

ACCOLADE WINES MODERN SLAVERY STATEMENT

FY2020



Accolade
Wines

ACCOLADE WINES

Modern Slavery Statement FY2020

This Statement

This Statement is made by Accolade Wines in accordance with the Modern Slavery Act 2015 (UK) and Modern Slavery Act 2018 (Australia).

Reporting Entities

The reporting entities covered by this Statement are:

- Accolade Wines Australia Limited
ACN 008 273 907 (**AWAL**) of Reynell Road, Reynella South Australia 5161 Australia
- Accolade Wines Limited Company
No. 137407 (**AWL**) of Thomas Hardy House, 2 Heath Road Weybridge Surrey, KT13 8TB UK

collectively **Accolade Wines**.

This Statement covers the UK and Australian activities of Accolade Wines including AWL, which is the UK trading company for Accolade Wines, and AWAL, which is the Australian trading company for Accolade Wines.

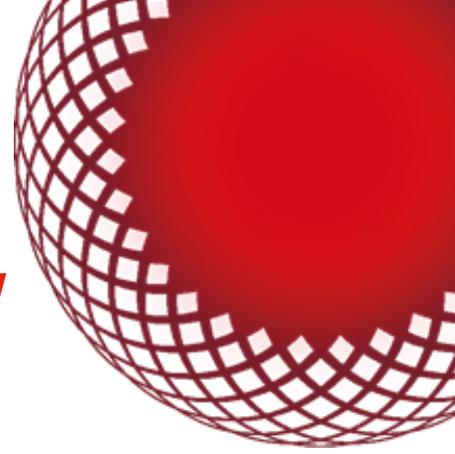
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- 1** Structure, Operations & Supply Chain
- 2** Risks of Modern Slavery Practices
- 3** Actions Taken
- 4** Assessment of Effectiveness & Next Steps

Accolade Wines' vision is to be the wine company our consumers, customers and partners want to engage with the most.

Accolade Wines is committed to preventing slavery and human trafficking within its business activities and its global supply chain.

01 Structure, Operations & Supply Chains



Structure

Accolade Wines is a global company with over 1,400 employees and is owned by the Carlyle Group.

AWAL is structured as a public company incorporated in Australia with offices across Australia.

AWL is structured as a private limited by shares company incorporated in the UK with its headquarters in Weybridge.

Accolade Wines has vineyards; production sites (including wineries); and offices across the globe including those highlighted in **Figure 1**.

