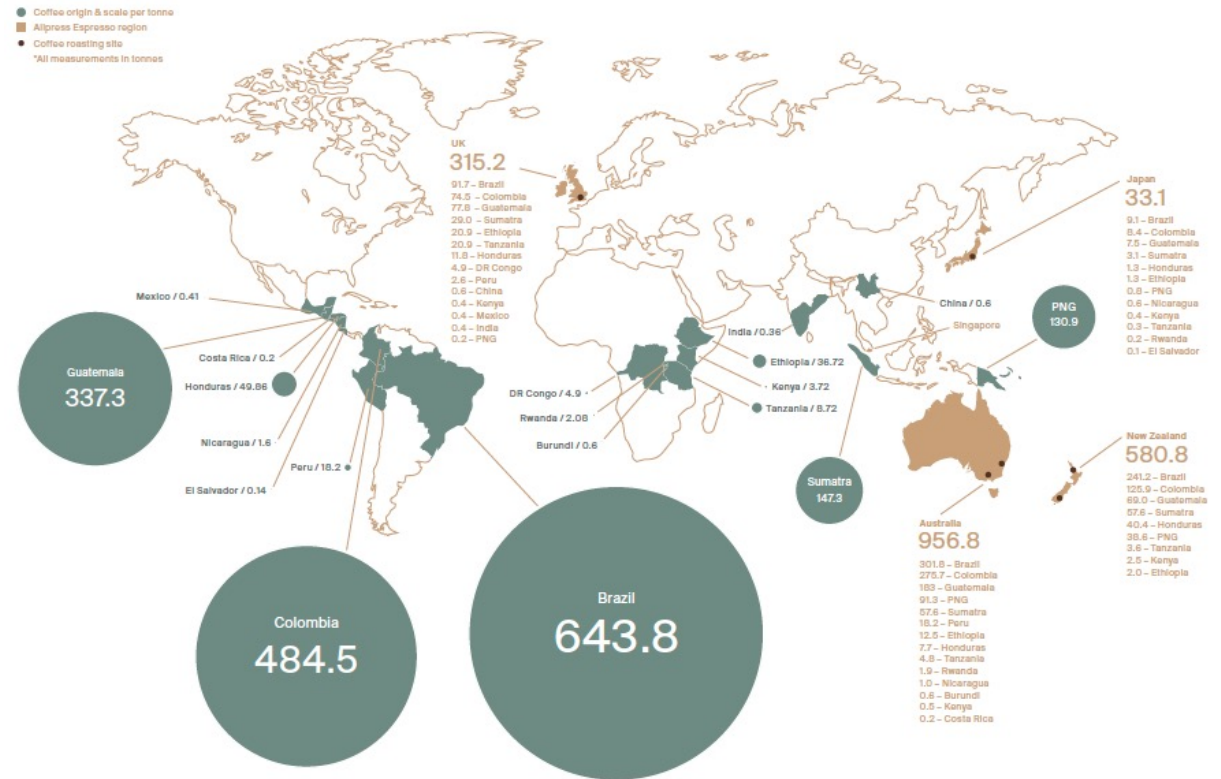
Green coffee beans are a critical input for our Allpress business and the production and processing of coffee is tied to a long history of colonialism and slavery.

More specifically the coffee bean industry has been linked to deforestation, exposure to pesticides, forced labour, child labour and debt bondage. The US Department of Labor's List of Goods Produced by Child Labor or Forced Labor lists 13 countries producing coffee using child labour or forced labour<sup>2</sup>:

- Dominican Republic
- El Salvador
- Guatemala
- Guinea
- Honduras
- Kenya
- Mexico
- Nicaragua
- Panama
- Sierra Leone
- Tanzania
- Uganda
- Vietnam

Coffee bean processing and production is concentrated in countries with low-income levels, many of which have high levels of poverty and some of which lack effective social and environmental infrastructure. The geographic origin of green coffee beans sourced by Allpress during FY23 was from approximately twenty (20) different countries with the majority of our sourcing concentrated in South and Central America, South-East Asia and sub-Saharan Africa.

