



BACARDI LIMITED

# THE THIRD PARTY *Code of Conduct*



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# INTRODUCTION

The Bacardi Group is the largest privately held distilled spirits company in the world and produces and markets a variety of internationally recognized spirits, sparkling wines, vermouths, and non-alcoholic beverages that are distributed and sold globally.

At Bacardi, we reflect on our over 160-year journey as a family-owned company. One built on passion, resilience, and an unwavering commitment to doing what is right. Our legacy is not only defined by the exceptional spirits we craft, but by the trust we have earned from our consumers, employees, business partners, and communities around the world.

Trust is one of our most valuable assets. In today's fast-paced, hyper-connected world, how we conduct our business is as important as the liquids we produce. That's why we hold ourselves, and those we work with, to the highest standards of integrity, responsibility and respect.

This Third Party Code of Conduct reflects our values and our sustainability ambitions. It sets out clear expectations for all our partners to uphold human rights, reduce impact on the environment, and operate with transparency and fairness. It is grounded in internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact Principles.

We ask Third Parties to read this Code carefully, integrate its principles into their operations, and cascade these expectations throughout their own supply chains. By doing so, you help us preserve the trust that generations have built and ensure that we continue to grow responsibly, together.

*Ketty Poletto*  
**Chief Procurement Officer**



# SCOPE AND *Applicability*

As used herein, the reference to the “Bacardi Group” and “Bacardi” shall mean Bacardi-Martini B.V. (BMBV), Tradall S.A (Tradall) and any other member of the group of companies ultimately owned by Bacardi Limited.

“Third Parties” shall mean entities (including their employees, agents and/or sub-contractors) or individuals contracted

to work for or with the Bacardi Group, providing goods or services to the Bacardi Group, or purchasing goods or services from the Bacardi Group (each a Third Party). Third Parties shall implement systems to ensure the Code is implemented and complied with in their own operations.

Third Parties shall consider human rights-related and environment-related expectations as per this Code when selecting their suppliers and authorized subcontractors and shall oblige their suppliers and authorized subcontractors to comply with the Code.

Third Parties shall ensure that the supplier and/or subcontractor addresses and passes on the obligations in the Code along the supply chain. The supply chain refers to all products and services of a company. It includes all

steps taken at the place of establishment or abroad that are necessary to produce the products and provide the services, starting from the extraction of the raw materials to the delivery to the end customer and includes (i) the actions of an enterprise in its own business area; (ii) the actions of direct suppliers; and (iii) the actions of indirect suppliers.



# COMPLIANCE WITH LAWS, *Regulations, and Conventions*

The Bacardi Group is determined to follow the highest standards of Business Integrity, Human Rights, Environmental Protection, Labor Standards and Health and Safety, based on international regulations, conventions and/or best practice including but not limited to the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights, the OECD Guidelines, and the Ethical

Trading Initiative (ETI) Base Supplier Code. This Third Party Code of Conduct, including without limitation the standards as per the Annex (the “Code”), sets forth the requirements that Third Parties must meet with respect to their business transactions with the Bacardi Group.

Third Parties doing business with the Bacardi Group must operate in full compliance with the laws of their respective

countries and with all applicable rules, regulations, customs, and published industry standards applicable to them. In case of conflict between the Code and local legislation, the local legislation shall prevail.

Third Parties must maintain and make available sufficient records to demonstrate legal and regulatory compliance when requested to do so by the Bacardi Group.

## REPORTING OF VIOLATIONS

Third Parties are obliged to report any known violations of the Code in their own business field or in the business field of their subcontractors. The reporting shall be made with due regard to legitimate interests, the rights of employees, data protection and business secrets. Third Parties shall maintain a whistleblower policy outlining procedures for confidential and anonymous reporting of concerns, and prohibiting retaliation so reporting is without fear of negative consequences.

Reports may be sent to the Bacardi Business Integrity team at [businessintegrity@bacardi.com](mailto:businessintegrity@bacardi.com) or to the Bacardi Integrity line at [www.bacardiintegrityline.com](http://www.bacardiintegrityline.com).

Third Parties shall not engage in any retaliatory actions against their employees, sub-contractors, agents or stakeholders who report suspected misconduct or non-compliance with the Code.



## ORGANIZATION & TRAINING

- Third Parties shall develop and implement management systems, processes, procedures, and policies necessary to establish and comply with the requirements under this Code and to monitor it continuously.
- Third Parties must be able to track their supply chain in a way that they can prove provenance of all raw materials, up to the point of origin, and related services. The Bacardi Group may at any time request Third Parties to provide a complete and updated mapping of their supply chains.
- Third Parties must provide compulsory training programs for their relevant employees and directors to ensure awareness and effective implementation of contractual guarantees with respect to Human Rights and Environmental Standards under the Code. The programs should include:
  - Extent of the human rights and environmental due diligence obligations;
  - Internal preventive measures;
  - Management of risks in the extended supply chain;
  - Documentation and reporting of identified risks.

## COMPLAINTS PROCEDURE

Third Parties have access to the complaints procedure set up by the Bacardi Group, which is available by emailing the Bacardi Business Integrity team direct at [businessintegrity@bacardi.com](mailto:businessintegrity@bacardi.com), or by logging a report online via the Bacardi Integrity line at [www.bacardiintegrityline.com](http://www.bacardiintegrityline.com). Third Parties shall not undertake any actions that hinder, block, or impede access to the complaints procedure.

