

ACCOLADE WINES MODERN SLAVERY STATEMENT

FY2021



ACCOLADE WINES

Modern Slavery Statement FY2021

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 Level 10, 10 Franklin Street Adelaide, SA 5000
- 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.

Contents of Statement:

- 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 deliver accelerated growth through being the wine company our consumers, customers and partners want to engage with 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

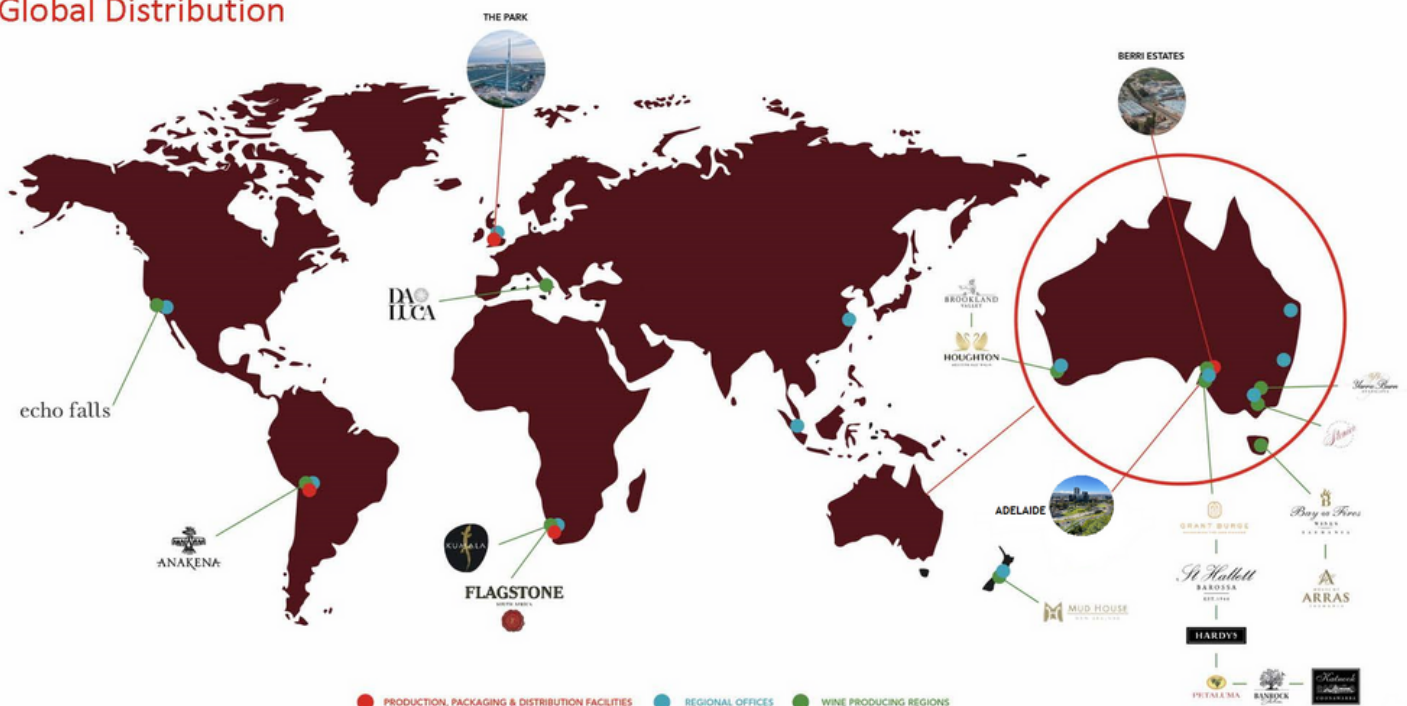


Figure 1

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 including from 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 dedicated wine filling facility in the UK and Europe. 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 (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

