

RESPONSIBLE SOURCING

WE BELIEVE IN DRIVING POSITIVE SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPROVEMENTS IN OUR SUPPLY CHAIN, AND WORK CLOSELY WITH OUR SUPPLIERS TO ACHIEVE BETTER SUSTAINABILITY OUTCOMES.



OUR AMBITION

We aim to **embed our responsible sourcing commitment in our supplier partnerships**, including ensuring that more than 95% of assessable supplier spend is compliant with Amatil's responsible sourcing policies.

OUR COMMITMENT AND APPROACH

We have valued partnerships throughout our value chain, including with suppliers, and have a public commitment to ensure more than 95 per cent of spend with suppliers is covered by responsible sourcing assessments.

We request our supplier partners to follow Coca-Cola Amatil's *Responsible Sourcing Guidelines* as well as The Coca-Cola Company's *Supplier Guiding Principles*. Environmental and social sustainability criteria is an important part of the supplier sustainability assessments that cover most of Coca-Cola Amatil's key suppliers.

We are able to leverage our significant procurement expenditure to drive improved outcomes in human rights, environment, social inclusion and sustainable development.

Partnering with suppliers

In 2020, over 90% of suppliers, by share of spend¹, were assessed using responsible sourcing assessments that measure performance against the Coca-Cola Company's *Supplier Guiding Principles* or Amatil's *Responsible Sourcing Guidelines*. We apply a tiered approach, which includes partnering with independent third parties to assess suppliers in different risk procurement categories.

The Amatil *Responsible Sourcing Guidelines* cover four key areas of supplier performance – business ethics, human and workplace rights, the environment, and providing benefits to communities. Amatil is committed to fully enforcing these principles and expects our suppliers to develop and implement appropriate internal business processes to ensure compliance.



OVER

A\$1.4million

spent with **social enterprises** in Australia



MORE THAN

90%

of supplier spend screened using responsible sourcing criteria



RESPONSIBLE SUGAR SUPPLY

Responsible sugar supply is a priority across our operations in Australia, New Zealand and Indonesia. We are proud to support the accreditation frameworks provided globally by Bonsucro, and in Australia by Smartcane BMP (Best Management Practice). As at the end of 2020, we were pleased to have achieved 100 per cent accredited sugar supply for our non-alcoholic drinks in Australia and New Zealand, and 96 per cent in Indonesia.

¹ Supplier spend data is for Australia, New Zealand and Indonesia only. The proportion of supplier screening is measured based on the value of spend with suppliers who have been subject to one of Amatil's screening tools, compared to total supplier spend for the calendar year. Amatil applies different screening tools according to the level of spend, sector, and location of each supplier.

RESPONSIBLE SOURCING (CONTINUED)



OVER

A\$222k

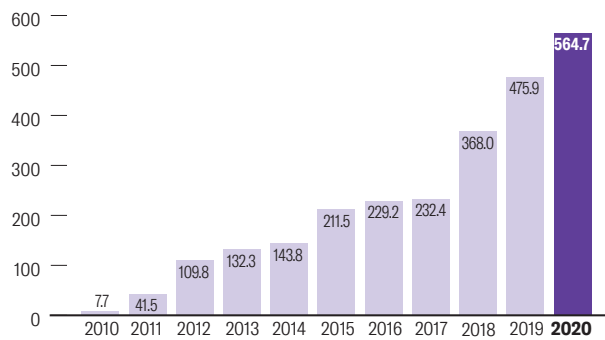
spent with **Indigenous suppliers** in Australia

Social procurement

Amatil is proud that in 2020 we were able to spend over \$1.4 million with social enterprises that support employment opportunities for disadvantaged groups in Australia. We are a member of Supply Nation, the largest national directory of verified Aboriginal and Torres Strait Islander businesses, and in 2020 we procured goods and services worth over \$222,000 from Indigenous suppliers.

Over the last decade, we have invested over \$2.5 million in Fairtrade community co-operatives through the purchase of Fairtrade coffee for our Grinders Coffee brand.

Cumulative Fairtrade Investment: \$2.5 million
\$000s



Minimising environmental impacts in our supply chain

We actively work with suppliers to minimise their environmental footprint. In Australia, at the end of 2020, 100 per cent of the sugar we use was certified under either Bonsucro or Smartcane Best Management Practice, while in Indonesia, 96 per cent of the sugar we use was Bonsucro certified. We have moved 100 per cent of our paper and board to Forestry Stewardship Certified sources in Australia and New Zealand. Another priority has been to increase the use of recycled materials in our packaging, and we are working with suppliers to develop a supply chain that meets our environmental and quality standards.

Palm oil is not added directly to any of our beverages and Amatil does not directly buy the commodity. We require any supplier which provides ingredients that use palm oil derivatives to be members of the Roundtable on Sustainable Palm Oil, to support its vision, and to ensure by 2020 the raw materials they use do not contribute to deforestation.

OUR FOCUS ON RESPONSIBLE SOURCING

We believe in driving positive social, environmental and economic improvements in our supply chain, and working closely with our suppliers to achieve positive social outcomes, including with respect to human rights.

We ask all our suppliers to commit to Coca-Cola Amatil's *Responsible Sourcing Guidelines* together with The Coca-Cola Company's *Supplier Guiding Principles*, which provide our supplier partners with the standards and procedures we expect them to adhere to.

We also apply a tiered screening process, using a combination of physical third-party audits for large spend suppliers overseen by The Coca-Cola Company; a second-tier of self-assessments using an evidence-based, respected third-party portal; and a third-tier of requesting suppliers sign commitments to our responsible sourcing guidelines.

Decisions on which suppliers must complete each process are based on assessment of the relative risk as well as the value of expenditure with suppliers. If any evidence of human rights issues is found during these screening processes, assuming no laws have been breached, our first step is to develop an action plan with suppliers to address and rectify any issues.

We also aim to use our significant procurement expenditure to drive positive social outcomes via specific social procurement programs in most countries of operation, with a focus on supporting and upholding the human rights of vulnerable or disadvantaged groups.