### Coffee Origins & Roasting



<sup>2</sup>US Department of Labour - website

The risks of modern slavery throughout coffee supply chains are often most severe and concentrated in the cultivation and harvesting of cherries and processing of green beans. Child and forced labour are the most prevalent types of modern slavery linked to cultivation and processing. Across the sector, these risks are driven by a range of factors including an unstable commodity market, use of vulnerable workers such as migrants, women and children, labour intensive processes, family farming and the prevalence of poverty in key sourcing countries.

Accordingly, we have identified the sourcing of green coffee beans by our Allpress business from various sources that originate in countries such as Brazil, Colombia, Guatemala, India, Indonesia, Democratic Republic of the Congo and Ethiopia as carrying a heightened potential risk in connection with modern slavery practices having regard to their geographic regions and socio-economic factors, both of which may facilitate or incentivise those practices.

While the Allpress business purchases green coffee beans through exporters and importers rather than directly from the origin raw material suppliers such as farms and co-operatives (with whom Allpress do not have a direct purchasing or contractual arrangements), we acknowledge the real risk of modern slavery and forced labour beyond the first tier of our coffee bean supply chain.

The measures taken by Allpress in the FY23 Reporting Period to minimize the risks of modern slavery in its coffee supply chain are set out on page 21.

## TEA LEAVES

We use tea and tea extract or concentrate in a number of our products, including our Lipton Iced Tea and T2 products which we manufacture and distribute under licence from a third party.

The US Department of Labor's List of Goods Produced by Child Labor or Forced Labor lists 7 countries producing tea using child labour or forced labour<sup>3</sup>:

- India
- Kenya
- Malawi
- Rwanda
- Tanzania
- Uganda
- Vietnam

The tea industry continues to be linked to child labour, forced labour, human trafficking and debt bondage.<sup>4</sup>

The Business & Human Rights Resource Centre reports that "Women constitute anywhere between 30-60% of the total workforce engaged in tea production and are paid less than men within the sector. By controlling all aspects of workers' lives on plantations, from housing to education and access to basic services like water and sanitation, plantation owners are able to withhold wages on any pretext and create conditions of indebtedness and bondage."<sup>5</sup>

While certification bodies like Ethical Tea Partnership, Rainforest Alliance and Fairtrade are used to demonstrate compliance with human rights and sustainability standards, they do not see themselves as substitutes for due diligence.<sup>6</sup>

<sup>3</sup> US Department of Labour - [website](#)

<sup>4</sup> <https://www.theguardian.com/>

<sup>5</sup> Trouble brewing: The need for transparency in tea supply chains - link

<sup>6</sup> Ibid.





Most of the tea sourced by the Asahi Group - Australia originates from Sri Lanka and is purchased in the form of processed tea compounds via a third party which has its own responsible sourcing policies and processes in place and "Rainforest Alliance" certification (recently renewed in 2023) or tea purchasers who procure the certified "Rainforest Alliance" concentrate generally grown on estates certified through the "Rainforest Alliance".

Accordingly, we recognize it is likely that the risks of modern slavery exist beyond tier 4 of our tea supply chain.



**TEA ESTATES,  
FARMERS**



**BUYERS,  
PROCESSORS,  
PACKERS**



**MANUFACTURER OF  
ICED TEA KITS FOR  
DISTRIBUTION**



**MANUFACTURER AND  
BOTTLER OF ICED TEA  
(UNDER LICENCE)**

As explained further below, we seek to mitigate and monitor the risks through our relationships with our supplier and business partners and predominantly sourcing Rainforest alliance certified tea, although we recognise that certification cannot substitute for human rights due diligence.



# ACTIONS TAKEN

BY THE ASAHI GROUP - AUSTRALIA  
TO ASSESS AND MITIGATE RISKS

# OUR KEY MILESTONES IN 2023





Finalised and operationalised a responsible sourcing policy for the coffee category in the Allpress business;



Implemented the first stage of Allpress' three year modern slavery risk management plan and introduced avenues for reporting modern slavery concerns in the Allpress business;



Commenced a risk mapping and due diligence exercise of suppliers to our Strangelove business to assess the risks of modern slavery in its operations and supply chain;



Engaged in further due diligence in relation to the supply chain of the Lipton Iced Tea category and the Asahi Super Dry brand to increase visibility and understanding of pertinent risks;



