



SUPPLIER CODE



**LEADING INDUSTRIAL DEVELOPMENT,
BREWING A BETTER LIFE**

華潤啤酒（控股）有限公司

China Resources Beer (Holdings) Company Limited

CR BEER SUPPLIER CODE (VERSION 1)

I. INTRODUCTION TO THE CR BEER SUPPLIER CODE

(I) Our Values

China Resources Beer (Holdings) Company Limited and its affiliated and holding companies (hereinafter collectively referred to as “CR Beer”). The CR Beer values are integrity, performance-oriented, people-oriented, and win-win collaboration. As a proud and responsible brewer, we are committed to conduct business with integrity and fairness, with respect for the law and our values, and fulfill our mission of “leading industrial development, brewing a better life”.

CR Beer seeks to collaborate with suppliers who share our values and are equally committed to responsible business conduct. We expect you, our supplier, to help us deliver on our values and commitments to responsible business conduct at all times. Working together, we can maximise our positive impact and grow together in a sustainable and responsible way.

(II) Scope

CR Beer has the responsibility to ensure that our suppliers understand what is expected of them. The CR Beer Supplier Code (the “Code”) helps Suppliers to understand CR Beer’s

minimum standards. We expect our Suppliers to acquaint themselves with its contents.

CR Beer requires its Suppliers to comply with all applicable laws and regulations in their operating locations, as well as the minimum standards set forth in this Code. Suppliers shall implement these minimum standards in their operations and communicate them to all personnel they employ, including those working for the Suppliers under third-party contracts.

CR Beer requires Suppliers to take appropriate measures to ensure that their own Suppliers also comply with the minimum standards outlined in this Code.

CR Beer requires Suppliers to assess their own business operations and entire supply chain in accordance with this Code. CR Beer will also inspect Suppliers' compliance with this Code. In the event of non-compliance with the minimum standards, the Supplier must rectify the issue within the timeframe specified by CR Beer. If the Supplier fails or refuses to take corrective action, CR Beer may terminate the business relationship. In cases involving legal or contractual obligations, actions shall be taken in accordance with the applicable laws and agreements.

(III) Joint Commitment to Responsible Procurement

Suppliers play a crucial role in helping us deliver on our commitments, and we seek to develop open and mutually

supportive relationships to enhance standards across the entire value chain.

Respecting and abiding by the Code is just the starting point for Suppliers. By signing this Code, Suppliers agree to meet our standards and expectations regarding responsible business conduct, employee rights, health and safety, and environmental protection.

CR Beer shall be responsible to provide support to the Suppliers and help them with continuous improvement. To this end, we have set out a section headed “Suggestions for Continuous Improvement” in this Code for reference, to support the Suppliers for further improvement and optimisation.

Suppliers are encouraged to contact us in case of any questions about the contents of the Code or if they require further guidance or support to ensure compliance.

II. SPECIFIC CONTENTS OF THE CODE

(I) Conducting Business with Integrity and Fairness

CR Beer is committed to conducting business with integrity and fairness. Suppliers play a vital role in ensuring that we uphold our standards. We shall require the Suppliers to meet the following minimum standards:

1. Maintaining competition

Suppliers shall support an integrity, open, fair and competitive business environment. Participation in bid rigging, fraud or other improper and dishonest behaviors shall be prohibited.

2. Eliminating bribery

CR Beer shall prohibit the solicitation and acceptance of bribes in any form, as well as the provision of bribes in any form. Similarly, we shall require the Suppliers to prohibit the acceptance, solicitation, participation in, provision of, offer of, promise of, or authorisation of any bribes.

In case of any violation of the Code, we shall require the Suppliers to immediately report to the Commission for Discipline Inspection of CR Beer.

3. Avoiding conflict of interest

CR Beer shall require all its employees to make decisions in the best interests of CR Beer under the premise of fairness and impartiality. Therefore, we shall avoid the situations in which a conflict could arise between the interests of CR Beer and direct or indirect personal interests.

We expect the Suppliers to collaborate for ensuring strict adherence to and implementation of this clause. In cases where potential conflict of interest may arise, including but not limited to, instances involving CR Beer's serving executives, those who

have been removed, departed, or retired within the past three years, key position holders, and individuals with specific relationships to the aforementioned groups who hold shares in the Supplier or receive compensation for their roles, as well as individuals affiliated with the Supplier who hold positions within CR Beer, such situations should be immediately reported to the Procurement Management Centre of CR Beer so that appropriate actions can be taken.

4. Financial records, confidential information, money laundering and insider dealing

We expect our suppliers to perform all business and commercial dealings in a lawful and compliant manner and record them accurately in its books and records according to local law; not to engage in or facilitate any form of money laundering; to treat all business, commercial and financial information regarding CR Beer and its commercial partners as confidential.

The Supplier shall not use confidential information it possesses regarding CR Beer to either engage in or support insider dealing.

(II) Respecting the Dignity and Interests of All Employees

CR Beer is committed to people-oriented values and conducting business with respect for employees' dignity and interests. We expect the same commitment from our Suppliers and require them to meet the following minimum standards:

5. Non-discrimination

The Supplier shall treat employees equally and fairly, respects cultural and individual diversity and promotes inclusiveness.

The Supplier shall employ, reward and promote based on the principle of equal opportunity, and shall make employment decisions, including hiring, placement, promotion, development, training and compensation, based on factors such as qualifications, experience, performance, skills and potential, without distinction according to race, colour, gender, religion, national or social origin, age and disability. The Supplier shall respect the local cultural traditions and customs.

6. No harassment

The Supplier shall not tolerate physical, verbal, sexual or psychological harassment, bullying, abuse or threats in the workplace.

