



PROXIMO

PROXIMO APAC

(ABN 15 619 807 448)

MODERN SLAVERY STATEMENT: 2022

(Reporting Period: January 2022 to December 2022)

Proximo APAC Pty Ltd (ABN 15 619 807 448) of Level 12, 65 Berry Street, North Sydney NSW 2060, has continued business in Australia during the reporting period with a consolidated revenue greater than AU\$100 million and publishes this Modern Slavery Statement as the appropriate reporting entity for the purposes of the Modern Slavery Act 2018.

This statement is made pursuant to the Modern Slavery Act 2018 (Modern Slavery Act) and sets out the steps Proximo APAC has taken during its financial year ending 31 December 2022 to ensure that slavery, servitude, forced or compulsory labour, and human trafficking (collectively, "Modern Slavery") is not taking place in any part of its business or supply chain.

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

Proximo APAC recognises that it has a responsibility under the Modern Slavery Act to take an approach that rejects any forms of modern slavery and human trafficking. We are committed to promoting ethical business practices and policies that protect workers from being abused and exploited, both in our own business and our supply chain.

Proximo APAC is committed to limiting the risk of modern slavery occurring in our business, ensuring there is transparency in our business and in our approach to tackling modern slavery throughout our supply chain.

We expect our employees and our suppliers to share our commitment to help ensure modern slavery does not exist in our business and our supply chain.

Who is the reporting entity?

Proximo APAC (ABN 15 619 807 448) is the reporting entity and owns 100% of Proximo Australia (ABN 64 125 895 561). The ultimate controlling entity of Proximo APAC is BECLE, S.A.B. de C.V.

Proximo APAC Pty Ltd
ABN: 15 619 807 448
Level 12, 65 Berry Street NSW 2060
Tel: +61 (2) 9672-6440



PROXIMO

What is Proximo APAC's structure, operations, and supply chain?

Proximo APAC Head Office is in North Sydney and is part of the distilled spirits distribution industry. The entity has forty-three employees across Australia. The ultimate controlling entity of Proximo APAC is BECLE, S.A.B. de C.V. Becele, S. A. B. de C. V. and its subsidiaries, which we refer to collectively as Becele, is a globally recognised spirits company and the largest tequila producer in the world. The Company manufactures, markets, and sells internationally recognized spirits and ready-to-drink alcoholic and non-alcoholic beverages. Becele's flagship tequila brand is Jose Cuervo Especial, but the Company has developed other internationally marketed tequila brands, including 1800 and Gran Centenario. Becele also distributes several categories of alcoholic beverages other than tequila, including vodka, whiskey, rum, and liqueurs and commercialises more than thirty brands in Mexico.

The Company operates in three regions:

- (i) United States of America and Canada,
 - (ii) Mexico
 - (iii) and throughout the rest of world (principally Latin America (LATAM), Europe, Middle East, and Africa (EMEA) and Asia Pacific (APAC)),
- and its branded products are currently sold in more than eighty-five countries worldwide.

The Company's activities in each region are as follows:

- In the United States of America and Canada, the Company distributes its products through its wholly owned subsidiaries, Proximo Spirits, Inc. (Proximo US) and Proximo Spirits Canada, Inc. The Group owns four distilleries (in Colorado, New York, and California) and a bottling plant and finished goods distribution centre in Indiana, and a finished goods distribution centre in Kentucky.
- In Mexico, the Company operates the largest private Agave Azul plantation to control the agricultural process with the goal of securing a sufficient supply of Agave Azul. The Group currently owns and operates two tequila distilleries and one processing and bottling facility, all located in the state of Jalisco, which form part of the territory of the Appellation of Origin for Tequila.
- Throughout the rest of the world, the Group distributes through its wholly owned subsidiary, Proximo Spirits UK Limited in the United Kingdom and through JC Master Distribution Limited in the Republic of Ireland. In Northern Ireland, The Old Bushmills Distillery Company Limited, is engaged in the distilling, maturing, and bottling of Bushmills Irish whiskey, and certain other Irish whiskeys. This entity has produced a Modern Slavery and Human Trafficking Statement in its own right.

What are the risks of modern slavery practices in the operations and supply chains of Proximo APAC?

The risk of modern slavery is increased by the number of suppliers and their locations around the world. Most Proximo APAC's stock purchases are from related group entities and



PROXIMO

as such, there is lower risk of modern slavery occurring in the operations and supply chains. The broader BECLE Group engages with numerous well-known and year-by-year suppliers. Normally, the Group purchases raw materials with short term and mid-term arrangements and has an historical sequence of having at least three suppliers for each of the ingredients and raw materials. Throughout its history, the Group has defined its specific mission, to satisfy Tequila's clients' needs and take competitive advantage of vertical integration from agriculture to final consumer. The Group is always looking for an achievable improvement in benefit of the group itself and the communities, hand in hand with its core values: continuous improvement, business sense, high quality of life, teamwork, respect, communication, and commitment.

What actions have been taken by Proximo APAC to assess and address the risks, including due diligence and remediation processes?

