

29 September 2023

AUSTRALIA

Bacardi–Martini Australia First Reporting Statement

This modern slavery statement is made pursuant to the Modern Slavery Act 2018 (Cth) (the “Act”). It applies to the Australian activities of the Bacardi Group and is made by Bacardi–Martini Australia Pty Ltd of Level 8, 201 Kent Street, Sydney, NSW 2000, Australia with company number ABN 40103911146 (“BMA”). BMA is the sole reporting entity for the Bacardi Group under the Act.

BMA is a wholly owned subsidiary of Bacardi–Martini B.V., of Weena 505, 3013 AL Rotterdam, The Netherlands. BMA runs a financial year ending on 31 March and the financial year ending 31 March 2023 is the first year that BMA has met the reporting threshold under the Act.

As a responsible multinational, Bacardi takes the issue of modern slavery seriously and has a global approach to identifying and mitigating the risks associated with modern slavery. Other entities in the Bacardi Group outside of Australia also provide modern slavery statements in the jurisdictions in which they are located. Due to the global nature of the Bacardi Group’s activities and its supply chain, substantial parts of those reports are encompassed within the attached document. This letter and the attached document form BMA’s Australian specific reporting statement.

Board approval and signature.

BMA's modern slavery statement for the year ended 31 March 2023 has been compiled by a multi-functional working group, comprising members from Bacardi’s leadership, compliance, legal, supply chain and procurement teams both globally and in Australia. The statement was reviewed and approved by the Board of Directors of Bacardi–Martini Australia Pty Ltd.



Luiz Schmidt
BMA Chairman of the Board and Managing Director



Steph Joachim
BMA Board Director and Finance Director

MODERN SLAVERY STATEMENT 2023



BACARDI®

CONTENTS

Endorsement from Chief Business Integrity Officer	4
Our Business Structure	5
Our Operations and Supply Chain	6
The Risks of Modern Slavery Practices in our Supply Chain	9
Our Policies and Codes	14
Due Diligence	19
Training our People	22
How Bacardi Assesses the Effectiveness of our Risk Mitigation Actions	24
Steps to be taken in FY24	26

Endorsement from Chief Business Integrity Officer

Bacardi, the largest privately held international spirits company in the world⁽¹⁾, is rooted in a rich heritage. As a family-owned business after seven generations, the tradition of doing what is right is in our DNA; we make choices based on doing the right thing for our people, our consumers, our partners, our brands, and our world.

Our ESG strategy, which we call Good Spirited, is focused on doing the right thing for the long run. We care about the impact of what we do not just today but for the next century.



Duncan Sparkes
Chief Business Integrity Officer
Bacardi Limited



(1) According to International Wine & Spirit Research®



Our Business Structure

Founded over 160 years ago in Santiago de Cuba, Bacardi currently employs more than 9,000 people, operates production facilities in 10 countries, and sells its brands in more than 160 markets. Our group of companies produces, markets, and distributes a variety of internationally recognized beverages globally through our network of operating subsidiaries. Our world-class portfolio includes more than 200 brands and labels, including BACARDÍ® rum, GREY GOOSE® vodka, BOMBAY SAPPHIRE® gin, MARTINI® vermouths, sparkling wines and non-alcoholic aperitifs, DEWAR'S® Scotch whisky, and PATRÓN® tequila.

In this statement, a reference to “Bacardi” or the “Bacardi Group” shall mean a reference to any member of the Bacardi group of companies ultimately owned by Bacardi Limited including Bacardi-Martini Australia Pty Ltd (“BMA”), Bacardi U.K. Limited, and its UK subsidiaries.

