

# BACKUS Y JOHNSTON

ISIN CODE: PEP218025000

Overall score 34/100

Sector: Beverage Emerging Market  
Companies in sector panel: 16

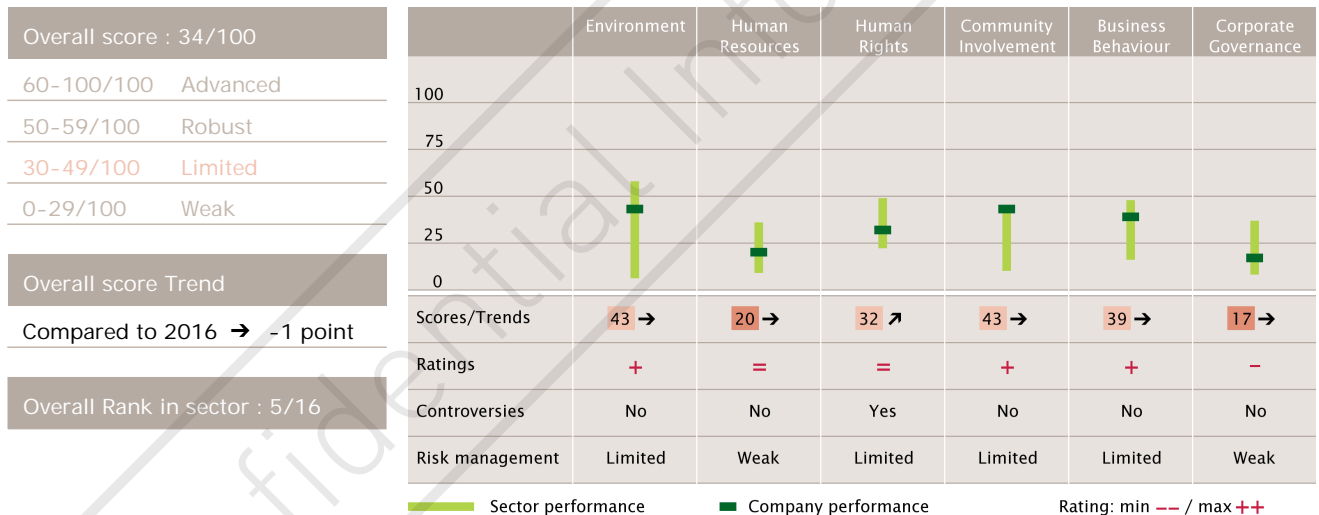
Information rate: 58% (Sector average: 48%)  
Company cooperation level: Not responsive \*

## General information

Backus & Johnston (Backus) is a Peru-based company engaged in the production, packaging and distribution of alcoholic and non-alcoholic beverages. Its main product is beer, and Backus owns a majority of the brands available in Peru and distributes the Coca-Cola Company's brands in Peru. In October 2016, Backus, a subsidiary of the British SabMiller, became a subsidiary of Belgian Anheuser-Busch InBev when the acquisition of the former by the latter was completed.

Main Economic Segment**	Turnover 2016
Beer	90.6 %
Carbonated drinks	4.2 %
Water	4.1 %

## Overall CSR performance & trends



- Backus' overall reported approach to managing its CSR responsibilities is considered to be limited in absolute terms (34/100) and stable compared with the previous review (October 2016).
- Backus appears to have a heterogeneous approach to address its ESG impacts. The Company achieves a limited performance in the Environmental and Social pillars. Its performance in the Governance pillar is considered to be weak, due to the Company's general lack of disclosure on governance topics including relevant information on Board members and executive remuneration.
- During the period under review, the Company has faced an isolated allegation regarding the non-respect of fundamental labour rights, on which it reports transparently with no apparent evidence of taking corrective measures.

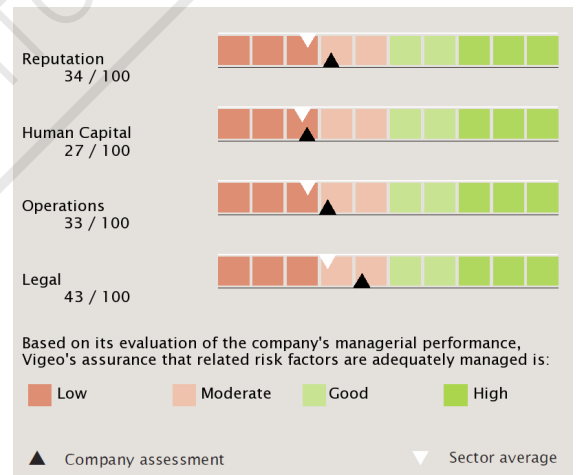
Company inclusion in Vigeo Indices\*\*\* : NO

\* On a 4-level scale: proactive, responsive, partially responsive, not responsive  
 \*\* See detailed economic indicators in Selected financial data section  
 \*\*\* Based on the most recent Index at the date of publication

## Management of Risks and Opportunities

		Weaknesses		Strengths	
Weight of the Sustainability drivers	3	<ul style="list-style-type: none"> <li>■ Biodiversity</li> <li>■ Fundamental labour rights</li> <li>■ Board of directors</li> <li>■ Reorganisations</li> </ul>	<ul style="list-style-type: none"> <li>■ Water</li> <li>■ Product Safety</li> </ul>	<ul style="list-style-type: none"> <li>■ Labour standards in the supply chain</li> <li>■ Labelling and marketing</li> <li>■ Societal impacts of products</li> </ul>	<ul style="list-style-type: none"> <li>■ Environmental strategy</li> </ul>
	2	<ul style="list-style-type: none"> <li>■ Career management</li> <li>■ Audit and internal controls</li> <li>■ Health and safety</li> <li>■ Shareholders</li> <li>■ Responsible lobbying</li> <li>■ Executive remuneration</li> </ul>	<ul style="list-style-type: none"> <li>■ Energy</li> <li>■ Corruption</li> <li>■ Packaging</li> <li>■ Fundamental human rights</li> <li>■ Supplier relations</li> <li>■ Social and economic development</li> </ul>		
	1		<ul style="list-style-type: none"> <li>■ Non-discrimination and diversity</li> <li>■ Contribution to general interest causes</li> </ul>		
		Weak 0 to 29 points	Limited 30 to 49 points	Robust 50 to 59 points	Advanced 60 to 100 points

- Overall, Backus provides low to moderate assurances that it adequately manages CSR risks linked to its **human capital, operational efficiency, reputation and legal security**.
- On one hand, the Company's reported approach to mitigate **alcoholism** and managing the negative societal impacts of its products is an area where Backus appears to be adequately managing potential reputational and legal security risks. The Company visibly discloses its "how to operate responsibly" guidelines and reports on significant measures to promote responsible alcohol consumption. Furthermore, Backus reports comprehensively on the policies and measures allocated to ensure **responsible advertising**. In particular, the Company explicitly states that it uses SabMiller's Responsible Marketing and Communications Code as a reference document and reports that comprehensive measures are in place. Through this, Backus appears to be taking steps to mitigate the legal risks linked to irresponsible marketing and advertising and the reputational risks linked to alcohol misconsumption.



- On the other hand, Backus' approach to the management of **key environmental issues** appears to be mixed. The Company displays an advanced Environmental Strategy, including a long-term target to reduce CO2 emissions as well as a certified environmental management system covering its entire operations. However, other quantified targets do not appear to be disclosed. On biodiversity protection, Backus' reported approach appears to be weak. This is, a key issue for the sector in order to ensure the quality of the supplied ingredients and at the same time to protect the long term sustainability of the agricultural suppliers throughout the value chain. The Company's sustainable management of packaging appears to be limited, with a general commitment, and some measures implemented to tackle the issue. However, the Company does not report consistently on key performance indicators linked to this topic that is a key downstream issue for beverage companies due to their significant environmental footprint (notably through plastic bottles). Therefore, overall, Vigeo Eiris has a moderate level of assurance that the Company adequately manages related operational and reputational opportunities.

\* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

## Company performance in all the Sustainability Drivers

**Overall score 34/100**

Weight of the Sustainability driver			Trend	Score
<b>Environment</b>				
ENV1.1	3	Environmental strategy	→	71
ENV1.4	3	Biodiversity	→	28
ENV2.1	3	Water	→	35
ENV2.2	2	Energy	→	44
ENV2.4	2	Atmospheric emissions		N/R
ENV2.7	3	Transportation		N/R
ENV3.1	2	Packaging	→	35
<b>Human resources</b>				
HRS1.1	2	Social dialogue		N/R
HRS2.3	3	Reorganisations	→	12
HRS2.4	2	Career management	→	26
HRS3.2	2	Health and safety	→	26
<b>Human rights</b>				
HRT1.1	2	Fundamental human rights	↗	32
HRT2.1	3	Fundamental labour rights	↗	27
HRT2.4	1	Non-discrimination and diversity	↗	44
<b>Community involvement</b>				
CIN1.1	2	Social and economic development	↘	32
CIN2.1	3	Societal impacts of products	→	50
CIN2.2	1	Contribution to general interest causes	→	43
<b>Business behaviour (c&amp;s)</b>				
C&S1.1	3	Product Safety	→	32
C&S1.2	3	Labelling and marketing	→	53
C&S2.2	2	Supplier relations	→	32
C&S2.3	2	Environmental standards in the supply chain		N/R
C&S2.4	3	Labour standards in the supply chain	→	54
C&S3.1	2	Corruption	→	43
C&S3.2	2	Anti-Competitive Practices		N/R
C&S3.3	2	Responsible lobbying	↗	12
<b>Corporate governance</b>				
CGV1.1	3	Board of directors	↘	14
CGV2.1	2	Audit and internal controls	↗	26
CGV3.1	2	Shareholders	→	21
CGV4.1	2	Executive remuneration	→	7