Conducted Tier 1 and Tier 2 reviews of certain raw material suppliers in our supply chain (such as hops, malt, juices, fruits, flavours, sugars and sweeteners) and currently undertaking follow up due diligence;



Improved the utilisation rates of Sedex to support our assessment of modern slavery risks and enable ongoing monitoring and analysis of audit reports where necessary;



Established a Modern Slavery Communications Playbook as a tool to assist our procurement managers detect modern slavery risks and liaise with suppliers in relation to their Sedex or questionnaire results; and



Continued to raise awareness in our workforce regarding modern slavery red flags through our refresher human rights and modern slavery training.

**We have described some of the above actions in more detail on the following pages.**





# 1. ALLPRESS' MODERN SLAVERY RISK MANAGEMENT PLAN

Stage 1 of Allpress' three-year modern slavery risk management plan included the following actions being undertaken by the Allpress business in 2023:

- ▶ Updated the Allpress website to link the Asahi Group – Australia's Human Rights Policy and Whistleblower Procedure to provide its suppliers and business partners with access to Asahi's grievance mechanisms;
- ▶ Commenced training Allpress employees on modern slavery, the whistleblower procedure and Asahi's grievance mechanism;
- ▶ Developed the 'Allpress External Supplier Guidelines' document to provide green bean suppliers and importers with our minimum modern slavery expectations and which includes a responsible sourcing appendix for coffee. The Guidelines were translated to Portuguese and Spanish to ensure that it is understood by those operating in higher risk countries;
- ▶ Launched an Allpress Green Bean Sourcing Checklist which includes modern slavery considerations and our Supplier Code of Conduct expectations. The Checklist was rolled out to Allpress coffee buyers in late 2023;
- ▶ Commenced the development of a global human rights risk management framework;
- ▶ Commenced discussions with green bean suppliers regarding our modern slavery requirements (which will continue as an ongoing process beyond 2023) and initiated risk assessments and corrective action plans where required; and
- ▶ Established a process for escalating and responding to alleged human rights breaches and non-compliances of suppliers.





## 2. TARGETED SUPPLIER RISK MAPPING AND RISK ASSESSMENTS

During 2023, we extended our supplier due diligence program to the Strangelove business, which was acquired in 2022, and we worked to ensure that the majority of suppliers to Strangelove joined Sedex (64% are now on Sedex) which is important to our assessment of modern slavery risks in our supply chains.

In addition to tier 1 risk mapping, in 2023 we initiated targeted risk assessments with a focus on:

- ▶ **raw materials** including hops, malt, juices, fruits, flavours, sugars and sweeteners, given the higher risks associated with the cultivation and processing of the inputs and the criticality of the raw materials in our products.
- ▶ **indirect supplier risks** where manufacturing or sourcing is undertaken by related third party entities such as for our Lipton Ice Tea and Asahi Super Dry brands.

The above risk assessments involved a review of the controls and policies in place by suppliers including supply chain due diligence and monitoring of risks. In respect of the iced tea products and the Super Dry brand, we consider that modern slavery risks may exist beyond the third tier of our supply chain and further monitoring and traceability is still required. We anticipate that these risks will be further mitigated and managed through the introduction of new compliance measures via the new Asahi Global Procurement Office Responsible Procurement Program and AGH Human Rights Due Diligence Global Program to be rolled-out to the global Asahi business in 2024 (please see page 30 for further detail).



### 3. MODERN SLAVERY COMMUNICATIONS PLAYBOOK

We further strengthened our supplier risk assessment and onboarding processes by developing a Modern Slavery Communications Playbook to assist our employees, in particular, procurement category managers, in their communications with suppliers regarding modern slavery. The Playbook forms part of the overall objective to ensure that suppliers are properly assessed and onboarded to Sedex. The Playbook streamlines and facilitates this process for our procurement team with agreed ways of working, template communications and common scenarios and responses. It also contains guidelines on high-risk indicators and key red flags when reviewing suppliers and Sedex Members Ethical Trade Audit (SMETA) compliance.

### 4. TRAINING AND EDUCATION

Increasing awareness remains a key component of our approach to modern slavery mitigation and we continue to build capability among our employees to identify the risks of modern slavery and the actions required to respond effectively.