Bacardi in Australia – Structure

In Australia, Bacardi operates through Bacardi-Martini Australia Pty Ltd. BMA is a for-profit entity, incorporated and domiciled in Australia. The parent entity of BMA is Bacardi-Martini B.V., incorporated and domiciled in The Netherlands. Its ultimate parent entity is Bacardi Limited, incorporated and domiciled in Bermuda. The registered office and principal place of business of BMA are Level 8, 201 Kent Street, NSW 2000. This is the only BMA site in Australia. BMA’s principal activities are the marketing and distribution of branded spirits, Ready-To-Drink (“RTD”) and wine products.

BMA employs approximately 80 employees in Australia and functions include sales (commercial), marketing, finance, supply chain and logistics, business intelligence and human resources. BMA does not own or operate any regional sales offices or local production or manufacturing facilities in Australia. All warehousing and distribution locations are owned and operated by third parties.

Bacardi in UK – Structure

Bacardi is active in the UK through Bacardi U.K. Limited of 12 Francis Street, London SW1P 1QN (00366786) and its UK subsidiaries: Bacardi-Martini Limited (00305960), Bacardi Global Brands Limited (03651489), and John Dewar & Sons Limited (00613551).

In these companies, we employ approximately 980 employees across the United Kingdom. Functions include sales (commercial), marketing, finance, IT, distilling, blending, warehousing, supply chain and logistics, engineering, product development, and human resources.

Our Operations and Supply Chain



Overview of Supply Chain

Bacardi operates 24 bottling, distilling, blending, and aging facilities, located in the United States, Puerto Rico, Scotland, Ireland, Italy, France, India, England, Mexico, Switzerland, and Brazil. In addition, certain of our brands are produced or bottled at plants owned and operated by third parties at various locations around the globe.

Our route-to-consumer is tailored according to each market's regulations, size, and needs.

Production

Bacardi has 100% ownership of production sites in ten countries and territories: United States, Puerto Rico, Mexico, France, Italy, Scotland, England, Switzerland, Brazil, and India. At these sites, we produce BACARDÍ® rum, GREY GOOSE® vodka, PATRÓN® tequila, DEWAR'S® Blended Scotch whisky, BOMBAY SAPPHIRE® gin, MARTINI® vermouth and sparkling wines, CAZADORES® 100% blue agave tequila, D'USSÉ® Cognac, ANGEL'S ENVY® American straight whiskey (including bourbon and rye whiskies), and other leading and emerging brands including WILLIAM LAWSON'S® Scotch whisky, and ST GERMAIN® elderflower liqueur, as well as low proof products (comprising RTD and ready-to-serve offerings).

Sourcing

We source high quality ingredients and raw materials from many countries around the world, including locations where achieving good workplace standards, environmental protection and sound governance can be complex.

AUSTRALIA SUPPLY CHAIN

In Australia, Bacardi operates its sales and distribution channel through BMA which then contracts with third parties to distribute our brands. In addition, BMA works directly with on premise venues to promote Bacardi products, but it does not retail directly to any such venues.

AUSTRALIA PRODUCTION

The Bacardi products listed comprise more than 90% of BMA's sales in Australia.

Marketing and Sales

Our brands are enjoyed in over 160 markets across the world. Bacardi products are sold and distributed to a variety of customers, including retailers, bars, and restaurants. We care about the impact of what we do not just today but for the next century. As a family-owned business, the tradition of doing what is right is in our DNA; we make choices based on doing the right thing for our people, our consumers, our partners, our brands, and our world. Bacardi knows that part of being Good Spirited means helping people make the best possible choices for themselves. Good choices. Responsible choices.

Bacardi has made it a priority to help people live more mindfully and make better choices through its corporate responsibility efforts and expanding range of no- and low alcohol products. Bacardi aims to inspire mindful drinking and mitigate alcohol related harm by providing clear and accurate information about all of its products, and marketing only to those of legal drinking age and above.



The Risks of Modern Slavery Practices in our Supply Chain



Bacardi has a zero-tolerance approach to modern slavery, but we recognise that no business is immune to the risk of it occurring in its supply chain. We are committed to understanding the particular areas of risk in our operations and taking steps to mitigate them.