**Weak** (0-29/100)
  **Limited** (30-49/100)
  **Robust** (50-59/100)
  **Advanced** (60-100/100)

⚠ **Involvement in allegations**
⚠ **Involvement in allegations with evidence of corrective measures**

N/R means that this Sustainability Driver is not analysed for this Company

## Selected financial data

Key data	Turnover	EBIT	Employees
2016	PEN 4,066m	PEN 948.1m	4,009
2015	PEN 3,947m	PEN 1,470m	4,048
2014	PEN 4,174m	PEN 1,406m	4,006
2013	PEN 4,004m	PEN 1,431m	4,272
2012	PEN 3,833m	PEN 1,319m	4,365

Main shareholders	2016
Racetrack Perú S.R.L.	68.2 %
Bavaria S.A	31.2 %

Geographical breakdown	Turnover 2016	Employees 2016
Peru	100 %	100 %

All Economic Segments	Turnover 2016
Beer	90.6 %
Carbonated drinks	4.2 %
Water	4.1 %
Malt	1.1 %

## Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	No Info	No Info
Executive remuneration linked to CSR performance	No Info	No Info
3-year energy consumption trend (normalized to turnover)	N/A	↘
Percentage of independent Board members	N/A	33
Percentage of women on Board	29	12
Percentage of women in Executive team	N/A	0
Percentage of women in workforce	18	18
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	N/A
3 year trend for safety at work	N/A	N/A
Involvement in armament	No	No
Management of social risks in supply chain	Robust	Robust

## Involvement in disputable activities: summary

This section is dedicated to disputable activities in which the company is involved. 9 disputable activities are analyzed (see list below) following 30 parameters. Additional analysis and full database access are available as an option.

For more information please contact us at [customer.service@vigeo.com](mailto:customer.service@vigeo.com)

	Level of involvement	% of revenues
<input type="checkbox"/>	Alcohol	%
<input type="checkbox"/>	Animal maltreatment	%
<input type="checkbox"/>	Armament	%
<input type="checkbox"/>	Hazardous chemicals	%
<input type="checkbox"/>	Gambling	%
<input type="checkbox"/>	GMOs in food & feed	%
<input type="checkbox"/>	Nuclear energy	%
<input type="checkbox"/>	Sex industry	%
<input type="checkbox"/>	Tobacco	%

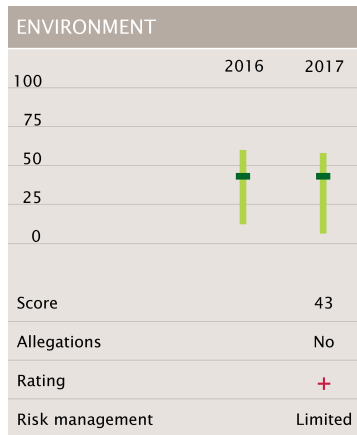
A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- An estimation of the revenues derived from disputable products or services
- The precise nature of the disputable products or services provided by the company

N/A means that the data is not available.

## CSR performance per domain

■ Sector performance  
■ Company performance  
 Rating: min -- / max ++



### Key issues

Beverage companies' main environmental impacts are linked to their upstream impacts through agricultural operations (ENV 1.4) and water management (consumption and emissions) as well as the direct impacts through water use in production processes (ENV 2.1). Moreover, due to the important volumes of goods sold, companies in the sector also have a responsibility to manage the environmental impacts of packaging (ENV 3.1).

### Company performance

- Backus' performance in the Environment domain is limited in absolute terms, which is consistent with the previous review.
- The Company has issued a formalised environmental strategy covering its main responsibilities. Backus only reports on some means to address the issues at stake. Reported key performance indicators on energy use and related emissions and water use show positive trends.



### Key issues

In a context of restructurings, companies from the Beverage sector are expected to ensure employees' rights are respected and that employee representatives are consulted during reorganisations (HRS 2.3). Beverage companies should provide adequate training for the evolution of what can be a low skilled workforce (HRS 2.4). Finally, companies should undertake initiatives to improve the often hazardous (ergonomically and physically) and stressful conditions of workers. Workers can face health and safety risks in terms of physical hazards, exposure to noise, biological hazards, chemical hazards and exposure to heat and cold (HRS 3.2).

### Company performance

- Backus' performance in the Human Resources domain is weak in absolute terms, which is consistent with the previous review.
- The Company remains silent on reorganisations and only discloses basic commitments and reports on some means to address career management and health and safety. However, Backus does not report on KPIs.



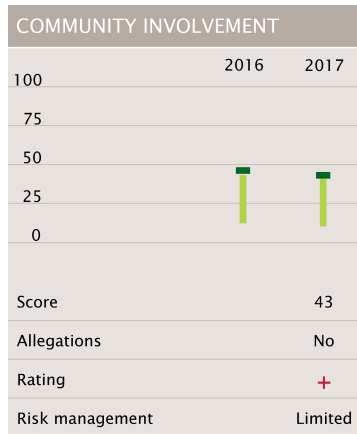
### Key issues

Companies in this sector operate and source raw materials from a range of low and middle income economies (as well as weak governance zones) where fundamental human rights may be at risk (HRT 1.1). This may be particularly the case if security forces are used to secure locations or if the company is sourcing materials from indigenous peoples. Beverage companies also operate in locations where freedom of association and the right to collective bargaining may be restricted. This therefore, directly exposes them to potential violations of labour rights (HRT 2.1) and requires them to manage such issues accordingly.

### Company performance

- Backus' absolute performance in the Human Rights domain is limited, which represents an improvement since the previous review.
- The Company now discloses a formalised commitment to protect fundamental labour rights addressing its main responsibilities, but no measures appear to be in place. On non-discrimination, Backus now reports on significant measures which are supported by an improving trend for the share of women in management positions.
- The Company faces one allegation over violating labour rights in Peru on which it reports transparently without providing evidence of taking corrective measures.

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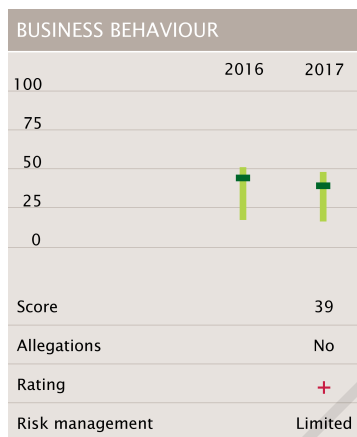


**Key issues**

Alcohol mis-consumption, obesity, cardio vascular problems and diabetes are qualified as “global epidemics” by the World Health Organisation. The beverage industry can help to tackle the major societal impacts linked to their products by raising awareness on these issues and acting to protect the most vulnerable populations from misconsumption (CIN 2.1). Oxfam estimates that 75% of the world’s poor and undernourished people live in rural areas and are directly or indirectly dependent on agriculture for their livelihoods. Thus, through their own activities and their supply chain, beverage companies are also seen as key players in the empowerment of local economies (CIN 1.1), a process that is increasingly being recognised as fundamental to addressing these societal challenges.

**Company performance**

- Backus' performance in the Community Involvement domain is limited in absolute terms, which is consistent with the previous review.  
 - The Company discloses a formalised commitment and reports on some means to address the societal impacts of Backus' products supported by key performance indicators showing an improving trend. In addition, the Company reports to allocate some means to promote social and economic development.



**Key issues**

The systematic application of product safety standards and the establishment of a crisis management system throughout the supply chain (C&S 1.1) continues to be a core issue for beverage companies. The transparency and integrity of the information provided to customers (C&S 1.2) on issues such as the health risks related to the misconsumption of the product (or the presence of GMOs), is an ongoing challenge for the industry. Alongside this, companies also have a responsibility to ensure that stable relations and thus a stable supply of raw materials is systematically maintained (C&S 2.2). Finally, ensuring decent labour conditions are granted to employees in the supply chain (C&S 2.4) is also a focus. This is particularly relevant given the habitually hard-working labour conditions found in the agricultural supply chain.

**Company performance**

- Backus' performance in the Business Behaviour domain is limited in absolute terms, which represents a slight decrease compared to the previous review.  
 - This decrease is linked to the low level of reporting regarding responsible lobbying (newly analysed for the company). The Company still discloses an exhaustive commitment and reports on significant means to address labour standards in the supply chain. In addition, Backus still discloses formalised commitments on product safety and information to customers and reports on significant to comprehensive means to address these topics.



**Key issues**

Sound corporate governance is required to oversee a company’s strategic direction, including the CSR strategy. Vigeo Eiris' framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company’s shareholders and other stakeholders (CGV4.1).

**Company performance**

- Backus' performance in the Corporate Governance domain is weak in absolute terms, which is consistent with the previous review.  
 - This is due to an overall lack of reporting on relevant information regarding the Board of directors and executive remuneration. Moreover, CSR issues do not seem to be taken into account by the Company's internal control systems nor does the Company report on CSR risk management. Additionally, voting rights restrictions for shareholders have been identified.