We continued to educate our employees in managing our modern slavery risk during 2023 by:

- ▶ rolling out a revised training module for all Asahi Group - Australia permanent employees across Australia and New Zealand with an 88% completion rate and the employees of our smaller craft beer subsidiaries (Four Pines, Mountain Goat, Balter, Pirate Life and Green Beacon) who had a 90% completion rate;
- ▶ extending the training to our Strangelove and Allpress businesses for the first time; and
- ▶ supporting procurement personnel by developing the Modern Slavery Communications Playbook.





## 5. UTILISATION OF SEDEX AND AUDITS TO HELP IDENTIFY MODERN SLAVERY RISKS

In the FY23 Reporting Period, we continued to establish Sedex relationships with our suppliers and requested our suppliers join Sedex and complete Self-Assessment Questionnaires (SAQs).

89% per cent of our direct suppliers and 45% per cent of our indirect suppliers for our Australian business (by spend and excluding Allpress, Strangelove and some of our craft beer brands) are now members of Sedex and there has been an increasing number of suppliers completing SAQs through the Sedex platform this reporting period. This represents an increase in the number of suppliers on Sedex, compared to 2022, which in turns assists in improving visibility of our supply chain and in assessing modern slavery risks in our supply chain by accessing SAQ data and SMETA reports.

Our review of Sedex results revealed some areas of higher risk. In these instances, we sought to align with the recommended approach set out in the UN Guiding Principles on Business and Human Rights to work with the suppliers to investigate and address the impacts where possible and to use our leverage to drive positive change within the operations of the supplier.

As part of the Sedex ecosystem, we also completed SAQs for our own manufacturing sites. The results are accessible on Sedex for our business partners to assist in their due diligence activities.

## 6. ONGOING MEASURES AND GOVERNANCE FRAMEWORK

Asahi Group – Australia remains firmly committed to conducting procurement and sourcing activities in a fair, objective and transparent manner that satisfies our legal and regulatory requirements and our corporate and social responsibility commitments. To provide clarity on our standards and to protect universally recognised human rights, we have a number of key policies which set out the requirements of those within our organisation and those with whom we seek to do business.

Asahi policies are reviewed regularly, in consultation with the Risk and Governance function, to ensure they are current and appropriate. The Asahi Group – Australia policies listed below reflect our ways of working and expectations of our team.





POLICY	PURPOSE
<b>Asahi Human Rights Policy</b>	Articulates our commitment to respecting internationally recognised human rights and our opposition to all forms of slavery both within our activities and undertakings and within our supply chain .
<b>Supplier Code of Conduct</b>	Sets out our expectations of our employees and suppliers when it comes to people, the environment, sustainability and human rights. The minimum standards set out in this document are incorporated in our standard supplier agreements and purchase order terms and conditions and we require our suppliers and our employees to familiarise themselves with the principles in the Code of Conduct and continue to monitor their own compliance with it.
<b>Whistleblower Procedure</b>	Provides a way for our people to raise concerns regarding actual or suspected contravention of our ethical standards or the law without fear of reprisal or feeling threatened by doing so.
<b>Respect in the Workplace Policy and General Code of Conduct</b>	Outlines the standard of workplace behaviour that is required of all employees and describes unacceptable conduct which includes discrimination, harassment, sexual harassment and sex-based harassment, bullying, vilification and victimisation, and the consequences of engaging in such inappropriate and unacceptable conduct.

The Asahi Human Rights, Supplier Code of Conduct and Whistleblower policies are all available publicly on our website and can be found here:

- [Human Rights Policy Asahi Beverages](#)
- [Whistleblower Procedure - Disclosure by external persons](#)
- [Supplier Code of Conduct Policy](#)



## 7. MODERN SLAVERY WORKING GROUP

Asahi's Group Head of Sustainability and Group Procurement & Sustainability function manage modern slavery compliance through a cross-divisional team including representatives from procurement, sustainability and legal functions.