Like any large global business, Bacardi relies on external suppliers. The risk of forced labor occurring in third-party owned supply chains is higher, particularly in relation to the sourcing of raw materials.

Our international operating model and the sheer number of partners and countries that we work with inevitably exposes us to the risk that modern slavery could enter our supply chains. We take various steps to address risk in our supply chain (see below). However, our use of indirect suppliers, distributors, subcontractors, and outsourcing partners adds an additional layer to other aspects of our supply chain which makes it more challenging to monitor and mitigate risks. In various locations we also employ seasonal labor and contract workers, which we recognize poses a heightened risk of forced labor.

Further, there are risks associated with certain raw materials that we source, particularly in relation to agricultural products such as sugarcane. This is why in 2014 we started a partnership with Bonsucro® to ensure that our molasses come from sugarcane sourced from responsible suppliers. Bonsucro® is a global non-profit organisation which has developed a metric-based sustainability standard and certification process for the sugarcane industry. One of the stated strategic aims of Bonsucro® is to strengthen human rights in sugarcane milling and farming⁽²⁾.

As a founding member of Bonsucro®, Bacardi works with the organization to improve economic, environmental, and social conditions in the regions around the world where sugarcane is produced. These standards ensure the human rights and labor conditions, and the environmental and economic viability of the sugarcane producers, are kept to the highest possible standard. More information about Bonsucro® is available in its strategic plan for 2021-2026 which is available to view here.

For BOMBAY SAPPHIRE® gin, our grain spirit is sourced in Europe and the ten botanicals used in BOMBAY SAPPHIRE® products are sustainably certified by Eco Cert For Life. GREY GOOSE® wheat is sourced from SAI certified suppliers and, for DEWAR'S® Whisky and our malt whiskies, raw materials are sourced in the UK through the Scotch Whisky Association sustainable sourcing program. Our agave producers for PATRÓN® tequila are Global G.A.P. certified and our wine for MARTINI® vermouth is sustainably certified by Equalitas.

Risks we identify in the operations and supply chain of Bacardi–Martini Australia Pty Ltd

BMA categorises the risk of modern slavery occurring in its business in Australia as low.

BMA complies with all applicable employment and labor laws, including the Fair Work Act 2009 and the Work Health and Safety Act 2011, and operates in accordance with global Bacardi compliance policies (see below). Employees of BMA receive regular training on laws, regulatory guidance, and company policies applicable to their functions, including Business Integrity, Compliance and Corporations Act. Nonetheless, we acknowledge that aspects of BMA’s operations are potentially vulnerable to the risk of modern slavery.

Below we identify BMA’s highest risk areas, according to the following indicators: business/transaction risk, product risk, sector risk and country risk.

Bacardi–Martini Australia
Although BMA does not have a dedicated modern slavery policy, the organizational policies, and codes which Bacardi has adopted globally, including in Australia, help to mitigate the risk of modern slavery entering our supply chain.

