



PROXIMO UK

Proximo Spirits UK Limited

Modern Slavery and Human Trafficking Statement

Policy Statement

Section 54 of the Modern Slavery Act 2015 imposes a statutory obligation for increased transparency in supply chains. The legislation requires any organisation, in any part of a group structure that supplies goods or services with a turnover of £36 million or more to produce a “slavery and human trafficking statement” for each financial year. Such an organisation has an obligation to produce a statement within 6 months of their year-end, indicating their position, policies and due diligence in relation to modern slavery.

This is our first year of producing a Modern Slavery statement on behalf of Proximo Spirits UK Limited. This statement is for the 12 months period to 30th September 2023. This statement is published in accordance with the Modern Slavery Act 2015 and sets out the steps taken by Proximo Spirits UK Limited during the financial year ending 31st December 2021 to seek to prevent modern slavery in its business and supply chains.

Our Business and Supply Chain

Becle, S. A. B. de C. V. and its subsidiaries, which we refer to collectively as Becle, 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. Becle’s flagship tequila brand is Jose Cuervo Especial but the Company has developed other internationally marketed tequila brands, including 1800 and Gran Centenario. Becle also distributes several categories of alcoholic beverages other than tequila, including vodka, whiskey, rum and liqueurs and commercialises more than 30 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 85 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 center in Indiana, and a finished goods distribution center in Kentucky.
- In Mexico, the Company operates the largest private Agave Azul plantation in order 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.



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Policies

We are committed to addressing and ensuring ethical compliance, and have developed policies which reflect the values that we adhere to as a business and support our approach to the identification of modern slavery risks and to prevent slavery and trafficking in our operations and in those of our supply chain;

- **Global Becele Code of Business Conduct:** our Code of Conduct is an important tool in bringing our values to life in our work. It explains the Company's expectations in areas that could cause ethical or legal issues if mishandled and includes information regarding how to report potential violations of the Code to our global Ethics Line. <https://cuervo.com.mx/social-responsibility/corporate-ethics/>
- **Code of Ethics for Vendors:** our Code of Ethics for Vendors outlines the standards and behaviours expected of all our vendors and is based on the [10 Principles of the United Nations Global Compact](#). All vendors are provided with this Code and we expect that they govern their conduct by the guidelines provided in the Code of Ethics.
- **Whistleblower Policy:** we operate 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.
- **Anti-Bribery and Anti-Corruption Policy:** our 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.

Due Diligence

Proximo Spirits UK Limited is committed to the prevention of slavery or human trafficking from taking place within our business and supply chain, to the best of our ability, through the following actions:

1. Undertaking a risk assessment of areas within our businesses and supply chain, with a particular focus on child labour, forced labour, health and safety, employment rights and diversity;
2. Complying with all local and international labour laws where we do business and operate in;
3. Performing due diligence on existing business partners, as well as with potential future business partners to notify our suppliers of our approach to human rights and working conditions;
4. Undertaking an audit of our supply chain and issuing a Modern Slavery Act Questionnaire to our audit sample;
5. Creating a safe and healthy work environment for our colleagues and notifying our expectation of a similar approach by our suppliers – specifically so that they comply with all applicable health and safety laws and regulations in the countries in which they operate; and



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6. Providing an independent telephone 'Ethics Line' and electronic reporting mechanism to all employees across the Becele Group to report any concerns which they may have. This reporting mechanism can also facilitate anonymous reporting. We have recently launched a global communication campaign to ensure every employee is aware of this reporting method.

Risk Assessment

Through our risk assessment, we consider that supply chains are key areas which our business monitors in order to limit the risk of slavery and human trafficking.

Specifically, in relation to our supply chain, we have used the [2018 Global Slavery Index](#) data to identify any high risk countries where our business and/ or suppliers may operate in. We intend to audit a sample of these suppliers annually to identify whether they present any concerns regarding modern slavery.

Training

This year we have engaged externally lead training sessions for staff on the issue of modern slavery within our supply chains and our business. This training has been delivered to all members of the Senior Executive Board across the Becele Group. We intend for this training to be developed and delivered to all members of the senior management team across the Becele Group over time. Eventually, we intend to deliver training on modern slavery to all new starts as a part of their induction training.

We have also recently partnered with [TRACE](#), which is a globally recognised business association committed to anti-bribery, compliance and good governance. We have recently undertaken Anti-Corruption training with TRACE and, as part of our Compliance Training Plan, we intend to extend this training to a greater number of employees across all business units within the Group. We also intend to undertake additional courses, including training on Modern Slavery later this year.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 in relation to the financial year ending 31st December 2021. This statement was reviewed and approved by the Board of Proximo Spirits UK Limited on 29th June 2021.

SIGNATURE

Andrew Clifton

Director