



**Asahi**  
BEVERAGES

# Modern Slavery Joint Statement

FINANCIAL YEAR 2022  
Asahi Holdings Australia Pty Ltd



*“We remain firmly committed to respecting human rights across our domestic and global operations, and to play our part in preventing, mitigating and addressing adverse human rights impacts.”*

*During FY22, the International Labour Organization, Walk Free and the International Organization for Migration published their updated Global Estimates reporting approximately 50 million people in situations of modern slavery on any given day.*

*This is a significant increase from the previous estimates where approximately 40.3 million people were victims of modern slavery in 2016. The increase in the prevalence of modern slavery is attributable to a number of factors, including the global health pandemic which heightened the risks for already vulnerable workers, increased poverty and disrupted response efforts.*

*We recognise the need more than ever to be vigilant about modern slavery in our procurement practices. We remain firmly committed to respecting human rights across our domestic and global operations, and to play our part in preventing, mitigating and addressing adverse human rights impacts.*

**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 2022 to 31 December 2022 (**FY22 Reporting Period**).

This modern slavery statement outlines the steps taken by Asahi and its reporting entities during the FY22 Reporting Period and continuing into early 2023 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 Holdings Pty Ltd (ACN 615 290 849)
- CUB Investments Australia Pty Ltd (ACN 621 435 603)
- Brewing Holdings Pty Ltd (ACN 004 059 394)
- CUB Beverage Investments Pty Ltd (ACN 150 900 093)
- Foster's Group Pty Ltd (ACN 007 620 886)
- 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 centralised 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 (excluding Allpress Espresso Limited and its owned or controlled entities (**Allpress**) and substantially similar board composition. On this basis, the Asahi Group - Australia has been able to implement one due diligence process, except where differences are noted in this statement, across all group entities.

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.

Being relatively new to the Group, 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 were consulted in the preparation of this statement.





# Structure, Operations, People and 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.

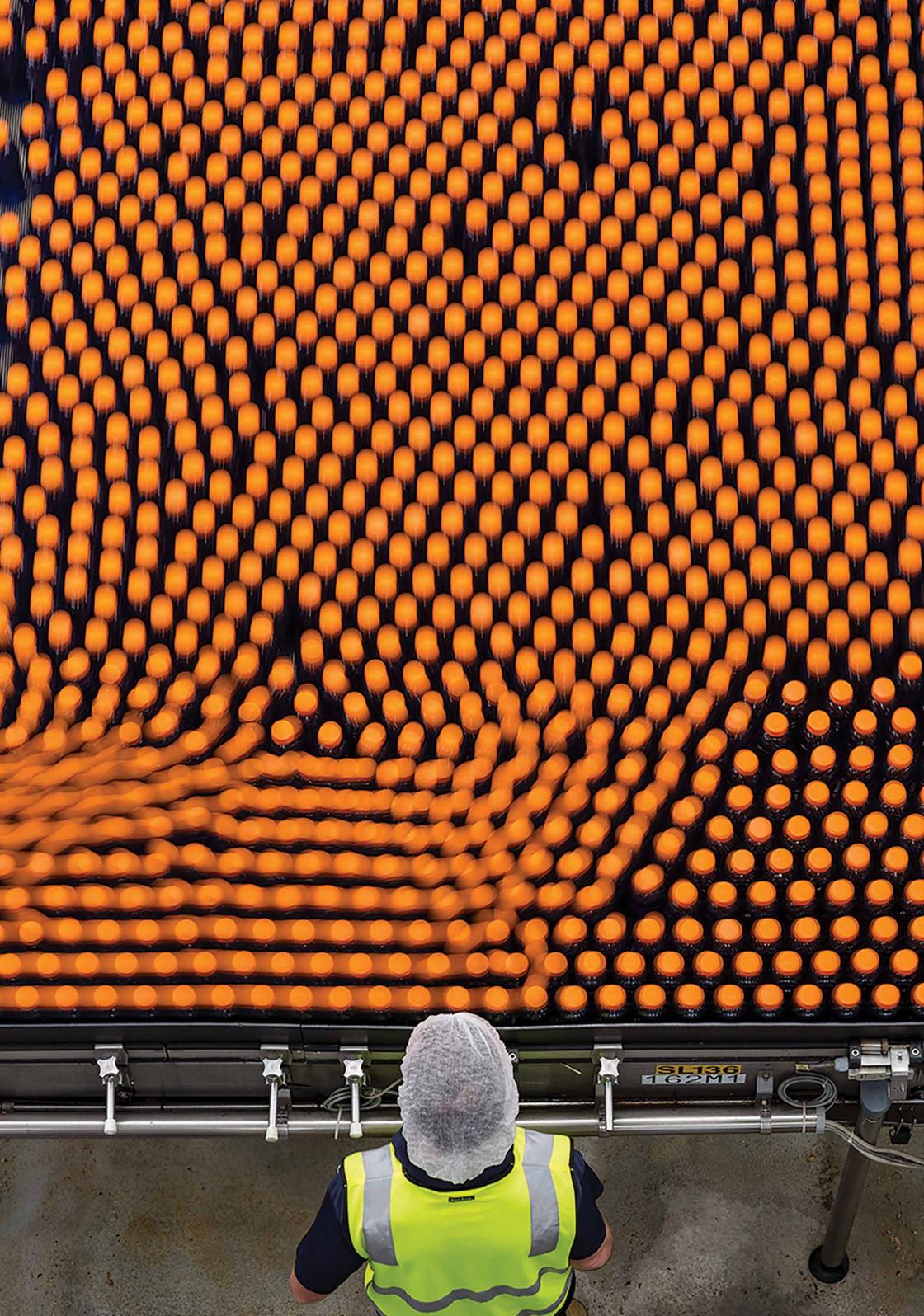
AGH prohibits all forms of modern slavery in its organisation and supply chain. AGH has a longstanding commitment to human rights, including labour rights and the fight against modern slavery and human trafficking, and these principles are set out in its:

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

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

[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 (refer to page 16).



## 2. Operations

The Asahi Group - Australia is proud to be Oceania's leading beverages company. The Asahi Group - Australia has a total of 17 manufacturing plants, breweries and distribution centres 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, Peroni, 4 Pines, Balter, Vodka Cruiser 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, Cottee'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 FY21 Asahi acquired 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 October 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 part of our operations, Asahi actively participates in Container Deposit Schemes (CDS) in New South Wales and Victoria, forming a part of the Scheme Coordinator in each jurisdiction. The Scheme Co-ordinators, Exchange for Change (New South Wales) and VicReturn (Victoria), are responsible for managing the marketing of the CDS', together with running the Schemes' 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 Australia (PET) recycling facility in Albury-Wodonga was officially opened. Circular Plastics Australia is in the process of building an additional plastics recycling facility located in Altona, Victoria. 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 FY22 Reporting Period, the Asahi Group - Australia employed approximately 3,800 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 382 people across New Zealand with the majority comprising full time employees. Allpress employs approximately 275 people across Australia, New Zealand, Singapore, Japan and the United Kingdom and StrangeLove employs approximately 10 people in Australia.

As at 31 December 2022, the Asahi Group - Australia has approximately 19 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 FY22, three of our hospitality staff were 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 recognises 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 Pulse 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. In FY22 we achieved an Oceania region overall engagement score of 84% in the Global Pulse Engagement Survey with the survey also demonstrating that the majority of Oceania region employees 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 spend by the non-Australian corporate entities within the Group) occurs with our significant partner suppliers located in Australia (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, which is manufactured by a third-party supplier in Mexico.

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.



# COUNTRIES WE SOURCE GOODS & SERVICES FROM

● ASAHI BEVERAGES - REGISTERED OFFICE



PRIMARILY SOURCED IN AUSTRALIA



HOPS



BARLEY & MALT



SUGAR



PACKAGING MATERIALS



TRANSPORT & LOGISTICS



Risks of modern  
slavery practices in  
the operations and  
supply chains of  
the Asahi Group -  
Australia

Following our review of the Asahi Group - Australia's supply chain and operations in the FY22 Reporting Period, we remain of the view that *there is more risk* of the Asahi Group - Australia 'being linked with' modern slavery 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);
- of 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.

We have assessed that the most salient risk of modern slavery in our operations and supply chains is forced labour, child labour, debt bondage and deceptive recruiting for labour or services, occurring within our supply chains. These risks particularly exist in the agriculture sectors, in relation to suppliers that employ vulnerable workers such as children, temporary, seasonal and migrant workers with limited ability to read or write in the language native to their jurisdiction. During the FY22 Reporting Period, there were ongoing reports<sup>1</sup> of forced labour and debt bondage of migrant workers in Australia's agricultural industry.

This risk is not particular to the Asahi Group – Australia, but exists 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.

In addition, the following areas have also been identified as having potential risks of modern slavery practices in the Asahi Group - Australia's supply chain. These risks represent possible gaps in our alignment with suppliers that we will continue to investigate during the course of 2023.