## Detailed analysis

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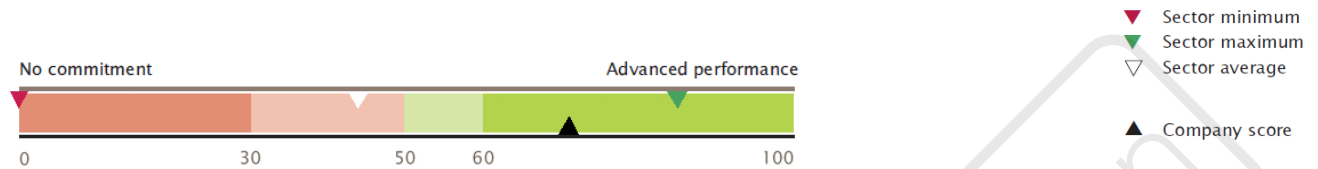


## Environment

Score : 43

### ENV1.1 Environmental strategy

(score: 71, weight: 3)



#### Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection in its HSE Management System Policy, and sets specific targets to reduce its CO2 emissions. In addition, the company is a signatory of the Global Compact and communicates on this principle.

#### Relevance of environmental strategy

The company commits to the majority of its responsibilities in terms of environmental protection:

- protection of biodiversity
- minimising environmental impacts from water consumption
- minimising environmental impacts from CO2 emissions
- eco-design of packaging

#### Ownership of commitment

The commitment applies throughout the company, supported by senior management.

#### Means allocated to environmental management

The company has allocated significant resources to environmental management:

- Environmental manual specifying procedures and responsibilities: Backus has published a Sustainability Report in which it communicates on its environmental approach and process set up to materialize its commitments.
- Internal audits that assess the effectiveness of the EMS: Backus is ISO 14001 certified, therefore the guidelines included EMS audit.
- Environmental performance measured against targets: Backus had set the target of reducing the water used to produce 1.00hL of beer to 3.00 hL by 2020, compared to 2010. In 2015, the company exceeded this target.

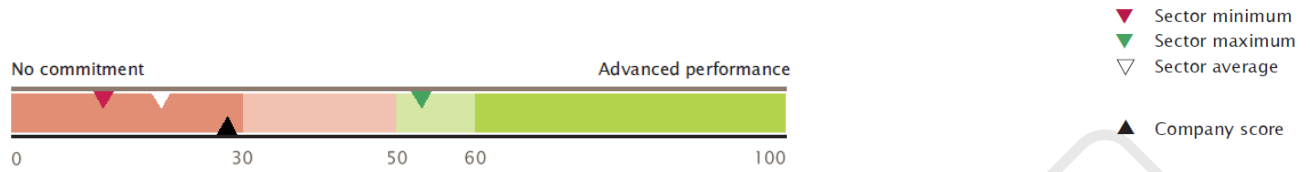
#### Coverage of certified environmental management systems

All of the production sites of the company are certified to ISO 14001.

Leadership	58	Implementation	83	Results	N/A
Visibility	100	Means & resources	65	Performance	N/A
Relevance	65	Scope	N/A	Trends	N/A
Ownership	30	Coverage	100		

**ENV1.4 Protection of biodiversity**

(score: 28, weight: 3)



Preliminary note: Backus y Johnston is concerned by the following issues: sustainable agriculture and preventing GMO cross contamination.

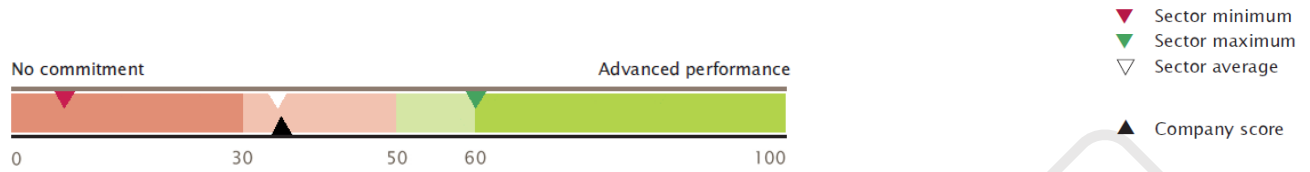
<b>Relevance of commitment to biodiversity protection</b>	<i>The company's commitment towards biodiversity protection is general.</i>
<b>Managerial tools allocated to biodiversity protection</b>	<i>The company has implemented some measures to identify its impacts and integrate biodiversity in the management of its operations such as: - Risk mapping: Backus reports that it has implemented a system to assess the risks and opportunities associated to each crop cultivated, such as sugar cane, barley, etc.</i>
<b>Coverage of means allocated to biodiversity protection</b>	<i>There is no evidence that this measure has been implemented in a majority of sites or a majority of its supply base.</i>
<b>Prevention of GMO cross contamination</b>	<i>Information obtained from company and public sources regarding means allocated to prevent cross contamination is insufficient.</i>
<b>Promotion of sustainable agriculture</b>	<i>The company has allocated some means to promote sustainable agriculture: - measures to prevent deforestation: Backus has implemented an ecopark where organic fertilizers are developed and trees are grown to be replanted in the frame of reforestation operations.</i>
<b>Results with regard to biodiversity protection</b>	The company does not report any results on its impacts on biodiversity.
<b>Stakeholders' feedback</b>	A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. <i>As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.</i>

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>19</b>	<b>Results</b>	<b>35</b>
Visibility	<b>N/A</b>	Means & resources	<b>22</b>	Performance	<b>65</b>
Relevance	<b>30</b>	Scope	<b>N/A</b>	Trends	<b>0</b>
Ownership	<b>N/A</b>	Coverage	<b>0</b>		

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**ENV2.1 Protection of water resources**

(score: 35, weight: 3)



**Relevance of the company's commitment in terms of reducing its water consumption**

The company's commitment to reduce its water consumption is general. *Of note, Backus had set the target of reducing the water used to produce 1.00hL of beer to 3.00 hL by 2020, compared to 2010. However, in 2015, the company exceeded this target. It seems that no new target has been set yet.*

**Relevance of the company's commitment in terms of reducing its water emissions**

The company does not disclose any commitment with regard to its water emissions.

**Means allocated to mitigate water consumption**

*The company has set up monitoring systems for its water consumption, and has technological systems in place such as end-of-pipe processes to reduce its impacts.*

- 1- Backus reports that filtration and reversed osmosis systems have been installed in some of its sites in order to reuse used waters.
- 2- In addition, the company has established a partnership with WWF and the Chamber of Commerce of Lima in Peru to develop a tool that would help small and medium sized local companies to monitor their water consumption and help them find opportunities to reduce their water use.
- 3- Backus is also engaged, along with a governmental organisation, in awareness raising initiatives in Peru which aim is to promote a different approach to water consumption and mechanisms of cooperation in order to improve the management of water resources.
- 4- Finally, Backus reports that it works with local farmers in order to improve their use of water and help them implement sustainable farming practices, such as reducing their use of pesticides and recycling contaminated water.

**Scope of measures allocated to mitigate water consumption**

*Measures allocated to mitigating water consumption cover a majority of types of water use:*

- agricultural practices
- industrial water used for processes in production.

**Means allocated to mitigate water emissions**

*The company has technological systems in place such as end-of-pipe processes to reduce its impacts. The company reports that all its production plants have wastewater treatment facilities onsite.*

**Scope of measures allocated to mitigate water emissions**

*Measures allocated to mitigating water emissions cover only one type of water use:*

- industrial water.

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**Direct water consumption**

Backus reports its water consumption by hL of water used to produce 1hL of beer or of carbonated drink. Between 2011 and 2015, the company's water consumption, by hL of beer produced, decreased continuously by 18.6%, to stand at 2.98 hL used. Similarly, between 2010 and 2014, Backus' water consumption, by hL of carbonated drink produced, decreased continuously by 17%, to stand at 1.43 hL used in 2014. The company does not disclose any data regarding its carbonated drinks for 2015.

**Water discharge**

The company does not disclose quantitative data on water discharge.

**Wastewater Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD)\***

The company does not disclose quantitative data on wastewater chemical oxygen demand (COD).

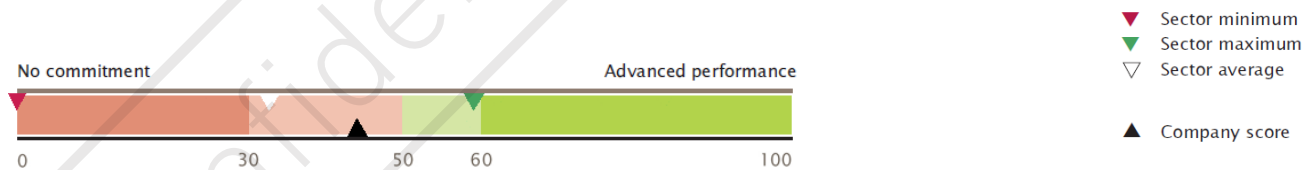
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

Leadership	15	Implementation	48	Results	43
Visibility	N/A	Means & resources	48	Performance	43
Relevance	15	Scope	48	Trends	N/A
Ownership	N/A	Coverage	N/A		

**ENV2.2 Minimising environmental impacts from energy use**

(score: 44, weight: 2)



**Relevance of the company's commitment in terms of reducing its energy consumption.**

The company does not disclose any commitment with regard to its energy consumption.

**Relevance of the company's commitment in terms of reducing its related CO2 emissions.**

The company has set quantified targets with regard to its related CO2 emissions, and these cover the entire group. Backus has set the target to reduce by 25% its CO2 emissions per liter of beer produced by 2020, with 2010 as a baseline year.

**Means allocated.**

The company has set up monitoring systems for its energy consumption and related CO2 emissions. In addition, at some sites, Backus generates its own energy from renewable sources, including solar and biogas.

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**Coverage**

The monitoring system seems to cover the entire company while renewable energies are reported to be used in two plants.