Risks Assessment – Bacardi–Martini Australia

Category of Risk	Risk Area	More Detail
BUSINESS OR TRANSACTION RISK: Particular relationships or transactions that could be susceptible to slavery and human trafficking.	International operating model.	BMA sources the products it sells from Bacardi plants in France, Italy, Mexico, Singapore, UK, and the US.
	Use of external manufacturing suppliers.	BMA uses external manufacturing suppliers to produce locally our RTD products. BMA also use indirect suppliers for Point-Of-Sale materials.
	Use of distributors, subcontractors and outsourcing.	BMA engages distributors, import/freight agents and outsourcing partners (e.g., for IT).
	Variety of employees.	BMA engages a small number of contract workers in its offices.
	Use of agencies for labor hire.	BMA uses marketing agencies to hire contract staff to work on events.
PRODUCT RISK: Risks associated with the locations that we source raw materials from.	Procurement of higher risk goods.	BMA sources the products it sells from overseas ISO accredited Bacardi–operated manufacturing plants (see above). These plants manage sourcing of raw materials in accordance with Bacardi global standards. Electronic equipment is purchased by BMA from an external IT supplier.
SECTOR/INDUSTRY RISK: Parts of our business which may be vulnerable to slavery and human trafficking.	Labor in the operating sites.	There is potential in Australia for migrants to be exploited, particularly those coming from lower socio-economic geographies. BMA does not hire migrant labor to work in its offices but instead uses both its internal recruitment team and reputable recruitment agencies who comply with our Code of Conduct and agreed recruitment processes to recruit staff.
	Active in hospitality sector.	The hospitality sector carries additional risk around the potential for exploitation or abuse of staff. BMA does not operate in retail or hospitality itself but acknowledges that this is the channel through which a proportion of its products are ultimately consumed. Currently, BMA does not carry out any processes to address the potential for modern slavery within the operations of its third-party partners in these sectors, but it expects all its employees and those of third parties to be treated fairly and with respect. Employees are encouraged to report any instances of abuse or modern slavery through our dedicated integrity line.
COUNTRY RISK: Countries where the organisation operates that are vulnerable to slavery and human trafficking.	Countries where we source goods and services from.	BMA sources the products it sells from Bacardi–operated plants which are subject to Bacardi’s global sourcing and compliance policies (see above).

Actions taken to assess, and address identified risks

It is fundamentally important to Bacardi that we are trusted by our customers, consumers, employees, business partners and the communities we are present in.

In order to mitigate the risks noted above, we have implemented targeted policies and codes of conduct which are then put into practice through standard processes and constantly reinforced through training. Below we give more detail about:

- Our policies and codes
- Our due diligence processes
- Our approach to training



Our Policies and Codes



Our Relevant Policies and Codes

There are a range of organisational policies and codes which Bacardi has adopted globally to mitigate the risk of modern slavery entering our supply chain. Bacardi conducts regular reviews of these policies to ensure that they are being implemented properly and provide adequate protection for our employees and those of our partners. Below, we give more detail about:

- **Our Third-Party Code of Conduct**
- **Our Indirect Procurement Policy**
- **Our Responsible Sourcing Standards**
- **Our Employee Code of Conduct**
- **Our Speak Up Code**
- **Our Employee Assistance Program, Bacardi Assist**



Third-Party Code of Conduct

We expect our business partners to follow the same high standards that we do. Our expectations around this are outlined in our Code of Conduct for Third Parties which is integrated into our contract templates. The Code requires our partners to observe applicable laws, conventions, industry guidance and best practice and sets specific requirements about what we expect in relation to working conditions. Suppliers have to be able to demonstrate compliance with the Code of Conduct and keep sufficient records to evidence this on request. Additionally, we are leveraging Sedex, mainly at manufacturing sites.

Our suppliers are contractually committed to complying with our Code of Conduct and Responsible Sourcing Standards. The Code is available to read online here. It includes detailed requirements that suppliers must adhere to in terms of Working Conditions for their labor forces. The sub-categories included are those set out in detail below in the Responsible Sourcing Standards. Compliance is mandatory.

Procurement Policy

Suppliers and business partners are selected impartially and objectively, based on criteria that include reputation, integrity, performance, and quality. We expect our suppliers and business partners to comply with the law, apply ethical business practices and meet Bacardi standards for integrity, quality, and performance.

Bacardi-Martini Australia
Our main external manufacturer in Australia is a SEDEX member and has performed a SMETA audit.