<sup>1</sup> <https://www.sbs.com.au/news/article/pacific-islander-farm-workers-demand-justice-after-claims-of-modern-slavery/y1xf0k3wj>



## Commodity Risk

We have identified a small number of commodities or services in our supply chain which may potentially represent higher risk of modern slavery practices due to the nature of the commodity or service.

Such commodities or services include:



**CITRUS  
PRODUCTS**



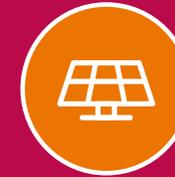
**FRUIT INC.  
APPLES/BERRIES**



**COFFEE  
BEANS**



**GRAIN  
PRODUCTS**



**SOLAR  
PANELS**



**OCEAN  
FREIGHT**



**SUGAR**



**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 supply 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 modern slavery risk that we have identified beyond our direct suppliers.

# HIGH RISK SUPPLIER COUNTRIES



## Country Risk

The Asahi Group - Australia procures a smaller volume of goods from countries including China (eg. Asahi Super Dry finished product), Indonesia (quinine flavour), Thailand (equipment), Brazil (eg. coffee beans), Colombia (eg. coffee beans), Mexico (Corona finished product), the United Arab Emirates (eg. glass), Ethiopia (coffee beans) and India (offshore business services), which are all considered higher risk for modern slavery. The Asahi Group - Australia understands that operating or maintaining relationships with suppliers with operations in countries with higher modern slavery risks exposes our own supply chain to incidences of human rights impacts and potentially modern slavery practices.

## Temporary, Seasonal And Migrant Labour

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. This risk is compounded where workers are sourced via labour hire companies which we understand to be a risk in the agricultural and cleaning sectors.

We also appreciate that each of our suppliers also have their own suppliers, which may expose us to the risk of modern slavery beyond the first tier of our supply chain. Where we are aware of this Tier 2 risk, 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 sourcing, although these risks are unlikely to sit within our direct suppliers' operations.



## 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.

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 FY22 was from approximately 20 different countries with the majority of our sourcing concentrated in South and Central America, South-East Asia and sub-Saharan Africa [refer to page 21].

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 risk of modern slavery and forced labour beyond the first tier of our coffee bean supply chain.





## COFFEE BEAN SOURCING LOCATIONS



# Actions Taken

Actions taken by the Asahi Group - Australia to assess and mitigate risks

## Key Milestones FY22

During the FY22 reporting period, within the Asahi Group – Australia, we:



continued to assess the risk of modern slavery of new suppliers through our updated onboarding processes;



commenced risk mapping exercise of suppliers to the Allpress business to assess the risk of modern slavery practices in the Allpress operations and developed an implementation plan to embed the modern slavery program across the Allpress supply chain for management of modern slavery risks in the coffee category;



prioritised developing a responsible sourcing policy for coffee for the Allpress business which is currently in draft form and to be finalized and operationalised in the FY23 reporting period;





made further improvements to our supplier onboarding processes with suppliers, including dissemination of our Supplier Code of Conduct, the Human Rights policy and Whistleblower procedure to suppliers;



achieved an overall engagement score of 84% in the FY22 employee engagement survey;



expanded our employee education and awareness of modern slavery matters through developing and rolling out online training modules to all craft beer business employees such as 4 Pines, Balter, Pirate Life and Green Beacon in FY22 and early 2023; and



revised and expanded our model modern slavery clauses in our purchase order terms and conditions.

The Asahi Group - Australia, including CUB, benefits from long term commercial relationships with a number of our suppliers and service providers, which has helped the business build trust and co-operative working relationships which improves transparency and our understanding of their modern slavery risks. Notwithstanding these mitigation measures, we recognise that it does not eliminate these risks.

Accordingly, we have embedded the following internal framework and processes to strengthen our ability to assess and address modern slavery risks on an ongoing basis.

## 1. Policy Framework

Asahi Group – Australia remains firmly committed to conducting procurement and sourcing activities in a fair, objective and transparent manner that satisfies all of 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 policies listed below reflect our ways of working and expectations of our team.<sup>2</sup>

<sup>2</sup> These policies apply to all Asahi Group – Australia entities but are in the process of being rolled out in some of our smaller, more recently acquired entities, including Allpress and StrangeLove.



| 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 2022](#)
- [Whistleblower Procedure - Disclosure by external persons](#)
- [Supplier Code of Conduct Policy](#)





## 2. 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 has established a framework to embed the modern slavery processes and controls into the ways of working across the business. It has also 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 and liaises with the internal audit function to review internal policies and processes to address gaps and identify improvements.