**Energy consumption**

Backus reports its energy consumption in MJ of energy used to produce 1hL of beer or of carbonated drink. Between 2011 and 2015, the company's energy consumption, by hL of beer produced, decreased continuously by 17%, to stand at 91.1 MJ used. On the other hand, between 2010 and 2014, Backus' energy consumption, by hL of carbonated drink produced, increased by 5%, to stand at 11.7 MJ used in 2014. The company does not disclose data regarding its carbonated drinks for 2015.

**CO2 emissions linked to energy consumption**

Backus reports its CO2 emissions in kg of CO2 emitted to produce 1hL of beer or of carbonated drink. Between 2011 and 2015, the company's CO2 emissions linked to energy consumption, by hL of beer produced, decreased by 7%, although not continuously, to stand at 5.61 kg emitted. On the other hand, between 2010 and 2014, Backus' CO2 emissions linked to energy consumption, by hL of carbonated drink produced, increased by 14%, to stand at 0.9 kg of Co2 emitted in 2014. The company does not disclose data regarding its carbonated drinks for 2015.

<b>Leadership</b>	<b>33</b>	<b>Implementation</b>	<b>51</b>	<b>Results</b>	<b>48</b>
Visibility	N/A	Means & resources	65	Performance	48
Relevance	32	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	30		

**ENV2.4 Management of atmospheric emissions**

(deactivated)

This Sustainability Driver is only analyzed for large companies in the Beverage Emerging Market sector. It is therefore not analyzed for this company.

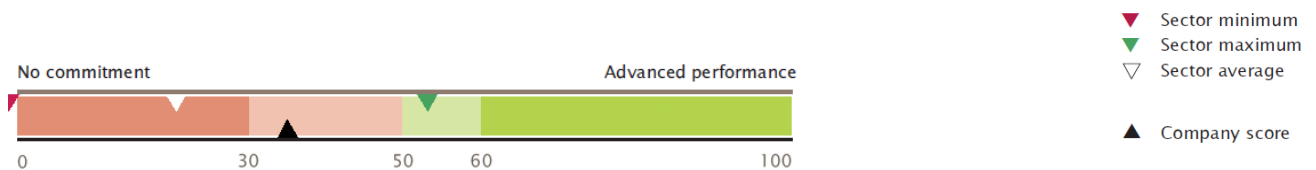
**ENV2.7 Management of environmental impacts from transportation**

(deactivated)

This Sustainability Driver is only analyzed for large companies in the Beverage Emerging Market sector. It is therefore not analyzed for this company.

**ENV3.1 Management of environmental impacts from products' packaging**

(score: 35, weight: 2)



**Relevance of commitment to packaging eco-design**

The company commits to address eco-design of packaging in general terms. *Of note, Backus has set a target to reduce by 25% the carbon footprint of its packaging by 2020. However, no baseline year has been disclosed.*

**Means allocated to packaging eco-design**

*The company integrates some elements of eco-design into its product's packaging:*

- Reducing weight volume of primary packaging : Backus reports that beer bottles in glass are 20g lighter and caps are also made out of less aluminium;
- Increasing the amount of recycled material in secondary packaging: Backus reports that the plastic crates used to transport bottles of beer are made of recycled material. In addition, Backus told Vigeo that in 2016, they have developed PET bottles made of recycled resin;
- Designing reusable packaging: Backus promotes the use of glass bottles and containers that can be returned and reused.

**Coverage of measures linked to packaging eco-design**

*Over 95.3% of the beer bottles sold by Backus are made of glass that can be recycled. However, only 16% of the plastic crates are made out of recycled material.*

**Share of products whose packaging was eco-designed**

*Between 2014 and 2015, the share of beer bottles made out of glass that can be recovered and reused has been stable, around 95%. The company does not report on previous years.*

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>44</b>	<b>Results</b>	<b>30</b>
Visibility	N/A	Means & resources	30	Performance	N/A
Relevance	30	Scope	N/A	Trends	30
Ownership	N/A	Coverage	65		

**Human Resources**

Score : 20

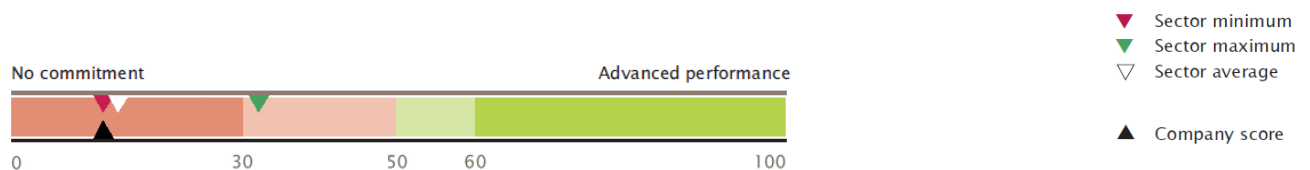
**HRS1.1 Promotion of labour relations**

(deactivated)

This Sustainability Driver is only analyzed for large companies in the Beverage Emerging Market sector. It is therefore not analyzed for this company.

**HRS2.3 Responsible management of reorganisations**

(score: 12, weight: 3)



Preliminary note:

- In October 2016, Backus, a subsidiary of the British SabMiller, became a subsidiary of Belgian Anheuser-Busch InBev when the



acquisition of the former by the latter was completed.

<b>Relevance of commitment to manage reorganisations responsibly</b>	The company does not disclose any commitment to manage reorganisations responsibly.
<b>Involvement with employee representatives</b>	The company does not disclose any commitment to inform and consult employee representatives on reorganisations.
<b>Means allocated to prevent and manage reorganisations</b>	<i>Information obtained from company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.</i>
<b>Coverage</b>	
<b>Result of the company's commitment to manage reorganisations responsibly</b>	The company does not provide any information on the impacts of reorganisations on employment.

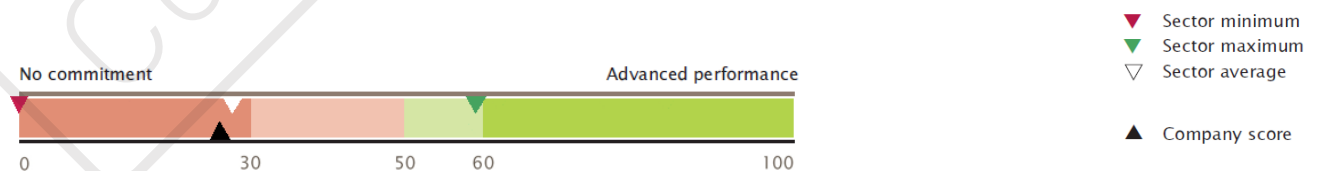
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. *As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>0</b>	<b>Implementation</b>	<b>0</b>	<b>Results</b>	<b>35</b>
Visibility	<b>N/A</b>	Means & resources	<b>0</b>	Performance	<b>35</b>
Relevance	<b>0</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>0</b>	Coverage	<b>0</b>		

**HRS2.4 Career management and promotion of employability**

(score: 26, weight: 2)



<b>Visibility of commitment</b>	<i>The company makes some general statements promoting career management and training in its Annual Report.</i>
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**Relevance of commitment** *The company's commitment to promoting career management and training is general.*

**Ownership of commitment** *The Head of HR, Bet Rogers, is part of the company's management team. However line managers do not appear to be evaluated on their performance in terms of HR management.*

**Career management systems** *The company has formalised the skill requirements for the various job positions.*

**Coverage of career management systems** *There is no evidence that such system covers a majority of company employees.*

**Types of training provided to non-managers** *The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills. Backus reports to provide trainings to its employees aiming to strengthen their skills, updated their knowledge and develop their leadership capacities. The company has also set up training programmes dedicated to junior employees and ingeneers.*

**Means allocated to training for all employees** *Information disclosed on performance indicators related to training per employee is insufficient.*

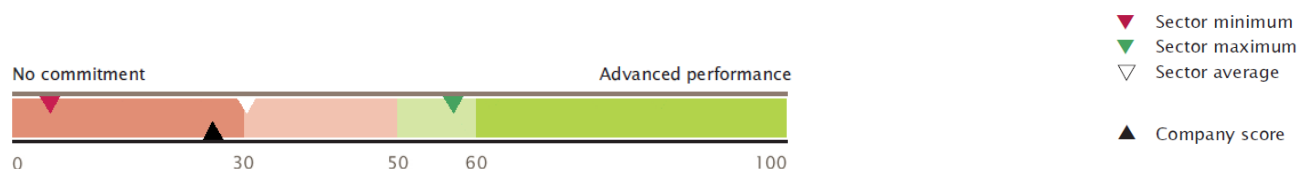
**Mobility / turnover** *The company does not disclose quantitative data on performance indicators such as employee turnover or mobility rates.*

**Training delivered during the year under review** *There is evidence that at least a minority received training during the period under review.*

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>31</b>	<b>Results</b>	<b>18</b>
Visibility	<b>30</b>	Means & resources	<b>15</b>	Performance	<b>18</b>
Relevance	<b>30</b>	Scope	<b>65</b>	Trends	<b>N/A</b>
Ownership	<b>30</b>	Coverage	<b>30</b>		

### HRS3.2 Improvement of health and safety conditions

(score: 26, weight: 2)



**Visibility of health & safety commitments**

*The company has made references to health and safety issues in its Annual Report.*

**Relevance of commitment**

*The company's commitment only addresses part of its responsibilities:*  
- *prevent occupational disease.*

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management.