Vineyards, Production and Global Distribution

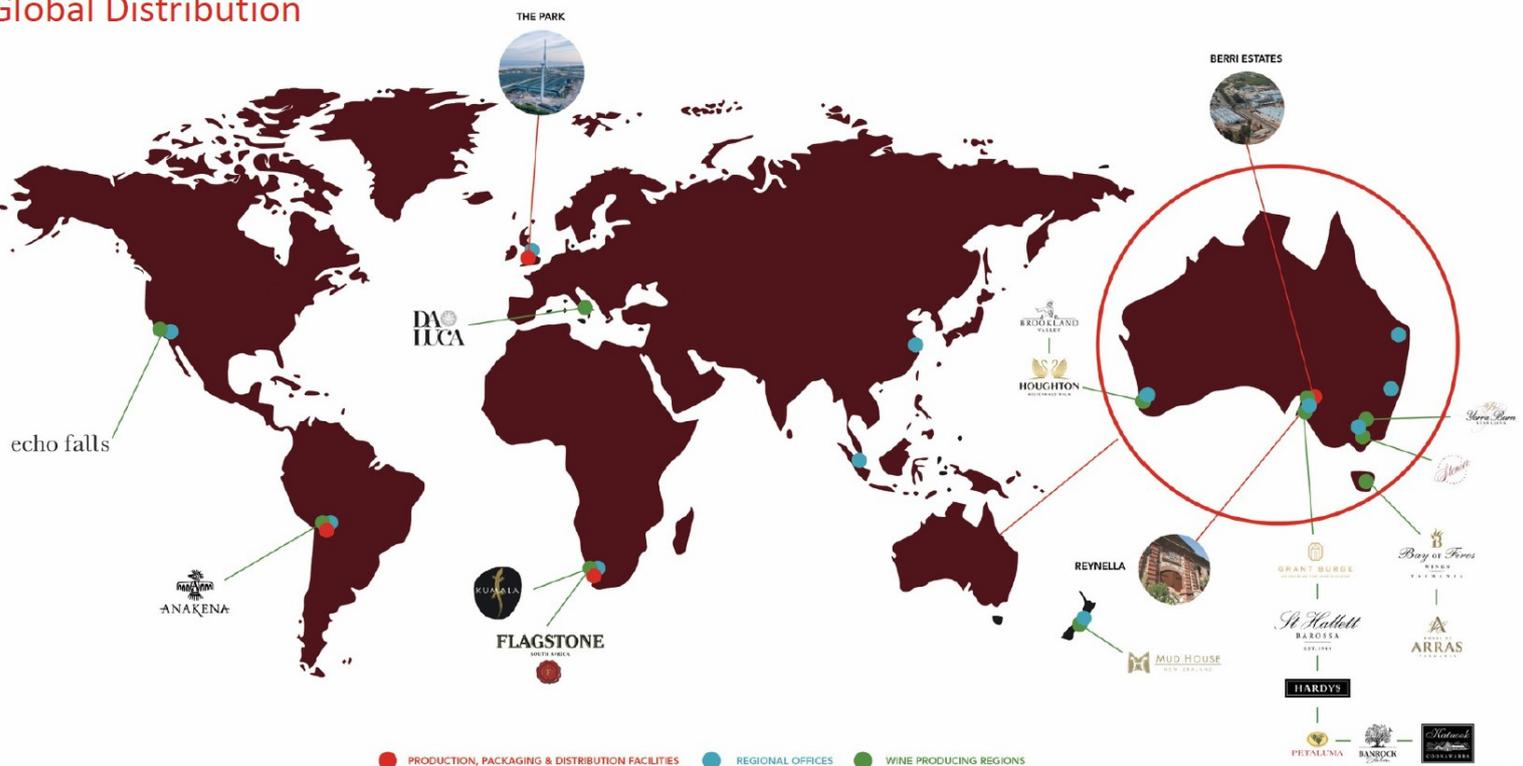


Figure 1

Operations

Accolade Wines is a global, vertically integrated wine business with core operations including:

- grape growing and sourcing
- winemaking and production
- sales and marketing

Grape Growing & Sourcing

Accolade Wines sources its grapes through a combination of owned and leased vineyards, and from third party growers under supply contracts in Australia; New Zealand; South Africa & Europe.

Wine Production & Sourcing

Accolade Wines produces and bottles wine at its own production facilities located in Australia, South Africa, and the UK, and also sources bulk wine from third party suppliers across the world.

Our two main production facilities are Berri Estates in the Riverland (South Australia) and The Park in Bristol (UK). Berri Estates is the largest combined winery and packaging facility in the Southern Hemisphere, with 220,000 crush capability (5,000T per day) and employing 250 staff and 500 during vintage. The Park is the largest and most dedicated wine filling facility in the UK. We also have a number of smaller premium wineries across the globe, most of which are in Australia.

Accolade Wines has various brands, including 9 global brands; regional brands; and core brands for (see **next page**).



Global Growth Engines



Regional

HEROES

JEWELS

echo falls

FLAGSTONE



CROSER



Yarra Burn SPARKLING

Bay of Fires



Other Core Priorities



Stanley WINES

BERRI ESTATES



TA_KU



Operations (continued)

Marketing & Sales

Accolade Wines markets, sells and distributes its wines to customers in more than 130 countries, with a deep understanding of our markets, we use our own dedicated marketing and sales teams and through appointed distributors and agents.

Accolade Wines also markets its products through its online friends and family e-commerce site and wine clubs, and through its cellar doors across Australia and New Zealand (Figure 2).