On a quarterly basis, the Modern Slavery Working Group provides a program update to the executive team (Group Head of Sustainability, Group General Counsel and Chief Procurement Officer).

### 3. Targeted Supplier Review

Since our 2021 detailed supplier review, we have been reviewing suppliers as part of the supplier onboarding process. In FY22, we supplemented our supply chain due diligence by mapping and assessing the supply chain of the Allpress business acquired by Asahi in 2021.

This process involved:

- understanding and assessing Allpress' current due diligence process;
- reviewing the industry practices of similar-sized and structured coffee businesses size and structure for the Allpress due diligence process;
- considering best practice for Allpress supply chain due diligence for adverse human rights impacts, including modern slavery; and
- developing a three year risk management plan for management of modern slavery in the coffee category.

The Allpress advisory board approved the first year of this three-year risk management plan to implement or commence implementation of the following activities in FY23:

- update Allpress website with public human rights commitment and Asahi's whistleblower policy;
- provide importers and exporters with minimum modern slavery expectations;
- provide Allpress suppliers and business partners with access to Asahi's grievance mechanisms;
- develop framework to evaluate compliance of suppliers with Supplier Code of Conduct;
- establish a process for escalating and responding to alleged human rights impacts;
- update green bean sourcing checklist to include modern slavery requirements and our Supplier Code of Conduct expectations; and
- commence risk assessments of new and existing green bean suppliers against modern slavery requirements (this may be an ongoing process beyond 2023).

In addition to the above, in 2022 we reached out to our solar providers and installers to conduct initial due diligence on solar installations completed in 2021 and 2022. This process involved understanding the country of origin for both panels and inverters, as well as an understanding of whether our direct (tier 1) suppliers had conducted any modern slavery due diligence. Moving forward, solar installations/suppliers are now flagged as high risk and direct suppliers are required to provide modern slavery due diligence as part of future tendering processes.



## 4. 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 FY22 Reporting Period, we updated our purchase order terms and conditions so that suppliers engaged by the business outside the procurement process are also required to comply with our Supplier Code of Conduct and modern slavery laws. These terms were published online in early January 2023.



## 5. Supplier On-Boarding Processes

In FY22 Asahi Group - Australia (excluding Allpress and craft beer subsidiaries such as Balter, Pirate Life and 4 Pines who do not yet use Asahi's supplier onboarding processes) continued to utilise and improve our supplier onboarding platform for new suppliers. This platform enables us to determine the level of risk posed by a supplier across modern slavery, human rights, antibribery labour issues.

In FY22 Asahi Group – Australia (excluding Allpress and craft beer subsidiaries such as Balter, Pirate Life and 4 Pines) further calibrated its supplier onboarding processes to:

- incorporate the requirement that new suppliers be provided with our Supplier Code of Conduct, the Human Rights Policy and Whistleblower Procedure during the supplier selection process as well as it being a compliance requirement to accept the policies for new suppliers;
- require new suppliers to be assessed for modern slavery risk based on commodity and country risk matrixes. If deemed high risk then the supplier is asked to join Sedex. If the supplier remains flagged as high risk via the manual questionnaire process then the supplier is asked to clarify their responses and provide further information in order to check the risk rating or to assess the controls in place to mitigate against the risks; and
- introduced a vendor blocking escalation matrix setting out a process to block suppliers who repeatedly refuse to cooperate with due diligence requests.

The supplier on-boarding processes described in this page applied to the suppliers onboarded via the formal procurement process. The process did not apply to ad hoc purchasing via PO requests. However, this onboarding process will be extended to suppliers in this cohort in FY23.

## 6. Training and Education

Increasing awareness remains a key component of our approach in assessing and addressing the risk of modern slavery. We continue to build capability among our employees to identify risks of modern slavery and the actions required to respond effectively.

Accordingly, in late 2022 we developed new training to be rolled out in early 2023 to all Asahi Group - Australia permanent employees across Australia and New Zealand (excluding Allpress). The training requires employees to complete an updated online training module in relation to our Human Rights Policy and modern slavery.

This employee education and awareness of human rights and modern slavery will be expanded in early 2023 to the employees of all craft beer subsidiaries such as 4 Pines, Balter, Pirate Life and Green Beacon.

Additional modern slavery training was also provided to the Category Managers in the Procurement team on how to implement corrective action plans for higher-risk suppliers.

## 7. Utilisation of Sedex and Audits

In FY22, we continued to operationalise the Sedex platform by again requesting that new suppliers be Sedex members.