**Means allocated to health and safety**

*The company has allocated means to address these issues, including a certified health and safety system:*  
- *training and awareness raising programmes: Backus gets several certifications as HACCP, ISO 14001, ISO 9001 and OHSAS 18001 which included awareness raising and employees trainings regarding health and safety.*  
- *internal monitoring and H&S audits: the certifications as ISO 14001 included internal monitoring of health and safety indicators.*  
- *OHSAS 18001 certifications*  
- *risk assessments: Backus reports to conduct risk assessments on health and safety following its Ethic Line policy.*

**Coverage of health and safety system**

*There is no evidence that all sites are covered by such means, but at least the major plants are under ISO 14001, 9001, HACCP, and OHSAS 18001.*

**Means allocated to reduce stress at work**

*Information obtained from company and public sources regarding means allocated to reduce stress is insufficient.*

**Coverage of means allocated to reduce stress at work**

**Accident frequency rate**

The company does not disclose quantitative data on accident frequency rates.

**Accident severity rate**

The company does not disclose quantitative data on accident severity rates.

**Other health and safety indicators**

The company does not disclose quantitative data on occupational disease rates.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. *As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

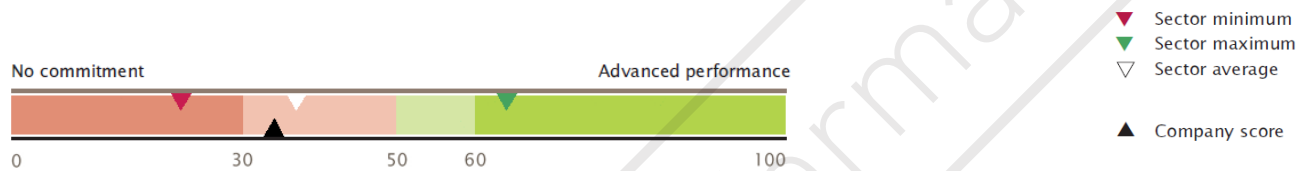
<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>33</b>	<b>Results</b>	<b>16</b>
Visibility	<b>30</b>	Means & resources	<b>32</b>	Performance	<b>16</b>
Relevance	<b>30</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>30</b>	Coverage	<b>32</b>		

## Human Rights

Score : 32

### HRT1.1 Respect for human rights standards and prevention of violations

(score: 34, weight: 2)



#### Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its Global Policy on Human Rights. Moreover, The company is a signatory of the Global Compact but does not communicate on this principle.

#### Relevance of commitment

The company's commitment to respect and promote human rights in society is general.

#### Ownership of commitment

The commitment applies throughout the company, supported by senior management.

#### Means allocated

Information obtained from company and public sources regarding systems to ensure that basic human rights are respected is insufficient.

#### Coverage

#### Scope of measures

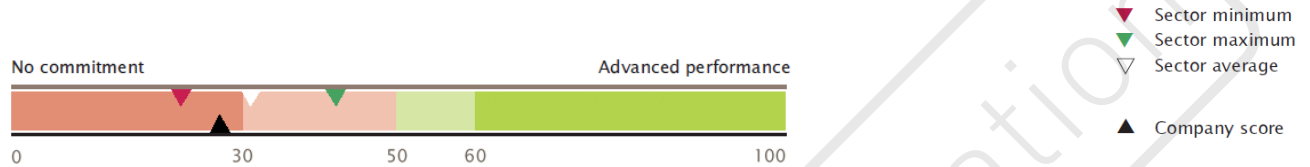
#### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>37</b>	<b>Implementation</b>	<b>0</b>	<b>Results</b>	<b>65</b>
Visibility	<b>65</b>	Means & resources	<b>0</b>	Performance	<b>65</b>
Relevance	<b>30</b>	Scope	<b>0</b>	Trends	<b>N/A</b>
Ownership	<b>30</b>	Coverage	<b>0</b>		

**HRT2.1 Respect for freedom of association and the right to collective bargaining**

(score: 27, weight: 3)



**Visibility of commitment**

*The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Global Policy on Human Rights. Moreover, The company is a signatory of the Global Compact but does not communicate on this principle.*

**Relevance of commitment**

*The company's commitment addresses its main responsibilities:  
 - Respect and protection of freedom of association and the right to organize  
 - Respect and protection of workers' representatives in the exercise of their mandate*

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management.

**Monitoring**

*It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.).*

**Coverage**

**Promotion of collective bargaining**

Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

**Stakeholders' feedback**

A review of stakeholders' sources revealed that the Company is involved in isolated or occasional controversies of minor or significant severity  
*A review of stakeholders' sources revealed that the Company is involved in isolated controversies of significant severity.*

As of 08/2017, BACKUS Y JOHNSTON was involved in 1 controversy

- Case 1 (18/02/2016): Backus & Johnston allegedly condemned to pay USD 30,000 for not respecting trade unions rights in Peru

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

**Company's responsiveness**

Overall, the company is reactive

For each of the above mentioned cases, BACKUS Y JOHNSTON's response is considered:

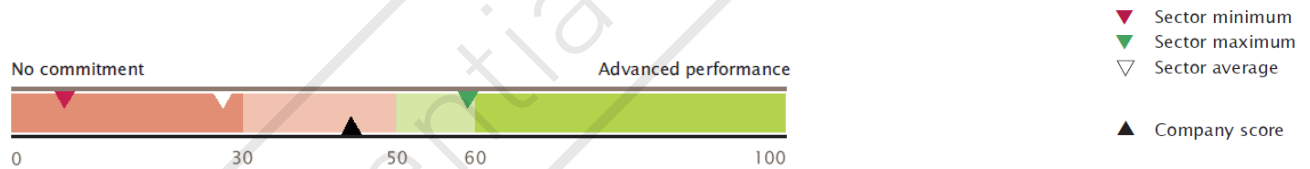
- case 1: The company is reactive: the Company reports in a detailed way on its position to the case

The analysis of BACKUS Y JOHNSTON management of each case is available in Vigeo's controversy profile.

<b>Leadership</b>	<b>51</b>	<b>Implementation</b>	<b>0</b>	<b>Results</b>	<b>30</b>
Visibility	65	Means & resources	0	Performance	30
Relevance	65	Scope	N/A	Trends	N/A
Ownership	30	Coverage	0		

**HRT2.4 Non-discrimination**

(score: 44, weight: 1)



**Visibility of commitment**

The company has issued a formalised commitment to non-discrimination in its Global Policy on Human Rights. In addition, the company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The company's commitment to non-discrimination explicitly defines most of the categories at stake for the sector:

- gender
- race
- religion
- sexual orientation
- disabilities
- age
- political opinion

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management.



**Means allocated**

The company has set up significant measures to prevent discrimination and promote diversity:  
 - monitoring of its workforce gender balance and share of women in management positions;  
 - affirmative action programmes: the company has in place some initiatives to support the hiring of women in management positions, such as workshops of discussion and presentation and minimum share of women hired when there is an ongoing recruitment process.

**Coverage**

Although the company has set up monitoring and some affirmative initiatives for female employees, the company has not gone beyond these to implement programmes to promote diversity in its operations.

**Results in terms of gender distribution**

The share of women in management positions has increased by 8.8 percentage points over the past five years, although not on a continuous trend, to stand at 14.8% in 2016.  
 Of note, Backus' gender balance has also increased by 2 percentage points over the past five years, to stand at 18% in 2016.

**Results in terms of employment of disabled persons**

The company does not disclose quantitative data on performance indicators such as the share of disabled persons in the total workforce.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
 As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

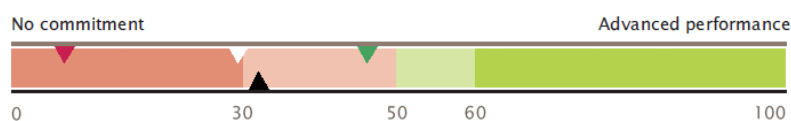
<b>Leadership</b>	<b>51</b>	<b>Implementation</b>	<b>33</b>	<b>Results</b>	<b>48</b>
Visibility	65	Means & resources	65	Performance	65
Relevance	65	Scope	N/A	Trends	39
Ownership	30	Coverage	0		

**Community Involvement**

Score : 43

**CIN1.1 Promotion of the social and economic development**

(score: 32, weight: 2)



- ▼ Sector minimum
- ▼ Sector maximum
- ▽ Sector average
- ▲ Company score

**Visibility of the policy**

*The company makes references to promote local social and economic development on its website. However, the visibility of this policy is lowered by its absence of formalisation.*

**Relevance of commitment**

*The company's commitment to promote local social and economic development addresses only part of its responsibilities:  
- Promote the creation and development of local businesses*

**Ownership of commitment**

*The commitment applies throughout the company, supported by senior management.*

**Means allocated**

*The company has allocated some means to address social and economic development, including:  
- initiatives to support the creation and development of local business through training: Backus has implemented a programme, named "4e, Camino al Progreso", to help its clients, usually small local grocery shops, to develop sustainably. Through training sessions, these small entrepreneurs gain know-how in sales strategy, administration and finance, etc. The purpose of these training programmes is to help these small shop owners to mitigate their financial risks by implementing a sound business model for their businesses.  
- support other social development initiatives: Backus, in partnership with the NGO Cedepas, has implemented a programme of technical assistance to small local farmers. The purpose of this programme is to make their land more profitable, by introducing them to the concept of economies of scale through the bulk buying of fertilizers for instance.*

**Geographical coverage**

*There is no evidence that these measures have implemented in a majority of the company's sites.*

**Performance trend of programmes implemented to support social and economic development**

*The company does not report indicators on social and economic development.*

**Transparency of tax reporting**

*The Company reports significantly on taxes paid. Reporting covers:  
- taxes paid in Peru  
- sales in Peru  
- operating profit in Peru  
- number of employees in Peru  
Of note, Backus only has operations in Peru.*

**Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules**

*Information on the company's presence in IMF 'offshore financial centres' or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules, is not sufficient.*

