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# **Anheuser-Busch InBev Responsible Sourcing Principles for Farms**

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## 1) Introduction to Anheuser-Busch InBev's approach to agriculture

As a global brewer, we depend on agricultural supply chains to brew our beers. Our goal is to secure local, resilient high-quality supply of crops for decades to come. This involves partnering with farmers to help improve their productivity and profitability while strengthening environmental stewardship so that land can be used for generations and providing good working conditions which attract and retain people in agriculture.

Malting barley is our primary ingredient. Our other priority crops include rice, hops, corn, sorghum and cassava. We source a significant proportion of our barley and other raw materials through our local sourcing programs across 15 countries, working closely with commercial and smallholder farmers. We also partner with a wide range of third party agricultural suppliers across the world. We believe addressing the economic, social and environmental challenges within the local farming context is critical to creating thriving agricultural systems and ensuring the reliability of supply.

## 2) Objective and Scope

Anheuser-Busch InBev's Responsible Sourcing Policy is aligned to our Global Human Rights Policy and cascades our human rights principles across our entire supply chain. We have created these Responsible Sourcing Principles for Farms to supplement Responsible Sourcing Policy and highlight the principles which are most relevant in the agricultural context and to clarify our expectations in our agricultural supply chain. We work with over 45,000 direct farmers, ranging from large commercial farmers to smallholders and have created these Principles to apply across a broad range of agricultural contexts. Farmers are required to implement the principles within their farming operations and drive continuous improvement against these criteria. In specific high-risk contexts, Anheuser-Busch InBev may require the use of additional independent assessments to support and verify improvements.

When sourcing raw materials through third parties, we expect those suppliers to cascade our requirements through their supply chain. Suppliers must be able to disclose the primary source of origin for materials supplied to Anheuser-Busch InBev. For selected supply chains Anheuser-Busch InBev may request the mapping of the upstream supply chain back to origin to facilitate risk assessments and due diligence.

Within every Anheuser-Busch InBev farmer agreement we expect farmers to acknowledge these Principles and agree to abide by the Principles set out in this document.

## 3) Key Principles

These are the principles which Anheuser-Busch InBev believes are most relevant to address social and environmental priorities within its agricultural supply chains. These should be complemented, as appropriate, with any additional requirements, specifications and tools based on national and local laws and best practices.

Farmers should apply these principles towards their direct employees and contracted or seasonal workers in accordance with relevant labor laws. Where Anheuser-Busch InBev's Responsible Sourcing Principles for Farms address the same provisions as the law, then the one which affords greater protection will apply.

- **A safe and healthy work environment**

Health and safety risks on farms will differ based on local context. To ensure that suitable procedures are in place it is important that farmers identify the types of risks that exist, assess the situations that could be hazardous and put in place measures to reduce these risks which includes providing training to workers and ensuring appropriate supervision is in place. Risks that farmers should be aware of include operating machinery, working at heights, carrying heavy loads, handling agrochemicals and working in confined spaces including grain silos.

- **Worker health**

Workers must be provided with a safe and healthy workplace. Workers must have access to first aid and suitable medical care, adequate rest areas, sanitation, potable water and regular breaks. Based on the nature of work and associated risks, suitable personal protective equipment must be provided to workers.

Where workers are exposed to extreme conditions, including very high or low temperatures, break schedules and rest facilities must be adapted to ensure protection from exposure to high or low temperatures. The type of hydration and nutrition available to workers must also aid recovery.

- **Handling agrochemicals**

Usage of agrochemicals must meet local and international standards and farmers must take steps to ensure exposure to agrochemicals is minimized and does not harm people or the environment. Agrochemicals must be safely stored and disposed of. Agrochemical containers cannot be re-used.

Anyone handling agrochemicals must be trained on their safe application and provided with personal protective equipment suitable for the product. Those under 18 years and pregnant or nursing women must not handle agrochemicals.

- **Children and young people on farms**

The employment of children below the age of 15 or minimum legal working age must be prohibited as per ILO conventions ([Minimum Age Convention, No. 138](#) and [Worst Forms of Child Labour Convention, No. 182](#)) and Anheuser-Busch InBev's Responsible Sourcing Policy. Farmers should have effective procedures in place to verify the age of workers prior to employment.