## ADVERTISING OF ALCOHOL

Where relevant, Third Parties must ensure that any type of commercial communication regarding alcoholic beverages complies with the applicable laws and regulations related to advertising of alcoholic beverages, and with the following guidelines:

- No directing the advertising specifically at those under legal drinking age, nor inclusion of advertising in programs or spaces that are principally aimed at this age group;
- No encouragement of excessive or abusive consumption, nor giving a negative image to abstinence or sobriety; nor highlighting the alcohol content of beverages as something positive;
- No suggesting that consuming alcohol can contribute to professional, social, or sexual success, or that it increases sexual attractiveness, helps to overcome shyness, or constitutes a way for one to solve problems;
- No associating the beverages with the use of vehicles, weapons, or the improvement of physical or mental performance, nor attributing to them any stimulating, sedative, or therapeutic effects;
- No associating the beverages with situations of violence, aggression, danger or anti-social or illegal behavior.



# UPDATING *The Code*

Bacardi reserves the right to modify the Code from time to time. It is the responsibility of Third Parties to check for any updates to the Code. The most up to date version of the Code may be found at: [www.bacardilimited.com/conduct-code](http://www.bacardilimited.com/conduct-code).

# ETHICS & *Business Integrity*

## ANTI-BRIBERY AND CORRUPTION

- Third Parties must comply with all applicable laws, statutes, regulations, and standards relating to the prevention of bribery and corruption, and must not take any actions to violate, or cause business partners to violate, the same. At Bacardi we maintain a zero-tolerance policy that prohibits any and all forms of bribery, corruption, extortion or embezzlement. We expect our Third Parties to uphold the same standards.
- Third Parties are required to have adequate procedures and documentation in place to prevent bribery in all commercial dealings, and compliance with anti-corruption laws must be monitored and enforced.
- Third Parties must not offer or accept any loan, gift, donation or payment (and ensure that no loan, gift, donation or payment is made, offered, promised or agreed by any person or entity acting on its behalf) either directly or indirectly, whether in cash or in kind, to or for the benefit of any government official or any third party to obtain or retain business or to obtain or retain any improper advantage. The offering or acceptance of bribes will lead to the immediate cancellation of the contract with a Third Party. This prohibition includes “facilitation” or “grease” payments to government officials or other parties.
- Third Parties shall inform Bacardi immediately if any such loan, gift, donation, or payment or any such facilitation or “grease” payments have been requested by any government official or third parties in the course of their business activities in connection with the Bacardi Group.
- Gifts to Bacardi employees from Third Parties that are non-government officials must occur sparingly, comply with the law, comply with the Third Party’s gifting policy, not be lavish and not be intended to obtain or retain favorable treatment or improper advantage. Gifts and entertainment should be non-cash, of nominal value, infrequent and related to a legitimate business purpose.

## CONFLICTS OF INTEREST

Third Parties must avoid conflicts of interest. Any actual or potential conflict of interest, such as personal financial interests of Third Party employees or personal relationships with Bacardi employees that could influence them to make decisions that are not in the best interest of the Third Party must be declared to Bacardi as soon as the conflict of interest is identified. Third Parties shall not take any actions that may interfere with the performance of their contractual obligations.

## TRADE SANCTIONS

Third Parties will not engage in any transaction, commercial or otherwise, with any specified or designated persons, entities, or other bodies subject to or identified under any national or international trade sanctions, restrictions, or embargoes.

## COMPETITION LAWS

Third Parties must comply with all applicable antitrust and competition laws and shall not enter into any agreements or understandings with competitors or others that restrict competition, in particular agreements to fix prices, allocate markets or limit sales.

# HUMAN RIGHTS & *Working Conditions*

Third Parties must comply with the following:

## RESPECT FOR HUMAN RIGHTS

Third Parties must respect their employees by ensuring they have, within the context of the Third Party's business operations, a right to life, personal liberty, and personal security. Third Parties must comply with all applicable laws and regulations, including treaties and international standards such as the UN Global Compact's Ten Principles, UN Guiding Principles, Universal Declaration of Human Rights, International Bill of Human Rights, OECD Guidelines for Multinational Enterprises, and the eight ILO fundamental conventions as set out in the Declaration on Fundamental Principles and Rights at Work. This includes a commitment to the four core conventions in all contexts: Freedom of association and the effective recognition of the right to collective bargaining (Convention No. 87 & No. 98); The elimination of all forms of forced and compulsory labor (Convention No. 29 & No. 105); The effective abolition of child labor (Convention No. 138 & No. 182); The elimination of discrimination in respect of employment and occupation (Convention No. 100 & No. 111).

Third Parties should give extra attention to ensure these rights are upheld among those who are especially vulnerable or at risk of marginalization, including but not limited to women, young people, indigenous peoples, minorities, people with disabilities, and migrant and/or foreign workers. These considerations should be in alignment with the various

human rights instruments designed to protect the rights of individuals/groups including UN Conventions such as the UN Convention on the Elimination of all Forms of Discrimination Against Women, UN Convention on the Rights of the Child, UN Convention on the Elimination of All Forms of Racial Discrimination, and the UN Convention on the Rights of Persons with Disabilities.