The Modern Slavery Working Group have established a framework to embed the modern slavery processes and controls into the ways of working across the business and has introduced tools and systems such as Sedex to streamline assessment of modern slavery risks in our operations and supply chain. The Modern Slavery Working Group also considers remediation and corrective action for high-risk suppliers. The Modern Slavery Working Group provides periodic updates to the executive team (Group Head of Sustainability, Group General Counsel and Chief Procurement Officer) during the year.

## 8. CONTRACTS

All Asahi Group - Australia standard form supplier contracts incorporate clauses which require our suppliers to:

- comply with our Supplier Code of Conduct (which was added in FY21)
- comply with applicable Modern Slavery Laws, including laws that criminalise modern slavery and require reporting;
- comply with Asahi Group - Australia's policies as applicable;
- have in place, and maintain in place at all times, adequate and reasonable policies, controls, procedures and training designed to prevent, detect, assess, manage and remedy modern slavery in its operations and supply chain;
- agree to being audited should there be any breach or suspected breach of the policies; and
- agree that in the event of a breach of the policy, Asahi has the right to terminate the contract.

In the FY23 Reporting Period, these contract templates were reviewed and reaffirmed.

## 9. GRIEVANCE MECHANISMS

Asahi Group - Australia maintains a Whistleblower Procedure to promote and support our culture of honest and ethical behavior. The Whistleblower Procedure is [available publicly on our website](#) and on the Allpress website also.

The Procedure is supported by a confidential whistleblower service "Ethics & Compliance Hotline", which is maintained by an external service provider and operates across Asahi's operations nationally.

Any concerns related to human rights in our operations or those of our Suppliers, including forced, compulsory, trafficked or child labour, can be raised through the following mechanisms:

- Speaking with the HR Business Partner, supervisor or manager if you have concerns about a Supplier's conduct;
- Raising the concern with the Group General Counsel or Group Chief Human Resources Officer,
- By contacting the "Ethics & Compliance Hotline", which is a confidential hotline that is independently operated by LifeWorks 24 hours a day, 7 days a week. The "Ethics & Compliance Hotline" phone number is 1800 676 787 (Australia) or 3 8393 3324 (New Zealand).

We have reviewed our whistleblower reports in FY23 and have not identified any reports that raise modern slavery concerns.



## **NEW AGH RESPONSIBLE PROCUREMENT - HUMAN RIGHTS DUE DILIGENCE GLOBAL PROGRAM FOR 2024**

In 2024, the newly established global procurement office in Singapore will take the lead in designing a global human rights due diligence program and will drive its implementation across the Asahi global network.

AGH has recognised there is a need to shift from a local, compliance-centric approach towards a more global, integrated human rights risk management framework that provides consistency in the implementation of human rights risk management across all areas of operations. It is envisaged that the standardised supplier due diligence process will feature audits for compliance and risk mitigation and response measures aligned to the human rights framework.

It is anticipated that this program will go live in July 2024 with a priority focus on high-risk suppliers in the first instance.

## **ASSESSING THE EFFECTIVENESS OF OUR ACTIONS**

The Asahi Group - Australia remains committed to continually improving our approach to reduce slavery-related risks in our operations and supply chain. Achieving an effective approach to modern slavery is a complex, ongoing and evolving process which requires continuous improvement by our organisation. Asahi's Group Head of Sustainability, Group Chief Procurement Officer and Group General Counsel manage modern slavery compliance within Asahi and periodically report to the ESG Committee (made up of board members) on these matters.

We have made steady progress and addressed numerous recommendations in this reporting period as shown in the table below:



FY22 GOALS	KEY ACTIONS TAKEN IN FY23
<ul style="list-style-type: none"> <li>Action the first stage of our three-year Allpress risk management plan</li> <li>Finalise and operationalise a robust responsible sourcing policy for the coffee category</li> </ul>	<ul style="list-style-type: none"> <li>The Allpress Modern Slavery first year plan has been implemented along with the roll-out of Asahi's supplier code of conduct and Sedex at Allpress</li> <li>Developed the 'Allpress External Supplier Guidelines' document to provide suppliers and importers with our minimum modern slavery expectations and which includes a responsible sourcing appendix for coffee which will be attached to the Asahi Supplier Code of Conduct and distributed to Allpress' suppliers</li> <li>Allpress Internal Sourcing Checklist regarding modern slavery has been developed and operationalized</li> <li>Modern slavery, grievance mechanism and Whistleblower policy training provided to Allpress employees</li> </ul>
<p>Analyse Sedex data and results and undertake audits where appropriate</p>	<ul style="list-style-type: none"> <li>Analysed Sedex data, identified non-compliances and engaged with supplier to understand corrective actions</li> <li>89% per cent of our direct suppliers and 45% per cent of our indirect suppliers for our Australian business are now members of Sedex and there has been an increasing number of suppliers completing SAQs through the Sedex platform</li> <li>Audit and SAQ reviews for fruit suppliers undertaken</li> <li>Tier 1 and Tier 2 raw materials supplier risk mapping and risk assessment currently being undertaken</li> </ul>
<p>Undertake a risk assessment of modern slavery risks in (i) the Lipton Iced Tea category; and (ii) the Asahi Super Dry brand</p>	<ul style="list-style-type: none"> <li>Both risk assessments completed</li> <li>Entailed detailed review of supplier documentation including risk management processes and policies to assess the levels of due diligence, supply chain transparency and monitoring undertaken by third parties</li> <li>It was recognised that it is likely some modern slavery risks exist beyond tier 3 of our supply chain for these brands and further monitoring and traceability is required</li> </ul>

FY22 GOALS	KEY ACTIONS TAKEN IN FY23
<p>Continue to build the expertise of our people through enhanced and refresher human rights and modern slavery training and communication and formally record completion of such training</p>	<ul style="list-style-type: none"> <li>• We rolled out a revised training module to all Asahi Group - Australia permanent employees across Australia and New Zealand with an 88% completion rate and the employees of our smaller craft beer subsidiaries who had a 90% completion rate</li> <li>• The training module was extended to our Strangelove and Allpress businesses for the first time</li> <li>• The Modern Slavery Communications Playbook was created for our procurement personnel</li> <li>• The modern slavery training module has been reviewed and will be rolled out again in 2024</li> <li>• Specialised training will be developed and given to those in our buying and procurement functions in 2024</li> </ul>
<p>Commence a risk mapping and due diligence exercise of suppliers to our new Strangelove business</p>	<ul style="list-style-type: none"> <li>• Risk mapping activity undertaken in collaboration with the Strangelove business</li> <li>• 78% of Strangelove suppliers are now on Sedex</li> </ul>

We will continue to develop and modify our actions and approach as we identify our risks and implement mitigation measures.





# LOOKING AHEAD

Looking ahead, we have set ourselves several goals and will continue to work towards these. In 2024, we anticipate our future actions will include:

- implementing the second stage of our three-year Allpress risk management plan including detailed reviews and audits of selected suppliers;
- working with our global procurement office to ensure consistency of approach in identifying and mitigating modern slavery risks across both the Asahi Group – Australia and AGH supply chain with the implementation of a global human rights risk management framework;
- establishing a robust and standardised supplier due diligence process across Oceania with regular audits for compliance and risk mitigation aligned to the human rights framework;
- introduction of an enhanced grievance mechanism system;
- continuing to enhance the effectiveness of the Sedex platform as a mitigation tool by increasing the number of direct and indirect suppliers joining Sedex year on year;
- continuing to build the expertise of our people through enhanced and refresher human rights and modern slavery training; and
- advancing our risk mapping and risk assessments of our raw material suppliers.





# STATEMENT APPROVAL

This Statement was approved by the Board of directors of Asahi Holdings (Australia) Ltd, as the higher entity, at a meeting of directors on 23 April 2024.

- Roland van Bommel
- Neil Chatfield
- Amanda Sellers
- Taemin Park
- Yoshiaki Suzuki
- Keizo Tanimura
- Kazushi Tosa
- Natalie Toohey

Signed,

**Roland van Bommel**  
Chairman  
Asahi Holdings (Australia) Pty Ltd



# STATEMENT ANNEXURE

MANDATORY CRITERIA	PAGE
a) Identify the reporting entity	5
b) Describe the reporting entity's structure, operations and supply chains.	7
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	14
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	22
e) Describe how the reporting entity assesses the effectiveness of these actions.	31
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	6



# Asahi

BEVERAGES

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