From July 2022, the top 10 existing suppliers (by spend) in each procurement category (eg. packaging, freight and logistics, ingredients and raw materials, property, IT, business services, marketing, capital equipment etc.) were requested to join Sedex or received our modern slavery manual questionnaire (regardless of their risk rating).

Audits will be completed, as appropriate, for suppliers during FY23. The outcomes of the audits will inform how we work with the supplier in the future. It is our intention to work collaboratively with suppliers that return a higher risk profile, having regard to the United Nations Guiding Principles on Human Rights, to remediate the adverse human rights impacts and to use our leverage to drive positive change within the operations of the supplier. However, suppliers may be removed if they remain uncooperative or are deemed to not meet our standards within a defined cure period.



## 8. 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 at [https://www.asahi.com.au/images/responsibility/Whistleblower\\_Procedure\\_-\\_Disclosure\\_by\\_external\\_persons.pdf](https://www.asahi.com.au/images/responsibility/Whistleblower_Procedure_-_Disclosure_by_external_persons.pdf).

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,
- 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 FY22 and have not identified any reports that raise modern slavery concerns.

We are also committed to providing effective remedies where our operations cause or contribute to adverse human rights impacts. We will engage directly with affected persons, and work with our suppliers and others, to remedy any such issues and will consider how our internal processes can be improved to prevent similar impacts in the future.





## 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.

In the FY21 Reporting Period, Asahi completed an internal audit review of our modern slavery program developed in FY20 and in FY22 Asahi addressed most of the recommendations from the internal review and will continue to monitor and assess the effectiveness of our modern slavery framework.



| FY21 GOALS                                                                                                                                                                                     | KEY ACTIONS TAKEN IN FY22                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enhance processes to identify, assess and monitor suppliers managed via the Sedex platform.                                                                                                    | From July 2022, the top 10 existing suppliers (by spend) in each of our procurement categories (eg. packaging, freight and logistics, ingredients and raw materials, property, IT, business services, marketing, capital equipment etc.) were either onboarded to Sedex or received our modern slavery manual questionnaire. All new suppliers were either onboarded to Sedex or received the manual modern slavery risk assessment. |
| Continue to build the expertise of our people through enhanced and extended training and communication and formally record completion of such training.                                        | In late 2022 we developed revised training in relation to human rights and modern slavery which will be rolled out in early 2023 to all permanent employees across Australia (including all craft beer subsidiaries but excluding Allpress). Failure to complete training is escalated to business leaders by our human resources team.                                                                                              |
| Commence a comprehensive risk mapping and due diligence exercise of suppliers to our new Allpress business to assess the risks of modern slavery practices in its operations and supply chain. | We sought external expert guidance to assess the risk of modern slavery practices in the Allpress operations and developed an implementation plan to embed the modern slavery program across the Allpress supply chain for management of modern slavery risks in the coffee category. The Allpress one year plan has been presented to the Allpress Board and approved.                                                              |
| Commence development of a robust responsible sourcing policy for the Australian business.                                                                                                      | We prioritised the development of a responsible sourcing policy for coffee for the Allpress business which is currently in draft form to be finalised and operationalised in the FY23 reporting period.                                                                                                                                                                                                                              |

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.

We plan to:

- action the first stage of our three year Allpress risk management plan with commitments to assess new and existing green bean suppliers against modern slavery requirements, update Allpress sourcing checklists and processes to include modern slavery requirements, provide importers and exporters with our minimum modern slavery expectations and provide Allpress employees with access to Asahi grievance mechanisms;
- analyse Sedex data and results and undertake audits where appropriate;
- undertake a risk assessment of modern slavery risks in (i) the Lipton Iced Tea category which is a product we manufacture and distribute under licence and direction from a third party and (ii) the Asahi Super Dry brand, our flagship brand via our Japanese parent entity;
- 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;
- review and update our modern slavery commitments within our supplier agreements;
- commence a risk mapping and due diligence exercise of suppliers to our new StrangeLove business to assess the risks of modern slavery practices in its operations supply chain; and
- finalise and operationalise a robust responsible sourcing policy for the coffee category with a view to developing further responsible sourcing policies in respect of other high risk commodities identified.

# 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 18 April 2023.

Roland van Bommel, Neil Chatfield, Robert Iervasi, Taemin Park, Akiko Oshima, Keizo Tanimura, Kazushi Tosa and 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 chain.                                                                                                                                                        | 7    |
| c) Describe the risks of modern slavery practices in the operations and supply chain 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.                                                  | 20   |
| e) Describe how the reporting entity assesses the effectiveness of these actions.                                                                                                                                                 | 30   |
| 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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