Responsible Resourcing Standards

Bacardi considers it critical to ensure that the companies from which we purchase products and services are operating in an ethical and responsible manner. To this end, we have put in place robust Responsible Sourcing Standards based on The Ethical Trading Initiative (ETI) Base Code, the Fundamental Conventions of the International Labor Organization (ILO), and the United Nations (UN) Universal Declaration of Human Rights. Our Responsible Sourcing Standards apply to all suppliers providing goods and/or services to Bacardi and encompass what we expect from our suppliers in terms of labor standards, human rights, health and safety, environmental protection, and business integrity. We seek to gain agreement on, and compliance with, our Responsible Sourcing Standards from all of our suppliers. The Responsible Sourcing Standards represent minimum standards, and we encourage suppliers to implement even higher standards within their operations. In addition, suppliers are expected to promote our standards to their staff and subcontractors and are expected to promote and assess compliance with the Responsible Sourcing Standards with their own suppliers. As the first principle in our Responsible Sourcing Standards, we make clear that employment is freely chosen. Each supplier is required to complete a detailed questionnaire setting out their current position by way of multiple questions in relation to each of the categories below:

- **There is no forced, bonded, or involuntary prison labor**
- **Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice**
- **There is freedom of association and the right to collective bargaining is respected**
- **Working conditions are safe and hygienic**
- **Fair wages are paid**
- **No use of child labor**
- **Working hours are not excessive**
- **Discrimination is prohibited**
- **Any harsh or inhumane treatment of employees is prohibited and prevented**
- **Temporary workers are treated fairly**
- **Suppliers are subject to audit by external certification bodies on compliance with modern slavery matters**

Employee Code of Conduct

The way we conduct our business is as important as the liquids we produce, the brands we market and the people we employ. At Bacardi, it is of the utmost importance that we maintain a working environment in which all employees are treated in a professional manner based on mutual respect and free from verbal or physical harassment, intimidation, or abuse. Our Employee Code of Conduct guides all of our employees (regardless of role) on how to conduct business in a way that continues to protect the health of our business and the integrity of our supply chain. If employees become aware of an action that they perceive to be a violation of our Code of Conduct, Bacardi employees have a responsibility to report this.

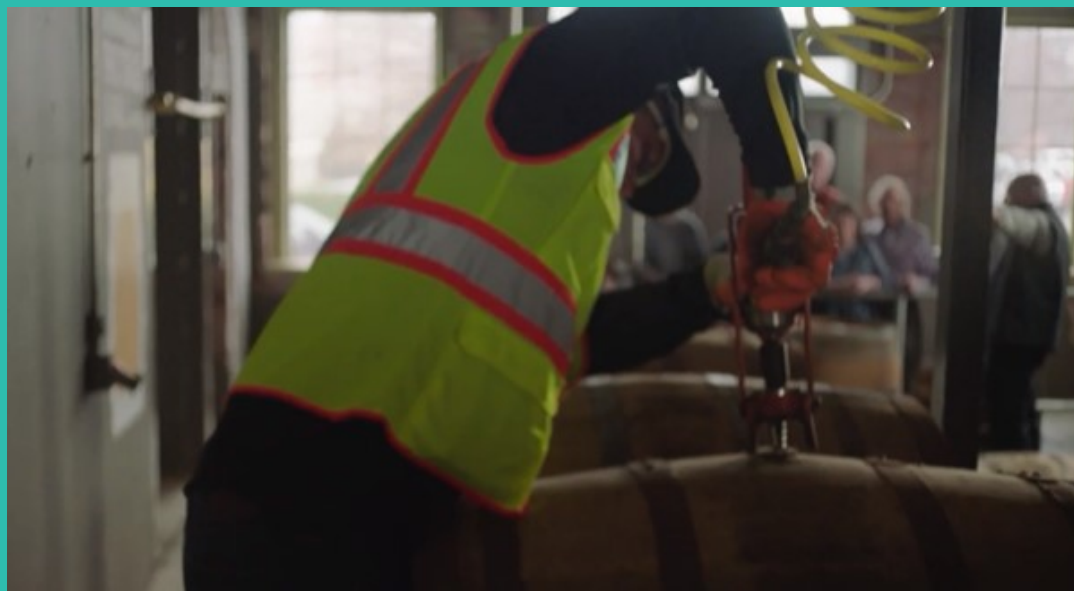
"Speak Up" Code and Reporting Integrity Line