## FREEDOM OF EMPLOYMENT

- Third Parties must ensure that there is no involvement in forced, bonded or involuntary prison labor as well as any involvement in slavery, slave trade and practices similar to slavery as well as human trafficking, in particular of children, in their business operations. This includes any work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered themselves voluntarily, with exceptions listed in Art. 2 para. 2 and in Art. 8 para. 3 lit. b and lit. c of the International Covenant on Civil and Political Rights (ICCPR) of 1966.
- Employees shall not be coerced to work through the use of violence or intimidation or through means such as manipulated debt, retention of identity papers, or threats of denunciation to immigration authorities.
- Workers are not required to lodge "deposits" or their identity papers with their employer. All employees shall have the right to terminate their employment in accordance with the contractual or, as the case may be, statutory notice

period. There shall be no unreasonable restrictions on workers' freedom of movement.

- Third Parties, including their recruitment agencies, must not engage in or tolerate abuse of vulnerability, deception, restriction of movement, physical or sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, excessive overtime, or any other kind of exploitation or abuse.
- Recruitment practices shall be transparent, and Third Parties shall work to understand and address risks of modern slavery and human trafficking through their recruitment and employment practices. All workers shall be provided with a written employment agreement, in a language they understand, describing the conditions of engagement prior to beginning work.
- Workers shall not be required to pay recruitment fees at any stage of the recruitment process by Third Party labor agents/agencies or any other third party associated with recruitment. Any such fees paid shall be reimbursed by the Third Party.
- Obligations to employees under labor or social security laws and regulations shall not be avoided through subcontracting, home-working arrangements or apprenticeship schemes.

## FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively without previous authorization.
- Third Parties shall adopt an open attitude towards the activities of trade unions and their organizational activities.
- Workers are free to peacefully assemble, and strike provided the assembly or strike is carried out in conformity with the applicable national law.
- Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

## PAYMENT OF FAIR WAGES

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or if higher, on the basis of industry standards approved in collective bargaining. Suppliers shall strive to progressively realize a living wage for all workers.
- All workers shall be provided with written and comprehensible information, in a language they understand, about their employment conditions in respect to wages and holidays before they enter employment and

about the particulars of their wages for the pay period concerned each time that they are paid.

- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.

## PROHIBITION OF CHILD LABOR AND PROTECTION OF YOUNG WORKERS

- Third Parties must comply with ILO standards on child labor and must prohibit the use of child labor and forced or compulsory labor at all their units. They must ensure that no form of child labor, as defined in the 1999, Worst Forms of Child Labor Convention, which includes, but are not limited to child trafficking, compulsory labor, exploitation of children, etc., occurs across their operations. "Child labor" herein shall mean any work that is harmful to children i.e., work which is exploitative, prevents children from getting an education and/or jeopardizes their physical, mental, or moral well-being, and "Young Workers" herein shall mean any worker under the age of eighteen years.
- Third Parties must not employ any person below the age of eighteen years in the workplace. Where exceptions recognized by the ILO applies (cf. ILO Convention No. 138) and national law allows children aged 16 and above after completion of compulsory schooling to carry out professional activities, the Bacardi Group requires the health, safety and moral well-being of the children to be

fully protected, including comprehensive specific training of the children in the activity in question.

- Third Parties shall implement robust age verification mechanisms as part of their recruitment process that under no circumstance lead to degrading or undignified treatment of employees or applicants. If any incidence of child labor is identified, Third Parties shall provide for the safe removal of the child from work and ensure their rehabilitation. The child's best interests shall be protected. Third Parties shall maintain documentation on remediation provided for any child found working.
- If Young Workers are employed by Third Parties, their working hours must not interfere with their ability to participate in schooling or vocational training programs recognized by competent bodies. Young Workers shall not perform night shifts or any hazardous work that is likely to harm their physical or mental health, their safety or their morals. Legitimate workplace apprenticeship programs which comply with all applicable laws and regulations are supported.

## FAIR WORKING HOURS

- Working hours (especially with regard to overtime, breaks and rest periods) shall comply with national laws or if higher, on the basis of industry standards approved in collective bargaining.
- In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period on average.
- Additional overtime shall be voluntary, shall not regularly exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.
- Holidays, paid sick leave and parental leave comply with national laws or if higher, on the basis of industry standards approved in collective bargaining.

## PROHIBITION OF DISCRIMINATION

Any form of discrimination against employees must be avoided and actively prevented. There shall be no discrimination in particular in hiring, compensation, access to training, promotion, termination or retirement based on especially race, skin color, caste, national origin, religion, age, disability, gender, status (e.g. material status), social background, sexual orientation, language, linguistic origin, property, union membership or political affiliation.

- Discrimination herein shall refer to any distinction, exclusion, restriction, or preference which has the purpose or effect of nullifying or impairing the recognition,

enjoyment, or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life.

## FAIR TREATMENT OF TEMPORARY WORKERS

- Employment of temporary workers must comply with relevant national employment laws.
- Workers who are continually employed on a series of temporary contracts are potentially missing out on the benefits of permanent employment such as holiday and sick pay. Third Parties must be able to demonstrate they do not keep temporary employees on a series of short-term contracts to avoid providing them with the benefits of permanent employment.