Cellar Doors

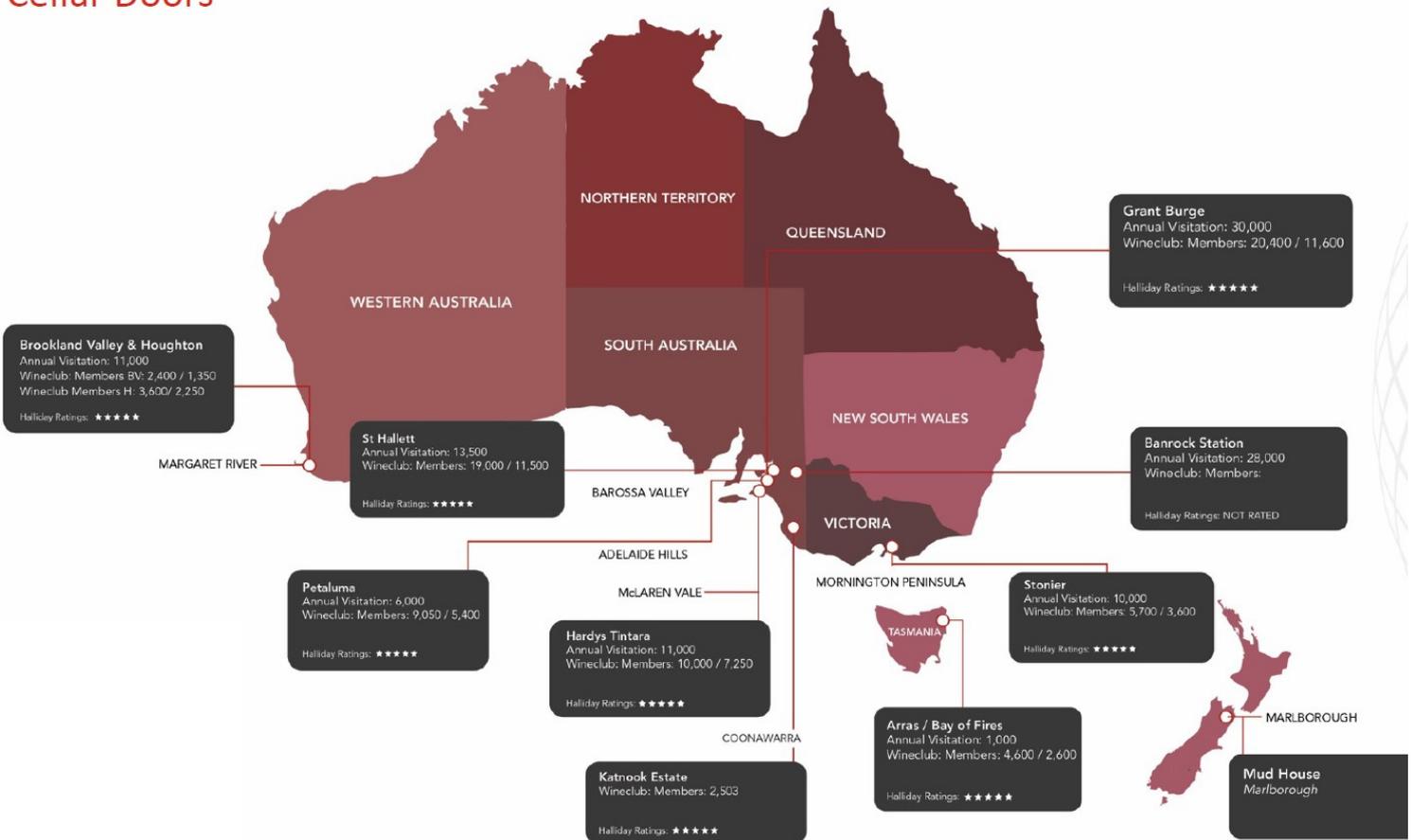


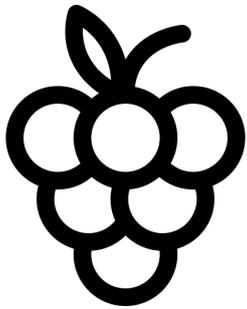
Figure 2



Supply Chain

Accolade Wines global supply chain goes from grape to glass, a high-level supply chain map is below.