Proximo APAC has taken multiple steps to deter the risk of modern slavery throughout our supply chain. The parent company, BECLE, issued a renewed Code of Conduct in 2021 with training provided to all staff. The code of conduct covers several areas including respect & collaboration, fair business practices, skilled professional judgement, honesty & transparency. Included in the code is a segment on Human rights and working conditions. It highlights that, as responsible corporate citizens, we only do business with partners who follow the law and always operate fairly and ethically. This includes:

- Respecting human rights of those we work and interact with and encouraging our business partners to follow similar standards.
- Supporting human rights and respecting fair labor laws, including prohibitions against child labour.
- Watching for and reporting any signs of human trafficking or forced labor.
- Properly compensating workers and respecting their right to bargain collectively.

In 2022, Proximo APAC employees were trained on the Modern Slavery Act and the role everyone can play in identifying and deterring its existence. The training will continue in 2023 to ensure the topic remains relevant for our employees.

A BECLE supplier code of ethics is provided to all new suppliers of Proximo APAC/Australia, to be signed and returned. All existing suppliers also received a copy of the supplier code of ethics. The supplier code of ethics highlights our requirements for business integrity, human rights and working conditions, health and safety, and the impact on the environment and supply chain sustainability. Importantly, an ethics hotline is provided for the communication and reporting of inappropriate conduct. BECLE operates a Whistleblowing Policy which is principally aimed at employees but is also available to those working within our supply chain. The policy encourages staff to report wrongdoings and extends to human rights violations like modern slavery. All reports are fully investigated, and appropriate remedial actions are taken.



PROXIMO

To better understand what our suppliers are doing, Proximo issued a questionnaire in 2021 to all Suppliers with questions relating to the actions being taken against Modern Slavery. Most suppliers provided a completed questionnaire highlighting their dedicated support to deter Modern Slavery and the important actions they are taking. Many of these suppliers have lodged Modern Slavery statements on the Australian Government portal, articulating the positive steps they are taking to help deter Modern Slavery. Proximo will continue to work with the small number of suppliers who failed to respond, to support their journey by supporting their requirements to help deter Modern Slavery.

Proximo became a member of TRACE in 2021. TRACE is a non-profit business association dedicated to anti-bribery, compliance, and good governance. TRACE is widely recognized for establishing compliance standards and advancing commercial transparency worldwide. Members include hundreds of multinational companies across all industry sectors. The BECLE Anti-Bribery and Anti-Corruption policy reinforces and expands on the guidance given in the Code of Business Conduct. Our policy outlines our commitment to win business by acting ethically and honestly – based on the strength of our products, not because we have taken or encouraged corrupt actions. Dependent on regulatory changes, we review and amend our Anti-Bribery and Anti-Corruption policy on a regular basis of no less than every 2 – 3 years.

In addition, Proximo became a member of SEDEX (Supplier Ethical Data Exchange) in 2021 which provides further evidence of its commitment to managing its supply chain responsibly and transparently. SEDEX is the world's largest shared platform through which member users can report and share their commercial practices in the key areas of labour law, health and safety, environment, and business ethics.

How does Proximo APAC assess the effectiveness of these actions?

Proximo has integrated modern slavery risk management into our existing processes where we monitor and measure the effectiveness of our actions by setting key performance indicators. This includes monitoring:

- the number and level of incidents identified through our risk mitigation process and
- the number of issues reported through our Ethical Standards and Whistleblowing process.
- Assessment of compliance with our supplier questionnaires.

Proximo maintains records to measure the effectiveness of our approach. This includes:

- Maintaining records of internal training sessions and the relevant attendees
- Maintaining signed Code of Conduct documents
- Maintaining records of online training courses. E.g., TRACE
- Reviewing and maintaining a register of annual questionnaire responses



PROXIMO

At this point in time there have been no recorded issues or instances. There were no issues logged by Employees or Suppliers at the time of lodging this statement.

What has been the process of consultation with any entities the reporting entity owns or controls?

Proximo APAC has collaborated closely with the parent company BECLE to align on a global approach to Modern Slavery. Consistency of approach has been achieved through a global code of conduct policy, shared online training courses and a consistent global approach to appointing new suppliers. Related entities (Proximo UK & Old Bushmills Distillery) have recently issued Modern Slavery and Human Trafficking Statements in their own right.

In reference to the one entity owned by Proximo APAC, the business has worked closely with Proximo Australia (ABN 64 125 895 561). Proximo Australia is a 100% owned entity of Proximo APAC, that contains the same Directors and Management. To ensure there is an identical approach to deterring Modern Slavery in both entities, Proximo Australia & Proximo APAC share an identical approach to deterring Modern Slavery. This includes identical staff training for all employees and identical new supplier processes and adherence to the BECLE global code of conduct for all employees of Proximo Australia.

Is there any other relevant information?

There is no other relevant information.

This Modern Slavery Statement has been approved by the Board of Directors of the principal governing body, Proximo APAC Pty Ltd (ABN 15 619 807 448, the reporting entity), on May 4th, 2023, and is signed below by Justin Casey, the Chairman of the Board, for and on behalf of Proximo APAC.

Justin Casey
Chairman of the Board: Proximo APAC Pty Ltd
4th May 2023