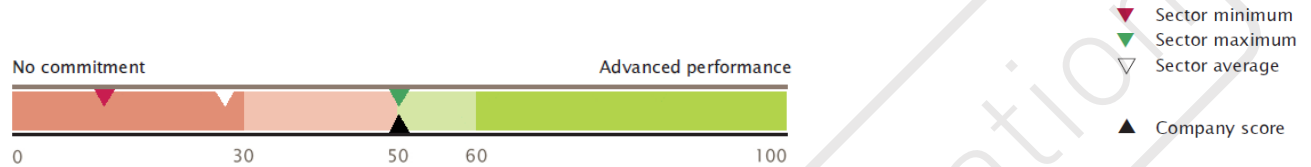
**Stakeholders' feedback**

*A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>35</b>
Visibility	<b>30</b>	Means & resources	<b>30</b>	Performance	<b>47</b>
Relevance	<b>30</b>	Scope	<b>N/A</b>	Trends	<b>0</b>
Ownership	<b>30</b>	Coverage	<b>30</b>		

**CIN2.1 Societal impacts of the company's products**

(score: 50, weight: 3)



**Visibility of the company's policy on preventing and mitigating the negative societal impacts of its products**

*The company has issued a formalised and accessible commitment to prevent and mitigate the negative societal impacts of its products in its Guidelines on how to Operate Responsibly.*

**Exhaustiveness of the company's policy on preventing and mitigating the negative societal impacts of its products**

*The company's commitment only addresses some of the societal problems linked to product consumption:*  
 - promoting safe driving  
 - preventing excessive drinking  
 - preventing underage drinking

**Ownership of commitment**

*The commitment applies throughout the company, supported by senior management.*

**Measures implemented to prevent and mitigate the negative societal effects linked to its products.**

*The company has allocated some measures to prevent and mitigate any negative societal impact of its products:*  
 - prevention campaigns: 'Solo 18+' is a project implemented in partnership with local authorities in Peru to restrict underage drinkers' access to alcohol products. This programme includes training for small grocery shop owners on the importance of checking identification;  
 - prevention programmes involving stakeholders: Backus also reports that in 2015 it has started to support risks awareness about underage drinking dedicated to teachers and parents, in partnership with the NGO Acepta.

**Geographical Coverage**

*These measures are allocated throughout Peru where the company operates solely.*

**Performance trend of programmes dedicated to address the negative societal impacts of products**

*The company's normalised indicators on the societal impact of its products have shown improvement continuously over the past three years. The company reports that between 2013 and 2015, thanks to the "Solo + 18" programme", the share of "responsible" selling points, meaning not selling alcohol to underage consumers and checking IDs, has increased from 4% to 36%.*

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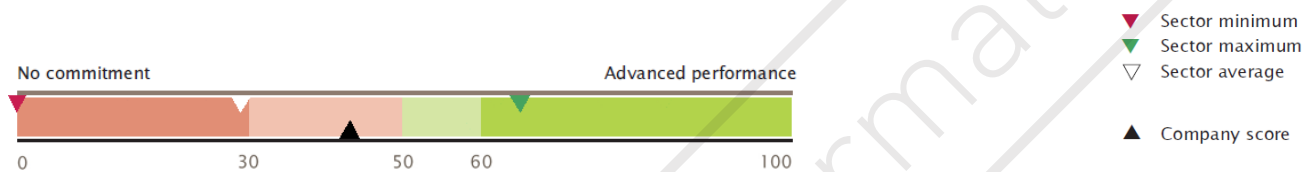
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

Leadership	37	Implementation	48	Results	65
Visibility	65	Means & resources	30	Performance	65
Relevance	30	Scope	N/A	Trends	65
Ownership	30	Coverage	65		

**CIN2.2 Contribution to general interest causes**

(score: 43, weight: 1)



**Relevance of commitment**

The company's commitment to supporting general interest causes addresses some of the relevant issues for the sector:

- education
- health and sports
- culture
- scientific research

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

*The Foundation that oversees Backus' initiatives to support general interest causes, is managed by a Board of directors. This Board is made of employees as well as individuals not employed by the company.*

**Means allocated**

The company has allocated significant means to general interest causes, including:

- financial support: the company contributes financially to the development of several initiatives that aim at, among others, promoting environmental protection, helping small businesses to be financially sound and at protecting cultural heritage;
- dedicated foundation: the Fundación Backus is the entity in charge of overseeing all the above mentioned projects.

**Geographical coverage**

*These initiatives appear to have been implemented mainly in Peru, where all production sites of the company are located.*

**Trend in contributions to general interest causes**

The company does not monitor indicators on contributions to general interest causes over time.

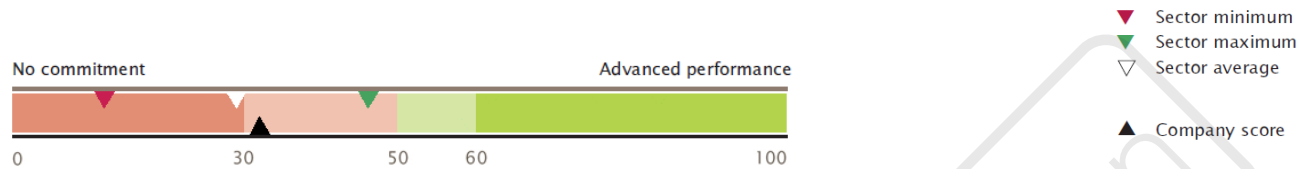
Leadership	65	Implementation	65	Results	0
Visibility	N/A	Means & resources	65	Performance	N/R
Relevance	65	Scope	N/A	Trends	0
Ownership	65	Coverage	65		

## Business Behaviour (C&S)

Score : 39

### C&S1.1 Product Safety (process and use)

(score: 32, weight: 3)



#### Visibility of commitment

The company has issued a formalised commitment to product safety in its EHS management System Policy.

#### Relevance of commitment

The company's commitment is general.

#### Relevance of the company's policy on transparency regarding the use of nanotechnologies in packaging or in products

It is unclear whether the company is involved in nanotechnologies.

#### Ownership of commitments

The commitment applies throughout the company, supported by senior management.

#### Product safety management systems

The company has allocated significant resources to ensure product safety that include:

- application of HACCP method;
- internal audits of production processes;
- certification scheme: Backus reports that facilities that its production sites are certified to ISO 9001;
- full traceability of the production chain.

#### Coverage

The company has set up such systems throughout the company. However, there is no evidence that suppliers are covered by such system.

#### Crisis management system

Information obtained from company and public sources regarding crisis management system is insufficient.

#### Transparency and trends of indicators relative to product safety

The company does not disclose any indicator relative to the outcomes of its product safety policy.

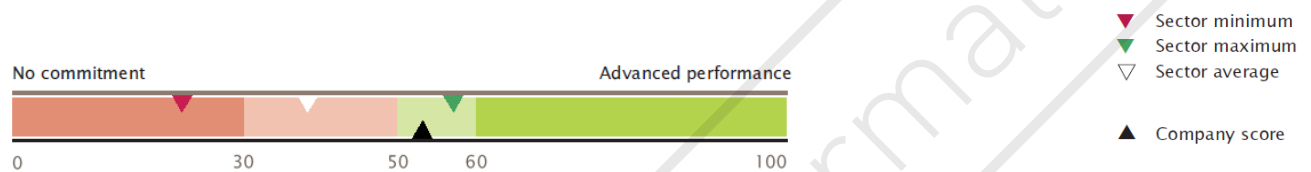
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>19</b>	<b>Implementation</b>	<b>42</b>	<b>Results</b>	<b>35</b>
Visibility	<b>65</b>	Means & resources	<b>32</b>	Performance	<b>65</b>
Relevance	<b>0</b>	Scope	<b>N/A</b>	Trends	<b>0</b>
Ownership	<b>30</b>	Coverage	<b>65</b>		

**C&S1.2 Information to customers on products**

(score: 53, weight: 3)



**Visibility of commitment**

The company has issued a formalised commitment to adequately inform customers about its products in its Code of Business Conduct.

**Relevance of commitment**

The company's commitment only addresses part of its responsibilities:  
 - refrain from targeting children and adolescents in promotional activities  
 - promote responsibility in advertising, marketing and communication

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.  
 The Sales and Marketing Compliance Committee is responsible for the sign off, monitoring and evaluation of all commercial communication, as well as any complaints that the company receives about commercial communication.

**Systems to provide information to customers on product content**

The company has set up a passive information system to ensure customers are informed about product content:  
 - detailed information on products on website: The alcohol level of each alcoholic beverage sold by Backus is indicated on bottle labels and on the product description webpage. In addition, a sign advising pregnant women not to drink alcoholic beverages is also on display.

**Responsible marketing and commercial practices**

The company has implemented a comprehensive system to ensure responsible marketing and commercial practices, which includes:  
 - training of marketing staff: all employees at Backus receive an annual training on the content of the Policy on Commercial Communication and need to sign it;  
 - systematic procedures to approve marketing material internally: all advertising campaigns need to be approved by Backus' Sales and Marketing Compliance Committee which is headed by someone external to the company;  
 - dissemination of guidelines promoting responsible communication to advertising agencies: contracts between Backus and advertising agencies contain a clause saying that the agency should comply with the company's policy on Commercial Communication. In addition, executives of the advertising agencies in charge of Backus' client account are reportedly trained annually on this policy.



**Coverage of responsible marketing and commercial practices**

The company has set up such systems throughout the company.