## PROHIBITION AND PREVENTION OF HARSH OR INHUMANE TREATMENT OF EMPLOYEES

- Torture, cruel, degrading treatment or punishment, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- Any involvement in genocide, arbitrary arrest, arbitrary detention and/or arbitrary exile shall be prohibited.
- A formal disciplinary and grievance appeal procedure with

documented records of individual disciplinary hearings exists. Such a procedure will support fair treatment of workers.

## SAFE AND HYGIENIC WORKING CONDITIONS

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. This includes, in particular, the safety of workstations and areas as well as equipment, protective measures against dangerous substances, provision (at no cost to workers) of appropriate personal protective equipment (PPE), measures against fatigue, adequate temperature, lighting, and ventilation.
- Workers shall receive regular and recorded health and safety training (in a language that is understood by the worker), and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities, potable (drinking) water, electricity, sanitation, ventilation, and, if appropriate, sanitary facilities for food storage shall be provided. Workers shall be allowed reasonable time to use these facilities as needed.
- Facilities, where provided, shall be clean, safe, and meet the basic needs of the workers. Facilities should promote the dignity of all workers, and respect human and labor rights. Workers shall be provided with their own individual

bed and storage space. Accommodation shall be segregated by sex and there shall be no restrictions on workers' freedom of movement outside of working hours.

- Where transportation is provided, vehicles shall be safe, regularly maintained, and not overcrowded. Drivers shall be trained, licensed, and not permitted to operate vehicles under the influence of alcohol or when suffering from fatigue.
- Third Parties shall establish and maintain controls to minimize worker exposure to extreme heat or humidity caused by weather events including, but not limited to, monitoring workplace temperatures (indoor and outdoor); making reasonable adjustments to working procedures during periods of high heat / humidity; and providing appropriate tools to mitigate the risk of harm including provision of sufficient potable water.
- Responsibility for health and safety is assigned to a senior management representative.
- A health and safety policy must be in place.
- Third Parties shall have zero tolerance towards violence, threats, intimidation or reprisals against human rights defenders, including environmental defenders and members of local communities acting as defenders.
- Third Parties shall put processes in place to protect the security of human rights defenders and prevent any threats or attacks against them in relation to the Third Party's operations or business relationships. Third Parties are encouraged to work directly with human rights defenders in a spirit of collaboration to create a safe and enabling environment for defenders to operate freely, without fear of retaliation.

## LAND RIGHTS AND EVICTIONS

Indigenous peoples' right to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional occupation or use, as well as those which they have otherwise acquired, or indigenous peoples' right to participate in a process that guarantees Free, Prior and Informed Consent (FPIC) to recognize and adjudicate the rights pertaining to their lands, territories and resources, including those which were traditionally owned or otherwise occupied or used will be respected. Third Parties shall document and maintain all requisite permits and records regarding agreed land use. There must be no unlawful eviction.

## JUST TRANSITION: PRESERVATION OF NATURAL RESOURCES AND BASIC HUMAN NEEDS

The natural foundations of life must be preserved and safeguarded. In particular, care must be taken within the scope of all business activities to avoid any adverse soil changes, groundwater contamination, air pollution, harmful noise emissions or excessive water consumption which would result in a substantial impairment of the natural basis for the preservation and production of food, a person being denied access to safe drinking water, a person having difficulty to access sanitary facilities, or the destruction of such facilities, or damage to the health of a person.

## DEPLOYMENT OF SECURITY GUARDS

When private or public security guards are hired or used for the protection of a business project, appropriate safeguards, policies and checks must be in place to prevent torture and cruel, inhumane or degrading treatment, injury to life or limb, or employees' freedom of association being affected.



# ENVIRONMENT

## RESOURCE CONSUMPTION, ENVIRONMENTAL PRESERVATION

Third Parties must comply with all applicable Environment, Health and Safety (“**EHS**”) laws and regulations, administrative practices and policies relating to the preservation of the environment of the countries in which they operate.

Throughout the entire supply chain, including goods and packaging, Third Parties shall aim to avoid or continuously reduce the environmental impact of resource and energy consumption, emissions of greenhouse gases and air pollutants, water consumption and to avoid contamination to soil or water, to avoid or reduce waste, to preserve biodiversity and to promote circular economy.

- Support our SBTi target to achieve Net Zero by 2050 across our entire value chain by aligning their goals with our ambition. For those operating in high-impact categories for Bacardi (such as, but not limited to, glass, co-packing, alcohol, agricultural commodities and logistics), they shall collaborate on our reduction strategies and set their own carbon reduction roadmaps in alignment with our SBTi ambitions. They shall determine the carbon footprint of agricultural activities for our key ingredients under the Forest, Land & Agriculture Guidelines for SBTi and pursue collaborative efforts to make impactful changes;
- Measure, understand and analyze and report their carbon footprint, following internationally recognized methodologies like the GHG protocol, including their scopes 1, 2 and 3, and;
- Provide Bacardi with relevant climate-related and GHG emissions data upon request. This includes data necessary to monitor and report on environmental performance and progress toward emissions reduction targets. Third Parties shall maintain transparent records and cooperate in sharing accurate information to support the sustainability commitments of Bacardi.

## CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

We expect Third Parties to:

- Conduct their business in a way that minimizes Greenhouse Gas (GHG) emissions. Third Parties shall identify and implement measures to reduce carbon emissions, such as assessing energy utilization, adopting energy efficiency and energy-saving strategies, investing in renewable energy sources, and applying regenerative agricultural practices where relevant;

## HAZARDOUS MATERIALS

Third Parties must manage hazardous materials carefully and appropriately. Third Parties must identify and manage chemical and other materials posing a potential environmental hazard and must ensure safe handling, management, movement, storage, recycling or reuse, and legally authorized disposal of such materials (either by themselves or through licensed third parties). Third Parties must act to prevent accidental or deliberate releases of hazardous materials, including wastewater and solid waste and air emissions of volatile chemicals or other substances that would breach applicable laws or cause adverse environmental impacts on the local community.

## CIRCULARITY

Third Parties shall conduct business in a manner that reduces waste (including packaging waste) and contributes to a transition to a circular economy.

### Third Parties supplying packaging materials are expected to:

- Increase the recycled content, with year-on-year improvements;
- Support our targets by minimizing the weight of products supplied and contributing to lightweighting efforts;
- Increase the recyclability, reusability, and biodegradability of packaging materials supplied to Bacardi;
- Support our ambition to eliminate unnecessary packaging and promote sustainable alternatives;

- Support our efforts to ensure that all PET bottles are made from recycled PET; and
- Collaborate and support our ambitions by enabling innovation and sharing ideas that contribute to our circularity goals.

Packaging suppliers using recycled materials (e.g. glass) shall perform appropriate due diligence checks to ensure fair working conditions for formal and informal workers throughout the value chain.

Third Parties must undertake environmental and social impact assessments and address any issues raised. Third Parties are required to obtain and update all approvals, permits and registrations in accordance with relevant legislation and agreements.

Third Parties which supply key raw materials (including but not limited to agave, alcohol, Asti grapes and must, botanicals, cognac, corn, malted barley, molasses, sugar, whisky, and wine) are expected to uphold sustainable farming practices and protect the land from which these materials are sourced.

To support our sustainability goals, Bacardi expects all suppliers of key raw materials to meet at least one of the following requirements:

- Provide certified materials from recognized sustainability certification schemes;
- Be certified suppliers under recognized sustainability standards; or
- Have equivalent sustainability programs in place that demonstrate compliance with regenerative agriculture (RegAg) principles or other credible sustainability initiatives.

Recognized certifications include, but are not limited to, SAI FSA (minimum Bronze level), Bonsucro, Global GAP, Equalitas, HVE, CEC, For Life, and UEBT.

## BIODIVERSITY AND ENVIRONMENTAL IMPACT

- To safeguard natural habitats and the environment, Third Parties must avoid conversion, overexploitation and degradation of pristine ecosystems, and commit to conservation, restoration and sustainable use of pristine or managed forests and other high value ecosystems. Preservation of Key Biodiversity Areas, High Conservation Value areas, High Carbon Stock forests and peatlands is mandatory at the Mass Balance level or higher. Suppliers shall make best efforts to minimize soil and water depletion, avoid their contamination, use chemicals and fertilizers sparingly, and improve water and soil quality whenever possible. To the extent possible, Third Parties shall promote good agricultural practices and sustainable cultivation methods in water and soil management. Before engaging in any construction, clearing or extraction project that will change water, soil or land characteristics,

## NO DEFORESTATION AND LAND CONVERSION

Bacardi is committed to achieving zero deforestation and land conversion across its supply chains. This target applies to all forest-risk commodities relevant to our operations, including wood-derived materials used in production and packaging such as labels, barrels, boxes, and point-of-sale materials, as well as other agricultural inputs with potential forest impact.

### Third Parties supplying these materials shall:

- Ensure that all products and raw materials are sourced from land not subject to deforestation or forest degradation after December 31, 2020, in line with the EU Deforestation Regulation (EUDR) 2023/1115;
- Comply with the EUDR's due diligence requirements, including traceability to the plot of land of origin, geolocation data, and submission of Due Diligence Statements (DDS) to the EU TRACES system prior to placing products on the EU market or exporting from it;
- Avoid mass balance chains of custody, as mixing deforestation-free and non-compliant materials; and
- Provide Bacardi with verified documentation demonstrating compliance with the EUDR, including supporting evidence of deforestation-free sourcing.

Third Parties shall uphold the principles of No Deforestation, No Peat, No Exploitation, maintain High Carbon Stock (HCS) areas, and protect High Conservation Value (HCV) lands from land-use change, informed by the Accountability Framework initiative (AFi).