Grape to Glass Supply Chain



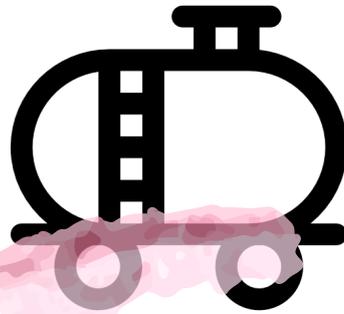
Vineyard (or)

Own Vineyard:

- P&E
- Equipment hire
- Labour hire (including vintage casuals)
- Vineyard supplies (including vines; soil; trellis; irrigation and chemicals)

Grapes from third party growers

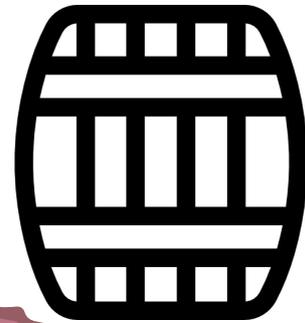
Grapes from CCW growers



(or) Bulk Wine

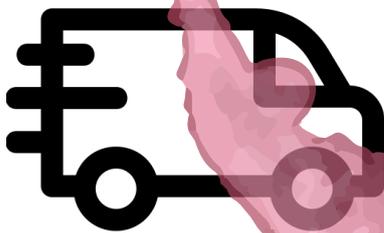
Bulk Wine Purchase

Bulk Wine Swaps



Winery

- P&E
- Hardware
- Equipment hire
- Labour hire
- Packaging materials (including glass; capsules; labels & cartons)
- Repairs & maintenance
- PPE
- Utilities
- Winemaking supplies (inc. barrels; oak; chemicals; sugar; water & additives)
- Contract processing
- Co-packers
- Storage



Distribution

- Domestic freight
- Export freight
- Distributors
- Wholesalers
- Warehouse
- 3PL



Consumer

- Marketing Agencies
- Marketing Campaigns
- Advertising
- Seasonal Staff
- POS



Supply Chain (cont.)

Accolade Wines' supply chains also include goods and services that contribute to its operations, such as professional services and consultants; cleaning and security companies that services its offices and building sites; software and hardware vendors; insurance; and training providers.

During FY20, Accolade Wines undertook a risk assessment of its Australian business (AWAL) supply chain at a category level, and determined its high-risk supply categories (see table below). The following risk areas were used for our assessment:

1. Vulnerable population
2. High risk categories
3. High risk geographies
4. High risk business models

Accolade has undertaken high level mapping of its suppliers for the Australian business on the data available to it. It will be conducting full mapping in FY21 of its suppliers for both the Australian and UK trading businesses.

Supply Group	Vulnerable Population	High Risk Category	High Risk Geography	High Risk Business Model
Grape Growers	Yes - likely to use migrant workers or base-skill workers in pruning and, if required, hand picking	Yes - raw material	Yes - often in rural areas	Yes - often use labour hire providers
Freight	Yes - likely to use base-skill workers	Yes - service procurement	No	Yes - often outsource to third parties
Labour Hire	Yes - likely to use base-skill workers	Yes - service procurement	Yes - often utilised in rural areas	Yes - labour hire and generally 2nd or third tier supplier
Packaging Materials	Yes - likely to use base-skill workers	Yes - likely to source raw materials	No	Yes - likely to use labour hire
Export Freight	Yes - likely to use base-skill workers	Yes - service procurement	Yes - leaves Australia often on boat	No

Below outlines the type of arrangements Accolade Wines has with its high-risk suppliers.



Growers

Accolade Wines has grape growing contracts with over 300 growers across Australia. These relationships are commonly long-standing and stable.

In addition to its direct grower contracts, Accolade Wines has a long-standing relationship with CCW Co-Operative Limited, Australia's largest member owned wine-grape co-operative representing growers in the Riverland, South Australia. Accolade Wines contracts with CCW who then contracts with its grower members. The relationship between AWAL and CCW is long-standing as with the relationships between CCW and its grower members

Freight & Export Freight

In FY20, AWAL had approximately 60 domestic freight suppliers and 16 export freight/warehouse suppliers, with only 12 domestic suppliers and 4 export suppliers having significant spend in excess of AUD30million. In FY20 Accolade changed its export warehouse supplier following a competitive tender.

Our top suppliers all have had long-standing stable relationships with Accolade Wines. We work very closely with our domestic freight suppliers given our obligations under the National Heavy Vehicle Regulation for Chain of Responsibility.



Packaging Materials

In FY20, AWAL was receiving packaging materials from suppliers under a two-year contract following a competitive tender. We have 2-3 suppliers in each major packaging material category (i.e glass; cartons; capsules; labels; and shippers).

Competitive tenders are run every 2-3 years for these supplies, however the pool of tenderers is relatively small and therefore most relationships become long-term.