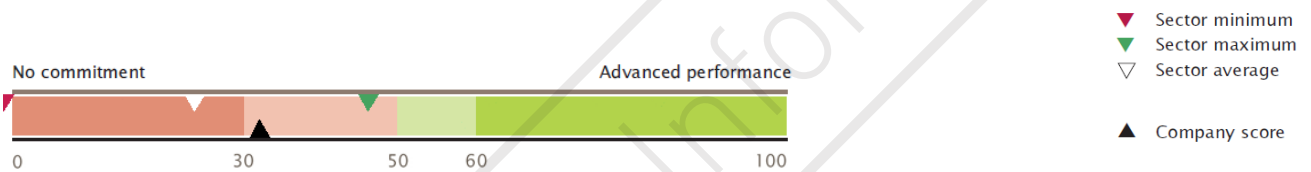
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
*As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

Leadership	44	Implementation	51	Results	65
Visibility	65	Means & resources	45	Performance	65
Relevance	30	Scope	N/A	Trends	N/A
Ownership	65	Coverage	65		

**C&S2.2 Sustainable Relationships with suppliers**

(score: 32, weight: 2)



**Visibility of commitment**

The company does not disclose any commitment to establish sustainable relationships with its suppliers.

**Relevance of commitment**

**Ownership of commitment**

**Measures established to manage supplier relations**

*The company has allocated some resources to manage sustainable relations with its suppliers that include:*  
 - *training: Backus has developed a programme to support small and medium-sized suppliers by providing training courses on specific topics of importance such as negotiation, marketing and business process, management, sustainable development, supply chain, financial planification, etc.*  
 - *technical assistance: Backus has also implemented a programme addressed to small peruvian farmers, through which it provides guidance on how to grow corn according to international standards, while ensuring productivity and profitability.*

**Coverage**

*There is no evidence that these measures cover the company's main suppliers.*

**Transparency and trends of indicators relative to the outcomes of the company's commitment to ensure balanced and sustainable relations with suppliers**

The company reports that between 2012 and 2014, 157 suppliers have participated to the programmes provided by Backus, and in 2015, the total of suppliers who had benefited from them was 161.

**Stakeholders' feedback**

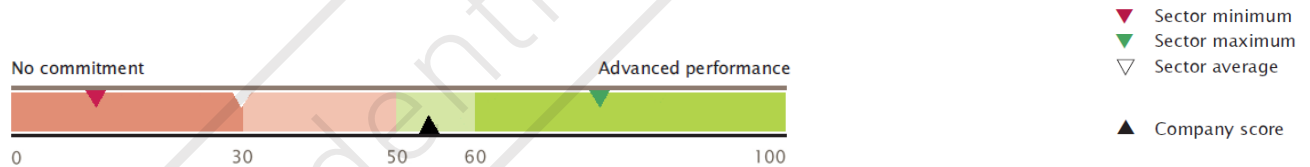
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>0</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>65</b>
Visibility	0	Means & resources	30	Performance	65
Relevance	0	Scope	N/A	Trends	65
Ownership	0	Coverage	30		

**C&S2.3 Integration of environmental factors in the supply chain**  
(deactivated)

This Sustainability Driver is only analyzed for large companies in the Beverage Emerging Market sector. It is therefore not analyzed for this company.

**C&S2.4 Integration of labour standards in the supply chain**  
(score: 54, weight: 3)



**Visibility of commitment**

The company has issued a formalised commitment to including labour standards in supply chain management through the Sabmiller's Code of conduct for suppliers that it uses as a reference text.

**Relevance of commitment**

The company's labour requirements for suppliers address all the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (respect of property rights)

**Ownership of commitment**

The code of conduct for suppliers is signed by SabMiller's senior management. In addition, the Code is mentioned as the document of reference in the CSR Report that is signed by Backus' CEO.

**Means allocated to include labour factors in supply chain management**

The company has set up awareness-raising and collaboration measures to address the labour standards in the supply chain:  
- questionnaire: Backus reports that it conducts annual assessments of its suppliers' compliance with its social standards and requirements  
- Supplier support: Backus has implemented workshops for suppliers who desire to align with the company's standards and requirements.

**Coverage**

There is no evidence that a majority of the company's suppliers are covered by these measures.

**Audits of suppliers**

Dedicated labour audits are carried out by external auditors. Backus reports to conduct social audits under SABMiller way of work which manages suppliers audits regularly throughout an external auditor.

**Share of corrective measures / problems uncovered**

The company does not disclose quantitative data on the share of labour problems in the supply chain that were addressed by corrective measures.

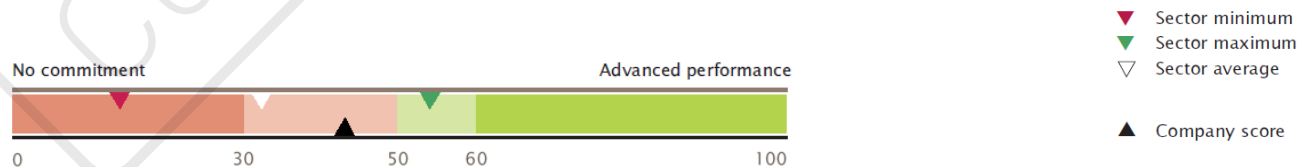
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>74</b>	<b>Implementation</b>	<b>55</b>	<b>Results</b>	<b>33</b>
Visibility	65	Means & resources	65	Performance	33
Relevance	100	Scope	N/A	Trends	N/A
Ownership	30	Coverage	30		

**C&S3.1 Prevention of corruption**

(score: 43, weight: 2)



**Visibility of commitment**

The company has issued a formalised commitment to preventing corruption in its Anti-Bribery Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The company's commitment to preventing corruption addresses its main responsibilities:

- giving and receiving bribery
- gifts and invitations
- extortion
- fraud
- conflicts of interest
- prohibition facilitation payments
- illegal financing of political parties

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.  
The company has implemented an Ethics Committee in charge of the implementation of the Anti-Bribery Policy and of receiving complaints through the reporting system.

**Involvement of employees**

Information obtained from company and public sources regarding the involvement of employees in preventing corruption is insufficient.

**Means allocated**

The company has set up reporting systems to prevent corruption that include:

- a dedicated confidential ethics hotline;
- the possibility to contact the Ethics Committee or the Legal department directly and confidentially.

**Coverage**

The measures implemented cover all significant parts of the company.

**Reporting**

The company does not disclose any quantitative data on the number or nature of corruption incidents reported internally.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

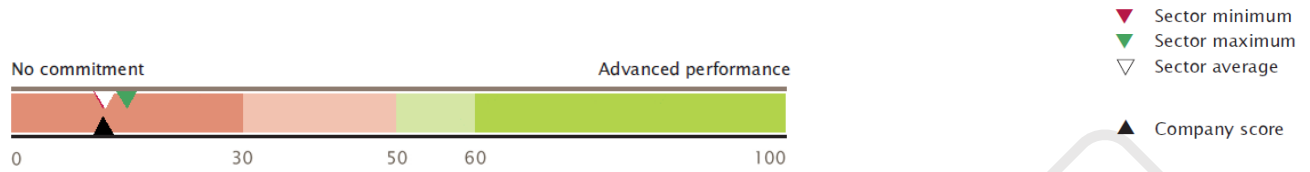
<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>20</b>	<b>Results</b>	<b>43</b>
Visibility	<b>65</b>	Means & resources	<b>15</b>	Performance	<b>43</b>
Relevance	<b>65</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>65</b>	Coverage	<b>30</b>		

**C&S3.2 Prevention of anti-competitive practices**  
(deactivated)

This Sustainability Driver is only analyzed for large companies in the Beverage Emerging Market sector. It is therefore not analyzed for this company.

**C&S3.3 Transparency and integrity of influence strategies and practices**

(score: 12, weight: 2)



**Visibility towards stakeholders**

The visibility of the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

**Comprehensiveness of the commitment**

**Ownership of commitment**

**Involvement of employees**

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

**Measures allocated**

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

**Coverage**

**Reporting**

The company does not disclose the budget directly and indirectly dedicated to lobbying practices.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.

Leadership	0	Implementation	0	Results	35
Visibility	0	Means & resources	0	Performance	35
Relevance	0	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		

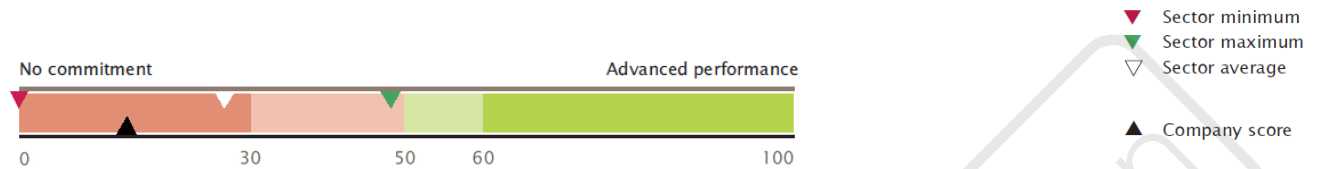
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## Corporate Governance

Score : 17

### CGV1.1 Board of Directors

(score: 14, weight: 3)



#### [LISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

#### Independence of the Board Chairman

*The roles of Chairman and CEO are combined.*

#### Responsibility allocated over CSR issues

Information on the responsibilities allocated over CSR issues is insufficient.

#### Share of independent shareholder-elected Board members

*Information obtained from company and public sources regarding detailed biographical information for all members of the Board of Directors is insufficient. The company only discloses the new Board members and reports on biographies for some of them. Most of elements are not disclosed as to be able to assess their independence.*

#### Diversity of the skills and backgrounds of the Board

*The Board of Directors diversity appears to be partial:  
- Board members with demonstrated professional experience in the company's sector of activities: several of the directors have either worked for InBev or SABMiller.*

#### Training and expertise provided to board members

Information obtained from company and public sources regarding training provided to board members is insufficient.