## WATER STEWARDSHIP

### Third Parties shall:

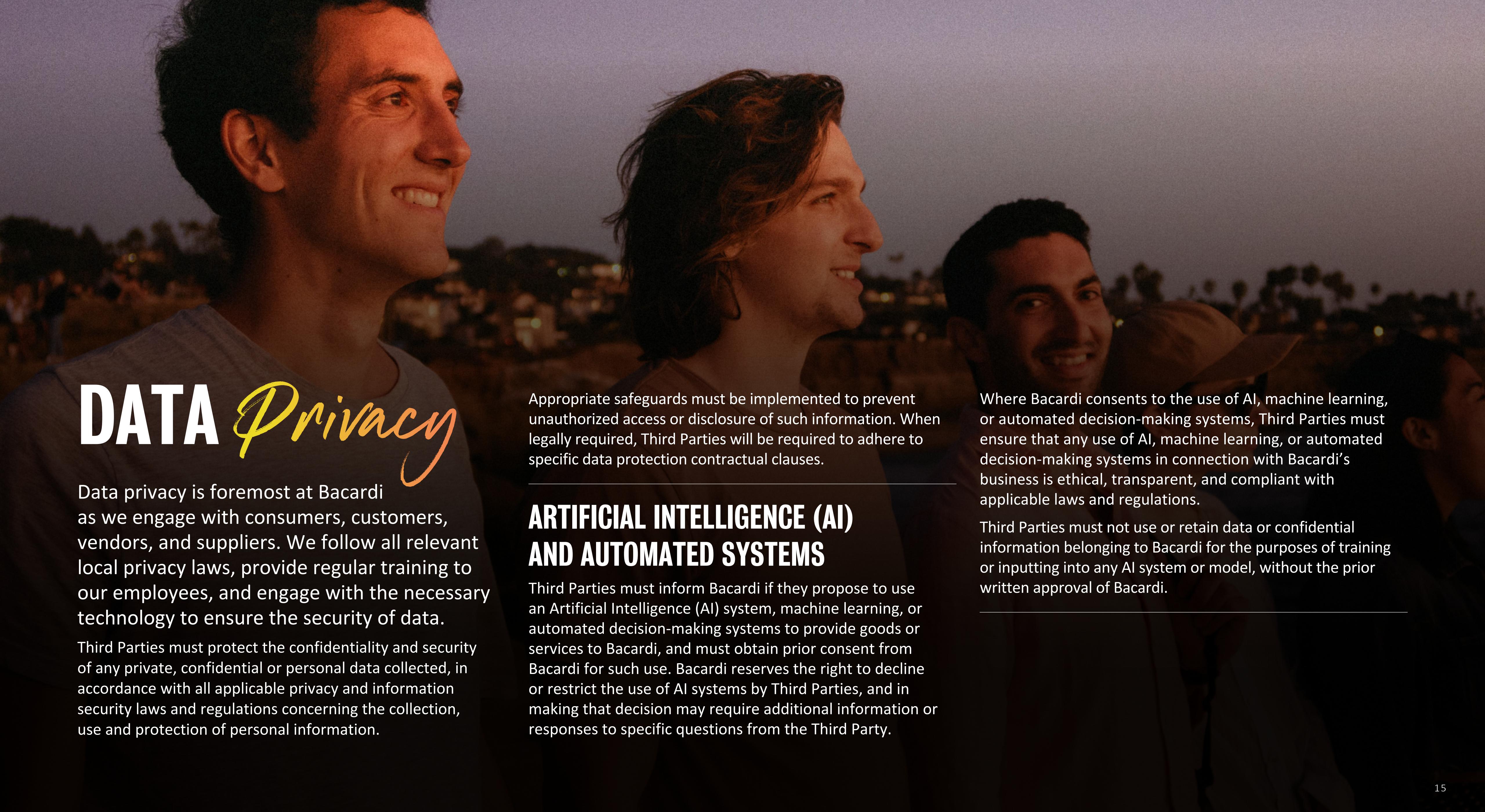
- Implement water management plans that include measurable targets and continuous year-on-year improvements in water efficiency;
- Measure, manage, and report water quantity and quality data within their operations, especially in water-stressed regions;
- Consider additional water stewardship efforts, like supporting local water replenishment and collective action programs, particularly where operations are water-intensive or located in high-risk basins;
- Ensure access to safe drinking water, sanitation, and hygiene awareness for workers at their facilities; and
- Engage with Bacardi to assess water-related risks and dependencies, and collaborate on basin-level stewardship efforts where appropriate.



## ENVIRONMENT MANAGEMENT SYSTEMS

Appropriate environment management systems have to be set by Third Parties, including – but not limited to:

- A documented environmental policy, signed by the Managing Director or equivalent.
- Where appropriate, procedures for notifying local community authorities in case of accidental discharge or release of hazardous materials or any other environmental emergency.
- Identification and documentation of the main areas of environmental impact. This should include as a minimum:
  - the consumption of energy, water, and other natural resources;
  - all significant polluting emissions, discharges, and wastes; and
  - impacts on biodiversity, for example, from the destruction of natural habitats, the use of agrochemicals and the use of genetically modified crops (GMOs).
- Evidence of controls and programs in place to address environmental impacts.
- Written confirmation of compliance with local and national environmental regulations is available.



# DATA *Privacy*

Data privacy is foremost at Bacardi as we engage with consumers, customers, vendors, and suppliers. We follow all relevant local privacy laws, provide regular training to our employees, and engage with the necessary technology to ensure the security of data.

Third Parties must protect the confidentiality and security of any private, confidential or personal data collected, in accordance with all applicable privacy and information security laws and regulations concerning the collection, use and protection of personal information.

Appropriate safeguards must be implemented to prevent unauthorized access or disclosure of such information. When legally required, Third Parties will be required to adhere to specific data protection contractual clauses.

## ARTIFICIAL INTELLIGENCE (AI) AND AUTOMATED SYSTEMS

Third Parties must inform Bacardi if they propose to use an Artificial Intelligence (AI) system, machine learning, or automated decision-making systems to provide goods or services to Bacardi, and must obtain prior consent from Bacardi for such use. Bacardi reserves the right to decline or restrict the use of AI systems by Third Parties, and in making that decision may require additional information or responses to specific questions from the Third Party.