Labour Hire

AWAL used 8 recruitment/labour hire suppliers in FY20, with the most spend being allocated to three suppliers. Accolade Wines has had an ongoing relationship with two of those suppliers over a number of years, and with one new supplier during FY20.



02 Risks of Modern Slavery



The wine industry, like other food, beverage and agricultural industries, has a high risk of modern slavery in its supply chain due to the nature of work necessary in the production, packaging and distribution of wine.

Accolade Wines undertook a risk assessment at the beginning of FY20, which is outlined in the table below.

Risk in Operations	Risk Description
High-Risk Geographies and Regional Employees	Whilst the Global HR Department manages employee recruitment and contracts, there remains residual risk of employees hired in countries listed as high risk in the Global Index Survey and those employees employed in regional areas being exposed to modern slavery.
Seasonal Casuals/Labour Hire	The use of seasonal casuals and those hired through labour hire companies creates risk as they are likely to be deemed vulnerable (e.g on short-term visas; migrants; students or seasonally employed). The use of labour hire increases that risk as we have less control. In the UK we do not use this on our production lines.
Risk in Supply Chain	Risk Description
Supply Chain Activities	The limited visibility over the activities of Accolade Wines' supply chain partners creates risk of those partners participating in modern slavery and limits Accolade Wines' ability to influence compliance. Without this influence; awareness; and training from Accolade Wines, suppliers are more likely to participate in modern slavery practices.
Supply Chain Transparency	The limited transparency of Accolade Wines' second and third tier suppliers creates a higher risk that modern slavery is occurring in the Accolade Wines' supply chain without its knowledge. Additionally if the transparency is not maintained, suppliers may engage new suppliers that have not been assessed appropriately for modern slavery risk.
Centralised Procurement Function	The lack of a centralised procurement function for the Australian business results in less strategic procurement; multiple suppliers supplying the same products and therefore less power of influencing compliance against modern slavery.
Procurement Policies & Procedures	Multiple procurement policies and procedures across the globe that are overdue for review results in an approach that is not streamlined or easy to govern for modern slavery risk.
KPIs in Contracts	The setting of KPIs in contracts without consideration of modern slavery risk may result in unintentional modern slavery occurring in Accolade Wines' supply chain.

Additional Risks Identified During FY20

The following risks were also identified during FY20 due to the unprecedented events of the year.

Bushfires

The bushfires across Australia at the end of 2019 and into early 2020 caused smoke damage to Accolade Wines' owned and contracted grapes. Whilst most of the fruit we purchase is typically machine harvested, in FY20 the use of hand picking was increased to reduce the risk of further damage to the grapes from smoke taint.

Due to the seasonal-short term and low skilled nature of this work, it often attracts migrant workers, particularly backpackers, and the use of labour hire companies. The decision to hand pick and what particular grapes to hand pick was often made within 48 hours of the fruit needing to be picked, and this meant there was limited time to address the additional labour-associated risk of hand picking.

COVID-19 - Working from Home & Essential Workers

COVID-19 presented significant challenges for all organisations, including Accolade Wines. Whilst all staff who could work from home were requested to, many staff were deemed essential workers (including viticulture, winemaking and warehouse staff) and continued to attend sites. Many of our supply chain also were essential workers. Accolade Wines kept an open dialogue with staff and suppliers to ensure the wellbeing and safety of all was being maintained.

COVID-19 - Visibility of Labour Hire

The pruning of vines typically occurs in Australia around May. In FY20, Australia was in lock-down at this time due to COVID-19. This created a heightened risk for the labour used (likely to be migrant workers and/or labour hire) as the visibility of these people was limited in circumstances where non-essential workers were not on-site as often as they normally would be to oversee pruning operations.

COVID-19 - Interruption to Roadmap

Certain action items on our FY20 modern slavery roadmap were not rolled out given employees were focused on the impacts of COVID-19 on the business and our teams. This included:

- running SEDEX audits of high-risk geography work places;
- running an in person Grower awareness campaign, a joint initiative with other industry members, in the lead up to pruning season
- rollout of the supplier survey, given we wanted maximum return and were concerned suppliers would be otherwise pre-disposed.