We recognize that in certain protected circumstances children's participation in work can be positive and support their development. This is acceptable as long as the work is not likely harm their health, personal development or interfere with their education and is conducted in line with the [Children's Rights and Business Principles](#) as defined by UNICEF, the UN Global Compact and Save the Children, ILO conventions and national law. Below are some examples of the type of work that would be considered child labor and are prohibited.

Examples of activities which can be harmful to children	Examples of interference with education
<ul style="list-style-type: none"> <li>• Handling agro-chemicals (fertilisers and pesticides)</li> <li>• Using machinery and equipment e.g. tractors, knives or harvesting equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Requiring children to work excessively long hours so they are unable to attend school</li> <li>• Preventing children from attending school</li> <li>• Requiring children to leave school early</li> </ul>

Young people include those who are under 18 years and above the minimum working age of the country. Young workers are entitled to work in certain defined and protected circumstances, such as government-approved apprenticeship programs. This is acceptable as long as it is conducted in line with the requirements of the ILO convention ([No. 138](#)) and national law. Young workers must have provisions in place to ensure they do not undertake any hazardous tasks and do not work at night.

If any breaches are identified in relation to the employment of children and young people, appropriate remedial measures should be taken which put the interests of the children / young people and their families first.



- **Employment is voluntary**

Farmers must ensure that all workers have chosen their employment voluntarily. Recruitment processes must be transparent and workers must be provided with contracts in their own language, where necessary this may include a verbal explanation to workers. Farmers should ensure that workers understand the terms of their employment contracts.

Contracts must include details such as pay, hours and working conditions, and not require workers to pay fees or provide deposits for their employment. Workers must be able to leave their employment with reasonable notice. Identity documents including visas, passports and ATM cards must not be retained. Copies of relevant documents for employment purposes can be kept for employment records. Wages and salaries must not be withheld and farmers must ensure that workers are paid on a regular basis.

- **Freedom of Association and Right to Collective Bargaining**

Farmers must support the right of all workers to choose whether to form or join lawful trade unions and other organizations of their choice, and to bargain collectively in support of their mutual interests. Farmers must not discriminate in any way against workers that choose to form or join trade unions, or against those workers that choose not to form or join trade unions.

- **Treating workers with dignity and respect**

Everyone working on farms should be treated equally and not subject to any form of discrimination based on, but not limited to, race, religion, culture, gender, age, political opinion, national extraction, social origin, pregnancy and maternity, sexual orientation or any other arbitrary means. Hiring and employment decisions, including those related to compensation, benefits, promotion, training, discipline, and termination, should be made solely on the basis of the skill, ability, and performance of workers. Men and women should receive equal pay for equal work and steps should be taken during hiring and promotion to increase gender diversity.

Farmers should recognise that women may be impacted in different ways to men, farmers should take steps to ensure that working practices are developed and implemented in ways which enable participation of women.

All forms of physical, verbal, and written harassment are prohibited. Farmers must not engage in corporal punishment or take disciplinary-related deductions from workers' pay.

- **Accommodation for workers**

Where farmers provide accommodation for workers, buildings must be safe, clean, in a good state of repair, have cooking facilities and washrooms and have potable water and electricity. Accommodation must meet specific gender-related requirements. Dormitories must not be overcrowded and each person must have their own bed.

Where there is no alternative accommodation for workers, farmers should avoid charging workers for accommodation. If this is not possible any charges should be transparent, highlighted during the recruitment process and clearly explained to workers. Accommodation should be limited to a small proportion of worker income and not create a situation where the worker becomes indebted to the farmer or employer.

- **Working hours and compensation**

Working hours and overtime need to comply with applicable wage, work hours, overtime and benefits laws and regulations. As there are health and safety risks associated with excessive working hours, workers must be provided with at least one continuous 24-hour rest period during a seven day work period. Workers must be provided with regular short breaks to recover physically and ensure they remain alert to hazards. Sufficient meal times must be provided and nightly rest must be provided.

Wages and benefits shall be equal or superior to the applicable minimum legal and regulatory requirements. During intense farming periods such as harvest time, if exceptional circumstances

occur e.g. changes in weather or conditions, limits to working hours can be waived. This must be agreed with workers in advance, the safety of workers must not be at risk and the shift system has been designed to minimise the accumulation of fatigue.