It is crucial that our employees are empowered to speak up when they see something that is not right. Our "Speak Up" Code encourages employees and third-party business partners to speak up about concerns of unethical behaviour and dispels any misconceptions about reporting. All Bacardi employees have an obligation to flag concerns so that they can be investigated and escalated quickly. Third parties carrying out business with Bacardi who believe an employee or representative of Bacardi has violated the law or any of our policies may also report in the same way a Bacardi employee can. Bacardi employees and third parties can use the bacardiintegrityline.com to report any wrongdoing. Any third parties reporting will be offered the same protection as a Bacardi employee – confidentiality and a zero tolerance to retaliation.

Employee Assistance Programme

"Bacardi Assist" is our global employee assistance program, which offers employees and their family members access to support with any work or personal issue, including short-term professional counseling and connecting them to local resources to help manage emotional, practical, or physical needs. This service is free to use, totally confidential and provides around the clock support seven days per week, 365 days per year.

Due Diligence



Due Diligence Process

Supplier audits

All Bacardi factories are certified by a qualified third-party (LRQA) covering three ISO standards (9001, 14001 and 45001) and are audited once every three years for compliance (by DNV) including in relation to workforce selection and qualification. Every supplier (including co-packers) is selected and validated using a Vendor Qualification Process during which we evaluate suppliers' compliance with applicable laws and codes. Additional audits are conducted where the level of risk is higher. Every year, Bacardi conducts a risk assessment process to identify potential risks in supply chains in accordance with ISO standards. This is complemented by a mid-year review.



Due diligence screening

Bacardi wants to carry on business with like-minded third parties that have ethical practices at the forefront of their business activities. All Bacardi business partners are subject to regular scheduled due diligence checks which are carried out using a risk rating model applying automated risk analysis that is specific to Bacardi's business strategy. Automated screening allows us to identify, evaluate and verify all available information on an individual or on companies. Due diligence builds confidence that we operate with integrity, security, and accountability. Further it helps Bacardi embrace its culture of compliance while protecting its reputation and prominent brand portfolio. Third parties are screened against sanctions, embargoes, financial crimes, and government databases using an integrated industry leading external platform. That enables us to assess potential legal, corruption and regulatory risks when conducting business with a third-party and provides us with the ability to make informed and confident decisions to conduct business partnerships that only meet with our ethics and compliance strategy. Where our screenings detect red flags, Bacardi carries out additional in-house research to assess the risk to Bacardi's business.

Bacardi Due Diligence

On a monthly basis, Bacardi alerts suppliers on their outstanding actions in SEDEX as follows:

- Perform a SMETA audit,
- Renew a SMETA audit,
- Clear non-conformities, or
- Renew Sedex membership

Our largest direct suppliers are subject to SMETA audits on an annual basis. Where any non-compliance is detected, remedial actions are agreed against a time frame for compliance and SMETA conducts follow up audits to ensure that these actions have been satisfied.

Due Diligence Questionnaire

Third-parties within our supply chain are requested to confirm their compliance with our Third-Party Code of Conduct. In particular, compliance with the Code is requested as part of a due diligence questionnaire which is distributed to those parties that we assess are of the highest risk either on the basis of the financial element of our business dealings or regarding the country in which we conduct business with them.

Partnership with Sedex

Globally, Bacardi partners with Sedex, the largest collaborative platform for sharing ethical, supply-chain data. This organization provides a third-party Audit Management Service which enables Bacardi's suppliers to drive and report in accordance with an audit program based on the Ethical Trade Audit Protocol (SMETA). Suppliers are required to undergo a SMETA 4 Pillar audit, and the results of these audits are shared with Bacardi. Monthly we track suppliers' audits and non-conformities clearance.