03 Actions Taken

Prior to FY20, Accolade Wines had a number of initiatives in place to identify and mitigate the risk of modern slavery in its operations and supply chain, including:

- Compliance with local labour laws across the organisation through policies; procedures and processes
- A Whistleblowing Policy and Procedure for reporting of unethical or illegal activities
- Due diligence screening on all Suppliers and Customers and Third Party Contractors
- Supplier Risk Assessment Questionnaire for Bulk Wine suppliers
- Regular training of the Executive Leadership and Senior Leadership teams in the risks of modern slavery
- Employee Assistance Program

Accolade Wines most recently published Modern Slavery Statement can be found on the Accolade Wines [website](#) with further information on these initiatives.

FY20 Actions

Accolade Wines undertook the following actions in FY20 to reduce the risk of modern slavery in its operations and supply chain:

Action	Detail
Modern Slavery Policy	<p>A modern slavery policy was introduced to complement Accolade Wines' Code of Conduct and the Supplier Code of Conduct, ensuring Accolade Wines has systems to ensure modern slavery is not taking place in its business or supply chains; and to ensure transparency in its operations and supply chain.</p> <p>The modern slavery policy applies to Accolade Wines' employees globally, and any third parties we engage are contractually required to comply with the Policy. The modern slavery policy is based on a zero tolerance of any activity of modern slavery; how to identify modern slavery; undertakings of how Accolade Wines will reduce risks of modern slavery; and how to report modern slavery.</p>
Supplier Code of Conduct	<p>A Supplier Code of Conduct was launched to establish Accolade Wines' expectations of our suppliers and their supply chain when providing goods and services to us.</p> <p>It outlines a range of compliance areas including modern slavery; ethics; anti-corruption; human rights; environment; quality standards; business continuity; community standings; health and safety; and responsible consumption of alcohol. The Supplier Code of Conduct outlines Accolade Wines' zero tolerance to any activity of modern slavery in the supply chain and requires its suppliers to not engage in any form of modern slavery, and our expectation that our suppliers will influence the policies and actions of its own supply chain. It outlines a range of specific expectations of our suppliers around modern slavery.</p> <p>The Supplier Code of Conduct is binding on any supplier who contracts with Accolade Wines.</p> <p>During FY21, current suppliers will be asked to acknowledge and accept the Supplier Code of Conduct through the Supplier Survey.</p>

Action	Detail
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Contracts

All supply contracts now have a requirement for suppliers to comply with Accolade Wines' Supplier Code of Conduct, which imposes modern slavery compliance obligations on suppliers.

All high-risk suppliers have specific modern slavery clauses added to their contracts, which relevantly require:

- compliance with modern slavery legislation (including legislation outlawing human trafficking; slavery; and slavery like offences)
- notifying Accolade Wines immediately of actual or suspected slavery in its operations/supply chain
- conducting due diligence on its suppliers and supply chain
- maintaining a complete set of records to trace supply chain
- agreeing to audits by Accolade Wines and to audit its supply chain
- implementing a whistleblowing policy and procedure

Employee Code of Conduct & Purpose, Vision & Strategy

Accolade Wines' Employee of Code of Conduct was updated to include a section on human rights with a focus on modern slavery. The section of the Code directs employees to the Modern Slavery Policy. Additionally, a new Purpose, Vision & Strategy was introduced which includes an objective to deliver best in class results across our supply chain; a behaviour to act with integrity and accountability; and a focus on health, safety and sustainability across everything we do.

Mapping of Supply Chain

A high-level mapping of suppliers was undertaken, and described further in Section 1 of this Statement.

Further detailed mapping of Accolade Wines' supply chain will be conducted in FY21 through the Supplier Survey.

Supplier Survey

Accolade Wines engaged its due diligence partner Refinitiv (formerly known as Red Flag) to create a Supplier Survey and Approval Workflow to identify risks of modern slavery and other compliance issues.

Refinitiv's Director of Research & Analysis (APAC) developed the survey (with input from Accolade Wines) based on best in class standards. In addition to the survey, the system runs an Integrawatch Screening on the entity and its directors against publicly available databases.

Depending on the answers provided and the Integrawatch Screening results, a risk score is provided to each supplier both overall and a stand alone modern slavery risk analysis. In order for a supplier to be approved to conduct business with Accolade Wines, the survey will need to be approved by Accolade Wines' Procurement and Legal functions.