- **Land Rights**

Secure land rights for farmers and rural communities support improvements in land conservation, quality of farm land and economic prosperity.

All farmers must ensure that they have the right to farm their land. This can be in the form of ownership, tenancy, customary rights and conformance to government or local authority zoning schemes.

Farms undergoing expansion or any developments which may impact on local peoples' land, must undertake appropriate due diligence, seek Free Prior & Informed Consent and uphold the land & property rights of local communities.

- **Environmental management practices**

Suitable environmental management practices are critical for ensuring farmers have a sustainable operation that will continue well into the future. In markets where we source directly from farmers and farmers' organisations, our agronomists work with farmers to help them improve their agronomic and environmental performance through sharing advice on management practices, appropriate technologies and data analytics to support improved decision-making. We expect farmers to comply with local environmental laws and to implement changes to farming systems that promote sustainability in agriculture.

- **Soil and pest management**

Farmers should identify and follow locally tailored best management practices relating to soil, which take into account soil structure, fertility and erosion. Soil monitoring processes should be in place to assess macronutrients, pH levels, organic matter, heavy metals etc. Farmers should measure and take appropriate steps to improve soil organic carbon. This includes adoption of practices such as minimization of tillage, diverse crop rotations and cover crops.

Every effort should be made to optimise the efficient use of agrochemicals, following fertilizer best management practices to match nutrient supply with crop requirements and to minimize nutrient losses from fields, reduce greenhouse gas emissions, and improve farm profitability. Other agronomic and conservation practices, such as no-till farming and the use of cover crops, play a valuable role in supporting nutrient stewardship. Optimizing agrochemical use will be most effective when applied with these other agronomic and conservation practices. The implementation of soil management best practices are dependent on local soil and climatic conditions, crop, management conditions and other site specific factors and will need to be tailored to regions and adapted locally on farm.

Integrated Pest Management programs should be implemented, to help control losses due to pests using the most economical means possible while minimising potential hazards to people and the environment.

- **Protection of natural habitat**

Farmers should be aware of the conservation status of the ecosystem within which they farm and take appropriate steps to protect natural habitat. This includes implementation of best management practices to protect threatened or critical ecosystems, minimize pollution or degradation of the environment and protect threatened species. Taking these steps helps to maintain the health of the farmland – both now and in the future.

- **Water**

Farmers should implement measures that protect and minimize their impact on water sources through a focus on conservation agriculture practices, improving irrigation efficiency, precision



agriculture, rainwater harvesting and adoption of drought-resistant crop varieties. All farms must follow local laws and regulations relating to the use of water. Inappropriate waste must not be disposed of in water sources. Where farmers are operating in areas of high water stress, additional measures may be required at the watershed level to improve water availability and quality. Farmers should collaborate with local stakeholders to identify and implement appropriate water management solutions.

- **Energy & Waste Management**

Farmers should take steps to reduce their energy use on farm which will help reduce costs and greenhouse gas emissions. The use of renewable energy should be increased wherever feasible. Waste storage and disposal must meet legal requirements and local best practice. Farmers should take steps to reduce harvest losses and when necessary take steps to reduce waste from losses through improved handling and storage.

- **Raising concerns using grievance mechanisms**

Farmers should have a process in place to allow farm workers to raise suggestions, concerns or complaints anonymously. The process needs to be understood by workers, easy for them to access and provide clear feedback on how issues are being addressed. Farmers must ensure that all issues raised are fully investigated and handled in a fair and non-biased manner and there must be no retaliation against workers for raising issues. Grievance mechanisms can include post-boxes, a phone line or other processes suitable for the farm and workers.

Farm employees or other stakeholders who feel that their concerns have not been addressed via grievance mechanisms may also report issues directly to Anheuser-Busch InBev via our internet-based message interface, <http://talkopenly.ab-inbev.com>, as well as our toll-free whistle-blowing line, equipped with translation services, are available 24 hours a day, 7 days a week and is available in over 10 languages.

## **4) For More Information & Contact**

If you have any questions on the Responsible Sourcing Principles for Farms, please reach out to your Anheuser-Busch InBev contact person or visit [www.ab-inbev.com](http://www.ab-inbev.com).