Corporate Audit

A business risk assessment is completed annually and reviewed mid-year by the corporate audit team. Where risks are identified, action plans (e.g., supplier audits) are organized.

Training Our People



Training our People

Bacardi compliance, HR and legal teams conduct regular training for our business on our most important policies and processes. Training is mandatory and allows employees the chance to ask questions and ensure they understand their responsibilities. In particular, all employees are trained on our Code of Conduct when they join our business, and we also deliver an annual certification of compliance to every employee globally, ensuring continuing compliance with our Code. We are proud to say that our annual compliance process in FY23 achieved 99.8% certification.

In addition, relevant employees who work with our suppliers are trained on our Responsible Sourcing Standards and we work with our suppliers to ensure they comprehend and abide by our standards. Globally, employees are also regularly engaged on matters of compliance through our intranet, virtually, in face-to-face meetings, or at local Town Halls. Further, training on these matters is delivered to key markets and functions as part of an annual compliance training and communication strategy.



How Bacardi Assesses the Effectiveness of our Risk Mitigation Actions



Key performance indicators to measure effectiveness of steps being taken

We use the following key performance indicators (KPIs) to measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains:

KPIs monitored by the Business Integrity Team:

Bacardi has a dedicated and professional inhouse Business Integrity team who receive, manage, investigate, and analyse reports of any violation of our Code of Conduct including modern slavery matters. Reports can be made internally to various resources including the Business Integrity team, or through our dedicated confidential Bacardi Integrity Line which is provided by a leading ethics and compliance solution partner. Reports can be made by phone or online by any employee or any third-party with whom we carry on business. Reports may be made anonymously.

A risk analysis on matters reported is carried out quarterly and reported to both Bacardi's Business Integrity Committee and Audit Committee. Analysis includes determining the type of reports which give rise to concerns, any trends in the type of violation reported or any noticeable increase in reporting within a particular market or function. Where trends are detected, an additional internal audit may be undertaken to determine any underlying or unknown issues, giving cause for concern and necessary steps taken to manage the issue.

Globally, no matters of human trafficking or modern slavery were reported through our reporting channels or uncovered through our due diligence checks during FY23.

Supplier Adherence and Tracking Performance:

All of our contracts with suppliers require compliance with all applicable laws, our Third-Party Code of Conduct, and our Responsible Sourcing Standards.

Globally, we track SMETA audit non-conformities or Ecovadis improvements plans.

We communicate reports (if any) of modern slavery or human trafficking through our annual responsibility reports.

Steps to be taken in FY24



To continue with our commitment to ensure that there is no slavery or human trafficking in our supply chains, we intend to take the following further steps to combat slavery and human trafficking in the next financial year:

Working Group

BMA Modern Slavery Working Group established during 2023: multi-functional representatives from across the business including Supply Chain, Finance, HR and Legal.

Review of supplier contracts

In FY24, we will conduct an extensive review of our supplier contracts in Australia to ensure that we include a requirement for modern slavery compliance in every contract.

Partnering with a third-party to provide bespoke modern slavery training to Bacardi employees

In FY23 we began to explore possible partnerships with third parties who can help us mitigate risks in our supply chain and provide our employees with training materials. Dedicated modern slavery awareness training will be rolled out to all relevant employees in our Group companies during FY24.

Refreshing our Third-Party Code of Conduct During 2023

During 2023, we conducted an in-depth review of our Third-Party Code of Conduct ensuring compliance with necessary and incoming legislation not just as a standalone business, but additionally to support upward flow with our extended supply chain partners with whom we engage. The in-depth review has triggered Bacardi to include a more detailed and dedicated section seeking compliance with our requirements on human rights and fair working conditions. The new Code of Conduct will be rolled out to our partners in FY24.

Australia

Consultation with other reporting entities

BMA does not own or control any other entities and therefore this criterion is not applicable.

Other Information

BMA considers that it has disclosed all relevant information in this reporting statement.