7. Freedom of association and the right to collective bargaining

The Supplier shall respect the right to freedom of association and collective bargaining conferred on employees by local laws and regulations. Where local laws and regulations restrict the right to freedom of association and collective bargaining, the Supplier shall endeavor to develop other ways to have a meaningful social dialogue with worker representatives, without breaking local laws.

8. Freedom of movement and no forced labour

The Supplier shall respect the freedom of movement of employees. All employees, including third-party contract workers, should work freely. No forced labour is allowed.

Fees and costs associated with recruitment and employment should be paid by the Supplier. The employees should be aware of the terms and conditions of their work and be paid as agreed.

9. Children's rights

The Supplier respects the rights of the child as stated in the United Nations Convention on the Rights of the Child, including the right to education, the right to rest and play and the right to have basic needs met. The Supplier shall not engage in, or allow, child labour within their facilities or in those of their suppliers.

The Supplier follows the International Labour Organization (“ILO”)’s definition of the minimum age for admission to

employment or work. This age shall not be lower than the age of completion of compulsory schooling and in any case not be under 15 years of age, except in some countries, where it is 14. The Supplier shall comply with local law if it sets a higher age to define child labour.

10. Reasonable working hours

The Supplier will always comply with local laws, regulations and local customs with regard to working hours and overtime. The Supplier recognizes the right to sufficient rest and leisure, and therefore aims to prevent their employees from working excessive hours.

11. Fair wages and income

The Supplier pays its employees fair wages for work performed. The Supplier observes the statutory minimum wage set in the country or region in which it operates.

Where the statutory minimum wage is non-existent or not sufficient to meet basic needs, the Supplier shall strive to pay employees enough to ensure a decent standard of living enough to satisfy basic needs for the employee and their families.

❖ Tips for continuous improvement

✓ Access to water

The Supplier is encouraged to ensure employees have access to safe drinking water and sanitary facilities in the work place.

✓ **Working hours**

In the absence of local laws or collective agreements such as ILO standards, the recommendation for normal working hours would be not to exceed 48 hours per working week, or 60 hours per working week including overtime, and to allow employees at least one day of rest in every seven day period.

✓ **Fair wages & income**

In the absence of statutory requirements, we recommend Suppliers to refer to WageIndicator.org for additional guidance.

(III) Putting Health and Safety First

People are at the heart of our company. We are committed to provide a safe and healthy work place and prevent harm to our employees, individuals working for us through a third party contract and other visitors. We also expect our Suppliers to meet the following minimum expectations:

12. Working safely

The Supplier shall provide a safe and healthy working environment for its employees. The Supplier shall provide labour protective equipment, safety protection facilities, safe

tools, equipment and vehicles that are suitable for the work that is undertaken.

The Supplier's employees shall be competent for the work and be trained in the safe use of the tools, equipment and the vehicles they operate. The Supplier's employees are empowered to stop unsafe work and report incidents and unsafe work practices.

We require suppliers to comply with applicable laws regarding work safety and occupational health. When working for CR Beer at its facilities or remotely, Supplier and Supplier's employees must adhere to applicable safety and health procedures and work instructions, including the CR Beer Contractor Safety Agreement.

13. Emergency response and medical care

The Suppliers shall maintain emergency plans to respond to health emergencies and accidents, including access to adequate medical care.

(IV) Reducing the Impact on Environment

Climate change is one of the greatest threats facing society while pressure on the world's resources is growing. We believe it is not only our responsibility but a shared responsibility with our Suppliers to use resources wisely and reduce the impact on environment.

14. Brewing a Better Life

We believe sustainability is a driver for business success and that business can be a positive force for change. Brewing a Better Life is not only part of our sustainability strategy, but also one of our priority areas of focus. In this regard, we focus on areas where we can make a difference towards people, region and social prosperity.

We focus on the following areas to reduce our environmental impact:

- ✓ Protecting water resources
- ✓ Reducing carbon emissions throughout the life cycle from raw materials to consumer terminals
- ✓ Sourcing raw materials in a sustainable way

Our own targets will help to drive change and reduce our environmental impact. We believe this is a shared responsibility and we rely on our Suppliers to help us achieve this. We expect our Suppliers to adhere to local applicable laws concerning energy usage, water conservation as well as waste and contaminant management.

❖ Tips for continuous improvement

Establish environmental policies to reduce environmental impacts. We encourage our Suppliers to develop their own

environmental policy statements that include targets for reducing environmental impacts in the following areas:

- ✓ Reduce energy consumption and related CO₂ emissions
- ✓ Responsible water resource and waste management
- ✓ Minimise waste through recycling, reusing, and other methods
- ✓ Procurement of raw materials from sustainable sources

III. COMPLAINT AND REPORTING CHANNELS

For potential violations of this Code, CR Beer encourages and welcomes open communication and feedback from Suppliers, including their employees. We view such feedback as an opportunity to identify and rectify potential misconduct, rather than ignoring it and allowing issues to escalate.

If Suppliers become aware of violations of this Code by employees of CR Beer or other Suppliers, please report to us via the following email addresses:

CR Beer Procurement Management Centre:
crb_pmc_gw@crb.cn

CR Beer Commission for Discipline Inspection:
lianjie@crb.cn

CR Beer encourages Suppliers to establish and implement their own grievance mechanisms.

IV. CONTACT INFORMATION AND FURTHER DETAILS

If you have any questions, comments, or further suggestions regarding the CR Beer Supplier Code, please contact the CR Beer Procurement Management Centre. For further information and support regarding the Code, please contact your designated CR Beer business contact.

China Resources Beer (Holdings) Company Limited

21 January 2025