Where Bacardi consents to the use of AI, machine learning, or automated decision-making systems, Third Parties must ensure that any use of AI, machine learning, or automated decision-making systems in connection with Bacardi's business is ethical, transparent, and compliant with applicable laws and regulations.

Third Parties must not use or retain data or confidential information belonging to Bacardi for the purposes of training or inputting into any AI system or model, without the prior written approval of Bacardi.



# IMPLEMENTATION *& Audits*

Achieving continuous and measurable improvement in Responsible Sourcing is integral to the Bacardi business strategy. We recognize that, within our supply chains, there are many different national cultures with their own laws, norms, and traditions, which we acknowledge and respect. Some Third Parties will face more complex issues than others in implementing and meeting this Code. In these areas, the Bacardi Group is committed to working with Third Parties and relevant bodies to deliver effective action plans for change.

## RISK ASSESSMENTS

As part of the Bacardi social audit program, relevant Third Parties identified by Bacardi, including all direct suppliers, are required to register on Sedex, register all the sites that supply to Bacardi on Sedex, link with Bacardi on Sedex, complete a Self-Assessment Questionnaire (SAQ), and undergo cyclical Sedex Members Ethical Trade Audits (SMETA) based on their risk level. This program is crucial to ensure that direct suppliers uphold the principles established in this Code. The audit results are uploaded on the Sedex platform by the auditor and shared with Bacardi, and any open non-conformities must be addressed by Third Parties.

## SELF-ASSESSMENT

Relevant Third Parties identified by Bacardi through our screening process, particularly those supplying direct materials such as raw materials and packaging, are required to register on Sedex and complete the SAQ. The SAQ covers all aspects of the ETI Base Code, which Bacardi follows as the foundation of its responsible sourcing approach. Suppliers must complete the registration and submit the SAQ within two months of the request. All SAQs must be updated every two years to ensure responses remain current. The Bacardi Procurement team will review all submissions and assess supplier risk levels based on both the SAQ responses and a category-country risk evaluation.

## AUDIT

The Bacardi Group shall have the right (but not the obligation) to monitor compliance with this Code, including the right to conduct, or have its designee conduct, unannounced inspections of Third Parties' facilities and records in connection to the business with the Bacardi Group.

Relevant Third Parties identified by Bacardi through our screening process, particularly those supplying direct materials such as raw materials and packaging, are required to schedule a SMETA or an equivalent audit protocol. The Third Party that is asked to undergo an audit shall do this within six months of the request. The Audit frequency is determined by the Third Party's risk classification:

- High-risk Third Parties: Audited every two years
- Medium-risk Third Parties: Audited every three years

- Low-risk Third Parties: Audited every four years

Risk classification is based on inherent risk (category-country) and SAQ responses. Audit results may influence the Third Party's risk level:

- Third Parties with poor audit results will be reclassified as high-risk and must undergo a re-audit within two years.
- Third Parties with average audit results will be reclassified as medium-risk and must undergo a reaudit within three years.
- Third Parties with strong audit results may be reclassified as low-risk, subject to Bacardi's review, and will require to be reaudited within four years.

All non-conformities identified during the audit must be closed within six months of the audit date.

## AUDIT EQUIVALENCY AND EXEMPTIONS

Bacardi recognizes audits and certifications deemed equivalent to SMETA by the Mutual Recognition Working Group of AIM-Progress. These include, but are not limited to:

- BSCI audit protocol
- Bonsucro certification
- Equalitas certification

Third Parties who have undergone such audits may be granted exemptions, provided documentation is shared and verified by Bacardi.



# Remedies for NON-CONFORMANCE with the Code

## WITHIN THE THIRD PARTY'S OWN OPERATIONS

If a human rights-related or environmental obligation has been violated at the Third Party's business or if such a violation is imminent, the Third Party shall report this circumstance in accordance with the Code and take immediate and appropriate remedial action to prevent or terminate the violation and to minimize the extent of the violation.

The Third Party shall immediately prove to the Bacardi Group which measures it has taken in this respect. If the nature of the violation is such that not all measures can be taken or become effective immediately, the Third Party shall submit a plan and a concrete timetable for the outstanding measures coming into effect.

The Third Party shall review the effectiveness of all remedial measures taken by it pursuant to this section at least once a year; if necessary, the Third Party shall adjust the measures appropriately. The Third Party shall promptly report to the Bacardi Group on the findings of its review and any adjustments made.

If the Third Party fails to comply with any of its obligations under this section, any company of the Bacardi Group shall be entitled – without prejudice to its other rights – to suspend the business relationship with the Third Party until such time as the Third Party complies with its obligations.

## WITHIN THE THIRD PARTY'S SUPPLY CHAIN

If factual indications suggest the possibility of a violation of a human rights-related or environmental obligation in the Third Party's supply chain (e.g., by a direct or indirect supplier), the Third Party shall promptly and unsolicited (but in any case, immediately upon request by a company of the Bacardi Group):

- Procure all information required by the Bacardi Group (or a third party commissioned by it for this purpose) to carry out a risk analysis with regard to the entity in question (including repeatedly, insofar as repetition is required by law) and ensure that, for the same purpose, the entity also accepts that inspections may be carried out by employees or agents of the Bacardi Group;
- Impose appropriate preventive measures on the entity in question, such as the implementation of control measures by employees or agents of the Third Party or – at the request of any company of the Bacardi Group – by employees or agents of the Bacardi Group, or the provision of support in the prevention and avoidance of a risk, or the implementation of appropriate industry-specific or cross-industry initiatives.