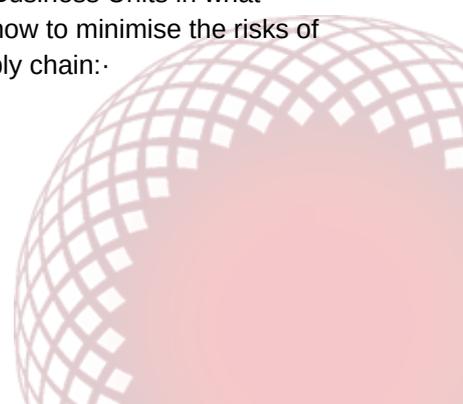
If the findings show there are risks, but they can be mitigated (either through contractual terms; undertakings; or training/awareness with the supplier) then the Supplier is approved by Legal. If there are no/minimal mitigations available, a member of Executive will review the findings and approve or reject the supplier. The questionnaire also requires Suppliers to agree to comply with the Supplier Code of Conduct.

This will be rolled out to all new and existing suppliers in FY21.

Training

Training was provided to the following Accolade Wines Business Units in what modern slavery is; how to identify modern slavery; and how to minimise the risks of modern slavery in Accolade Wines' operations and supply chain:

- Accolade Wines' Board
- Executive Leadership Team
- Senior Leadership Team
- Procurement
- Human Resources



Action	Detail
Whistleblowing	<p>In accordance with the new whistleblowing laws under the Corporations Act in Australia, Accolade Wines rewrote its Whistleblowing Policy. Whilst the policy is compliant with Australian legislation, the policy is also:</p> <ul style="list-style-type: none"> • Global • Drafted against global best standards • Available to all employees and third parties • Published on our website <p>Suppliers (and their employees), even if not a current supplier, have access to the procedures under the policy, which means they are able to report directly to Accolade Wines any modern slavery occurring in the supply chain.</p>
Wine Industry Round Table	<p>Accolade Wines participated in a wine industry round table, facilitated by Australian Grape & Wine. Due to COVID-19, this group only met once but there is an intention to start it again in FY21.</p>
Centralised Procurement Function	<p>In FY20, Accolade Wines appointed a Head of Procurement ANZ, reporting to the GM Supply Chain & Operations (ANZ) centralising ANZ procurement and linking it with the centralised UK team, streamlining the process of procurement & mitigation of risks.</p> <p>The Procurement Team have been trained in modern slavery risks; identification; and reducing those risks.</p>

04 Effectiveness & Next Steps

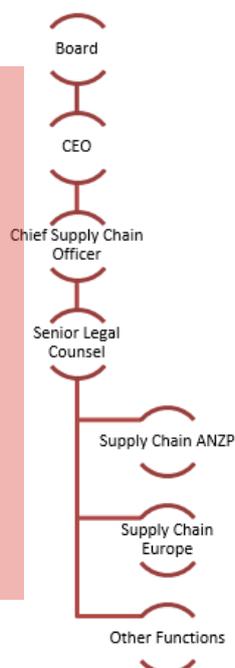


In FY21, Accolade Wines will implement a program to test effectiveness of its modern slavery program, including:

- Reviewing statements submitted by other organisations to benchmark against industry and leading practice;
- Establishing a global Communities of Practice to undertake ongoing review of Accolade Wines' response to modern slavery
- Annual review of risk assessment practices to ensure it appropriately covers the changing state of play for Accolade Wines' operations and supply chain
- Conducting internal audits on suppliers, particularly high-risk suppliers during high-risk times, for example during pruning season for our growers.
- Monitoring of the complaints made through the Whistleblowing Policy for any concerns of modern slavery (whilst maintaining confidentiality requirements)
- Partnering with the wine industry members to ensure best practice amongst the group, and ensure consistency in our supply chain in regards to practices to fight modern slavery.

The Board has ultimate oversight over the Accolade Wines' modern slavery program, with the FY20 plan approved by it before roll-out, including review of the risk assessment.

The Senior Legal Counsel manages the modern slavery program reporting through to the project sponsor, the Chief Supply Chain Officer. Input into and roll-out of the program is provided by the various Supply Chain function and other relevant functions, including HR.



This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (UK) and Part 2 of the Modern Slavery Act 2018 (Aus) and constitutes Accolade Wines' modern slavery and human trafficking statement for the financial year ending 30 June 2020.

It was approved by the Board of Directors on 23 February 2021

Robert B. Foye

Robert Foye
CEO