#### Regular election of Board members

*Board members are elected at least every three years and these elections are not staggered. Board members are eligible for re-election following 3-year terms.*

#### Evaluation of Board's functioning and performance

Information obtained from company and public sources regarding the evaluation of board functioning and performance is insufficient.

**Review of CSR issues at Board meeting**

The formal CSR reporting has been signed by CEO, but there is no evidence that relevant CSR issues are reviewed at Board meetings.

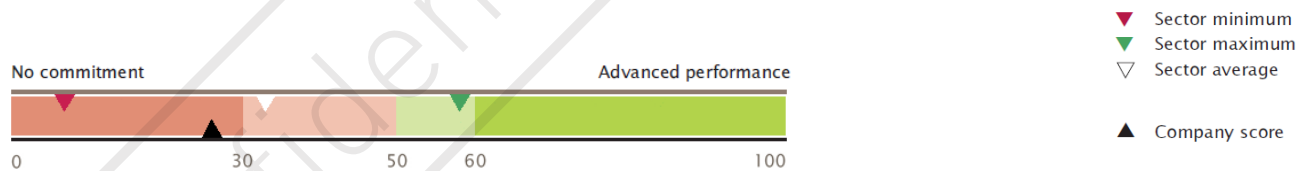
**Regularity of and attendance at Board meetings**

Information obtained from company and public sources regarding the regularity of and attendance at board meetings is insufficient.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independence
Rafael Alvarez	Chairman and CEO	X						X						
Ricardo Frangatos			X											
Ricardo Meyer			X											X
Carmen Graham			X											X
Juan Berrios			X											
Maria Saenz			X											
Marco Zaldivar			X											

**CGV2.1 Audit & Internal Controls**

(score: 26, weight: 2)



**[LISTED COMPANIES] Existence and independence of Audit Committee**

The company states that the Audit Committee is formed by three non-executive directors, but does not disclose further details on the committee composition to allow the assessment of its overall independence.

**Skills and backgrounds of Audit Committee members**

Information disclosed on this subject is insufficient or not relevant. It is unclear who is part of the Audit Committee.

**Operational and CSR risks covered by the company's internal controls system**

Information disclosed on this subject is insufficient or not relevant.



**Role of the Audit Committee in overseeing internal and external controls**

The Audit Committee has a comprehensive role that includes:

- ☒ Oversee internal audit and internal controls
- ☒ Review accounting policies and be responsible for updates
- ☒ Nominate the statutory auditor
- ☒ Oversee the work of the external auditor
- ☒ Approve the type of audit and non-audit services provided and fees paid to the external auditor

**Management of the CSR risks**

*Information obtained from company and public sources regarding the management of the CSR risks is insufficient.*

**Independence of the firm's external auditors**

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

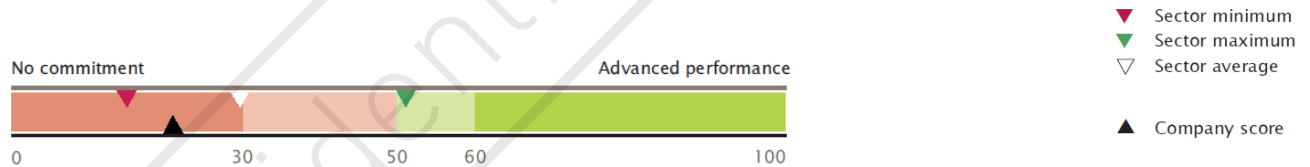
**Inclusion of CSR issues in the company's reporting**

The company publishes significant CSR reporting on key material issues.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
*As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

**CGV3.1 Shareholders**  
(score: 21, weight: 2)



**Nonexistence of voting rights restrictions**

Minor voting rights restrictions have been identified.  
*Backus has three categories (A,B and investing actions) of shares listed on the market, including shares without voting rights.*

**Safeguards on transactions with major shareholder(s)**

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

**Ability to add items to the agenda of the AGM and to convene an EGM**

Major restrictions have been identified to add items to the agenda of the AGM.  
*Shareholders need to own more than 5% of Classe A shares in order to add items to the agenda of the AGM.*

**Access to voting at General Meetings**

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

**Ability to vote on relevant issues in separate resolutions at AGM**

Not all major items are put to a shareholder vote.  
*The following items are not put to a vote at the AGM:*  
- Board fees  
- Executive remuneration

**Presentation of CSR strategy to shareholders and investors**

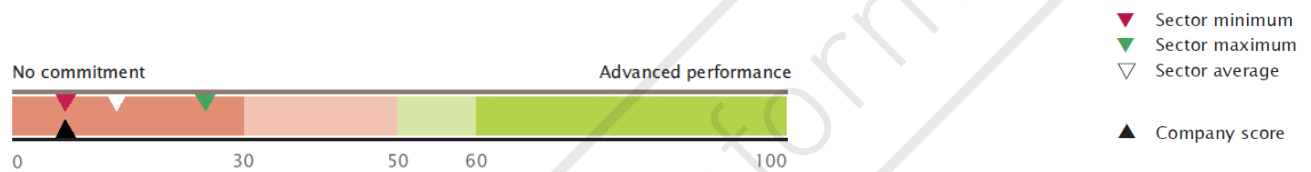
*Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.*

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
*As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

**CGV4.1 Executive Remuneration**

(score: 7, weight: 2)



**[LISTED COMPANIES] Existence and independence of Remuneration Committee**

Information disclosed on this subject is insufficient or not relevant.  
*It is unclear from the company's reporting if there is a committee that is responsible of executive remuneration.*

**Disclosure of senior executives' individual remuneration**

Disclosure of individual executive remuneration data for senior executives is insufficient.

**Link between Short Term Incentive Plans and the performance of the company**

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.  
*Backus reports that there is a variable component to executive remuneration, however there is no information on whether these are short term or long term incentive plans nor on the performance conditions attached.*

**Link between the main Long Term Incentive Plan and the performance of the company**

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.  
*Backus reports that there is a variable component to executive remuneration, however there is no information on whether these are short term or long term incentive plans nor on the performance conditions attached.*

**Link between variable remuneration and CSR performance of the company**

*There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.*

**Severance pay for senior executives**

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

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**Evolution of CEO-to-employee compensation ratio**

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.  
*The CEO compensation is not disclosed.*

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**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral  
*As of 08/2017, BACKUS Y JOHNSTON did not appear to be involved in any controversy related to this sustainability driver.*

Confidential Information

**Allegations and controversies**

Domain	Sustainability driver	Page
HRT	HRT2.1 - Respect for freedom of association and the right to collective bargaining	19

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## Detailed Scores And Ratings

### Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2017/09	+	=	=	+	+	-
2016/10	=	-	-	+	+	-

### Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	43	33	49	30
Human Resources	20	17	18	25
Human Rights	32	46	6	45
Community Involvement	43	39	45	44
Business Behaviour (C&S)	39	36	36	46
Corporate Governance	17	8	14	28

### Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	71
	4	28
Environment 2	1	35
	2	44
	4	D/A
Environment 3	7	D/A
	1	35
Sub-domain	Criterion	Score
Human Resources 1	1	D/A
	3	12
Human Resources 2	4	26
	2	26
Human Resources 3	2	26
	4	26
Sub-domain	Criterion	Score
Human Rights 1	1	34
	4	44
Human Rights 2	1	27
	4	44

Sub-domain	Criterion	Score
Community Involvement 1	1	32
	2	43
Community Involvement 2	1	50
	2	43
Sub-domain	Criterion	Score
Business Behaviour (C&S) 1	1	32
	2	53
Business Behaviour (C&S) 2	2	32
	3	D/A
	4	54
Business Behaviour (C&S) 3	1	43
	2	D/A
	3	12
Sub-domain	Criterion	Score
Corporate Governance 1	1	14
	2	26
Corporate Governance 2	1	26
	2	21
Corporate Governance 3	1	21
	2	7
Corporate Governance 4	1	7
	2	7

## General Overview

Position versus  
sector peers Rest of the World

	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
TRAAEFES91A9 Anadolu Efes Biracilik ve Malt Sanayi A.S.	+	+	=	=	=	+	33
MX01AC100006 Arca Continental	+	+	+	+	+	=	35
PEP218025000 BACKUS Y JOHNSTON	+	=	=	+	+	-	34
MA0000010365 Brasseries du Maroc	-	-	-	--	-	--	11
HK0291001490 China Resources Beer	-	=	-	=	-	=	20
CLP3698K1338 Coca-Cola Embonor SA	=	=	-	=	-	=	23
MXP2861W1067 Coca-Cola Femsa	++	+	+	+	+	+	44
TRECOLA00011 Coca-Cola Icecek Uretim	+	+	++	+	++	+	45
BRABEVACNOR1 Companhia de Bebidas das Américas (Ambev)	=	+	=	=	=	=	28
CLP249051044 Compania Cervecerias Unidas	=	=	=	=	=	+	34
CLP3697S1034 Embotelladora Andina	+	+	+	=	+	+	40
MXP320321310 Fomento Economico Mexicano	=	+	+	+	+	-	34
KR7000080002 Hite Jinro	-	-	-	=	-	-	12
KR7005300009 Lotte Chilsung Beverage	-	-	-	--	-	--	10
CNE1000004K1 Tsingtao Brewery	-	-	-	=	-	+	23
INE854D01016 United Spirits	-	-	=	-	-	=	22

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## Contacts

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