The Third Party shall ensure through appropriate agreements with its direct suppliers that it is able to fulfil its obligations under this section at all times (i.e., that it receives the required information without delay if necessary, that its direct and indirect suppliers tolerate the aforementioned inspections and that they accept and implement the aforementioned preventive measures).

The Third Party shall promptly prove to the Bacardi Group which preventive measures have been taken.

If a human rights-related or environmental obligation has been violated in the Third Party's supply chain (e.g. at one of its direct or indirect suppliers) or if such a violation is imminent, the Third Party shall report this circumstance in accordance with this Code, promptly draw up a plan for termination and minimization together with the party in question, submit such plan to the Bacardi Group and ensure that the party promptly implements the appropriate remedial measures envisaged in such plan.

The Third Party shall promptly prove to the Bacardi Group which remedial measures have been taken.

# ANNEX

1. The Ethical Trading Initiative (ETI) Base Code
2. The UK Bribery Act
3. The FCPA
4. The UN Global Compact Principles of which Bacardi is a signatory)
5. The UN Guiding Principles
6. The OECD Guidelines for multinational enterprises on responsible business conduct
7. International Covenant of 19 December 1966 on Civil and Political Rights
8. International Covenant of 19 December 1966 on Economic; Social and Cultural Rights
9. Convention No. 29 of the International Labor Organization of 28 June 1930 concerning Forced or Compulsory Labor (ILO Convention No. 29)
10. Protocol of 11 June 2014 to Convention No. 29 of the International Labor Organization of 28 June 1930 concerning Forced or Compulsory Labor
11. Convention No. 87 of the International Labor Organization of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organize as amended by the Convention of 26 June 1961 (ILO Convention No. 87)
12. Convention No. 98 of the International Labor Organization of 1 July 1949 concerning the Application of the Principles of the Right to Organize and to Bargain Collectively; as amended by the Convention of 26 June 1961 (ILO Convention No. 98)
13. Convention No. 100 of the International Labor Organization of 29 June 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (ILO Convention No. 100)
14. Convention No. 105 of the International Labor Organization of 25 June 1957 concerning the Abolition of Forced Labor (ILO Convention No. 105)
15. Convention No. 111 of the International Labor Organization of 25 June 1958 concerning Discrimination in Respect of Employment and Occupation (ILO Convention No. 111)
16. Convention No. 138 of the International Labor Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (ILO Convention No. 138)
17. Convention No. 182 of the International Labor Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (ILO Convention No. 182)
18. Minamata Convention on Mercury of 10 October 2013 (Minamata Convention)
19. Stockholm Convention of 23 May 2001 on Persistent Organic (POPs Convention),
20. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention)
21. Universal Declaration of Human Rights (UDHR) proclaimed by the United Nations General Assembly in Paris on 10 December 1948 (resolution 217 A)
22. Convention on the Prevention and Punishment of the Crime of Genocide of 9 December 1948
23. The Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (the “Torture Convention”) adopted by the General Assembly of the United Nations on 10 December 1984 (Resolution 39/4)
24. The International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) adopted by United Nations in 1965
25. Convention on the Elimination of All Forms of Discrimination against Women adopted by the United Nations General Assembly on 18 December 1979
26. UN Convention on the Rights of the Child signed on 20 November 1989 as last amended including the optional protocols adopted on 25 May 2000 and 24 February 2012; Convention on the Rights of Persons with Disabilities adopted 13 December 2006 by the General Assembly (resolution A/RES/61/106)
27. The United Nations Declaration on the Rights of Indigenous Peoples adopted by the General Assembly on Thursday, 13 September 2007
28. Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities adopted 18 December 1999 by United Nations General Assembly (resolution 47/135)
29. Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime adopted 15 November 2000 by United Nations General Assembly (resolution 55/25)
30. The International Labor Organization’s Declaration on Fundamental Principles and Rights at Work adopted in 1998 and amended in 2022
31. The International Labor Organization’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy adopted by the Governing Body of the International Labor Office November 1977 as last amended in March 2017
32. 1992 Convention on Biological Diversity (incl. Cartagena Protocol on the development, handling, transport, use, transfer, and release of living modified organisms and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity of 12 October 2014
33. Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) of 3 March 1973
34. Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO), adopted on 10 September 1998 (“Rotterdam Convention”) Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer
35. UK Modern Slavery Act 2015
36. Australia Modern Slavery Act 2018
37. France Duty of Vigilance Law 2017
38. California Transparency in Supply Chains Act (2010)
39. Canada Fighting Against Forced Labor and Child Labor in Supply Chains Act (2023)
40. Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor
41. Norway Transparency Act (Åpenhetsloven, 2022)
42. Regulation (EU) 2024/3015 on prohibiting products made with forced labour
43. Regulation (EU) 2023/1115 on deforestation-free products
44. Regulation (EU) 2024/1991 on nature restoration
45. The German Supply Chain Due Diligence Act (LkSG)



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