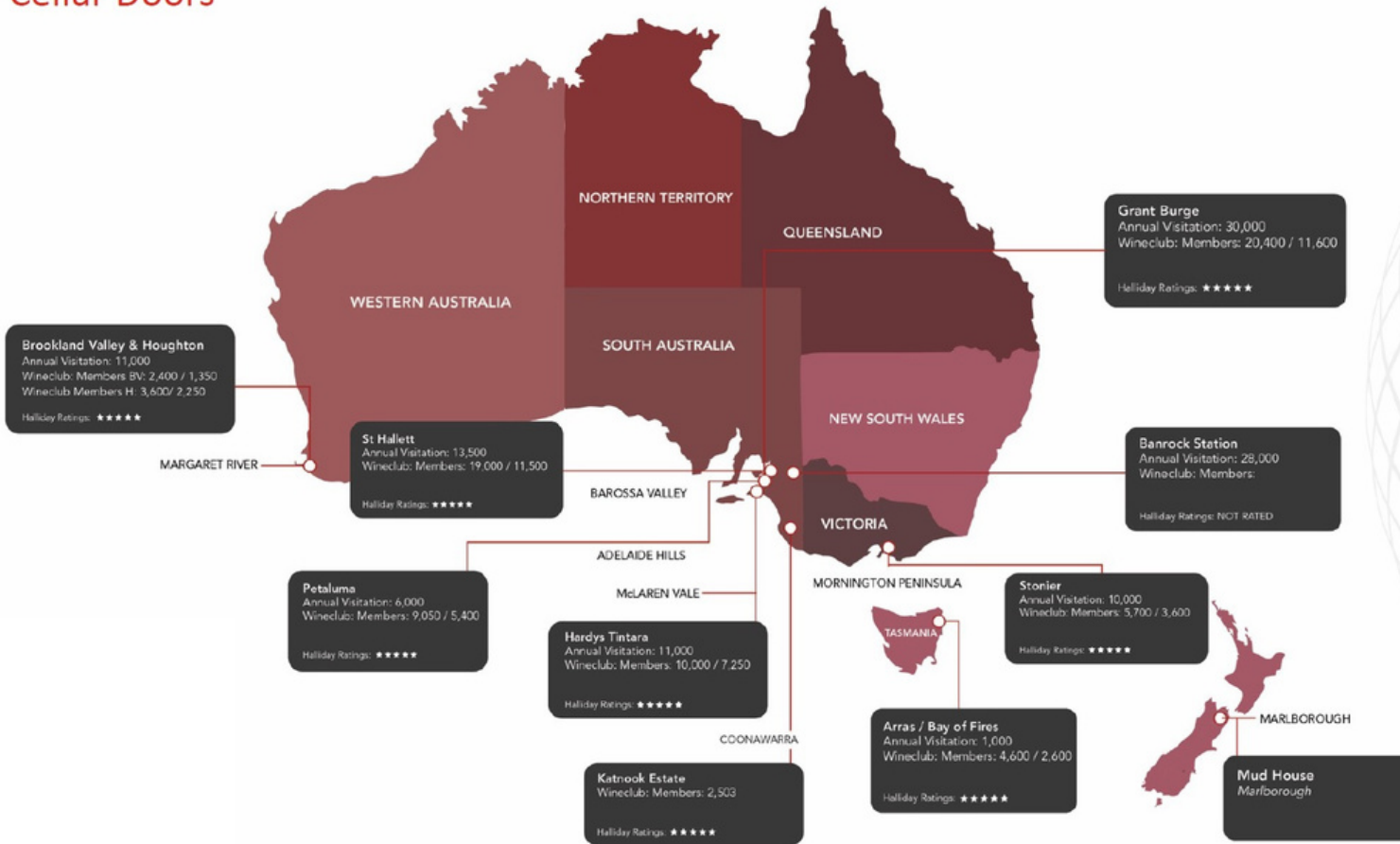


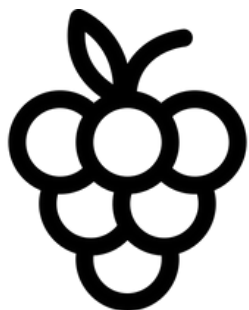
Figure 2



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



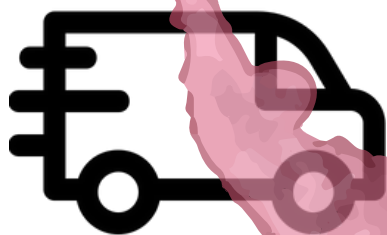
Vineyard (or)

Own Vineyard:

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

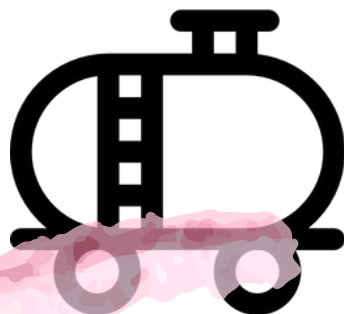
Grapes from third party growers

Grapes from CCW growers



Distribution

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



(or) Bulk Wine

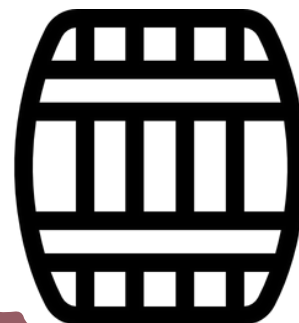
Bulk Wine Purchase

Bulk Wine Swaps



Consumer

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



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



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.

Following on from FY20, in FY21 Accolade Wines refreshed its risk assessments of its Australian business (AWAL) supply chain at a category level to maintain a register of 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 worked with Refinitiv to develop a questionnaire and tool to deep dive its supply chain and better understand its risks. This questionnaire has been integrated with Accolade's long standing process of running due diligence on key risk areas using Refinitiv's platform.

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

Like its Growers, freight is a significant component of Accolade's supply chain. In FY21 Accolade consolidated its suppliers working closely with three key large suppliers being Visy; Booth and Australia Post. We have a long standing relationship with Booth and have built strong connections with Visy in FY21, including modern slavery requirements in all contracts. We work very closely with our domestic freight suppliers given our obligations under the National Heavy Vehicle Regulation for Chain of Responsibility and the importance of freight in our supply chain.



Packaging Materials

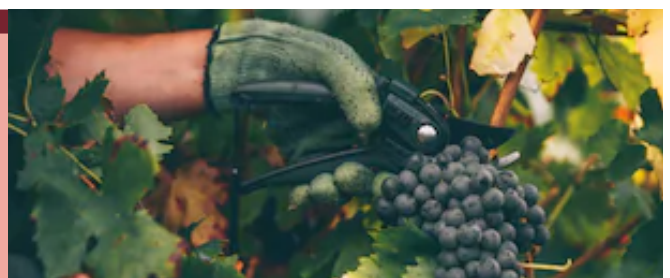
In FY21, AWAL conducted competitive tenders for its packaging materials for two to three year contracts.

In most instances, the incumbent was appointed. Modern slavery provisions were negotiated into all contracts, including on incumbents.



Labour Hire

AWAL maintained its labour hire relationships in FY21. Our Viticulturists, who work directly with our Growers, were also trained in labour hire company practices in order to mitigate risks down the supply chain.



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 reviewed its previous risk assessment and updated accordingly.

Risk in Operations	Risk Description
High-Risk Geographies and Regional Employees	Whilst the Global HR Department manages employee recruitment and contracts and have been trained in modern slavery risks, 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 despite our Procurement Teams being trained in modern slavery risks.

Additional Risks Identified During FY21

The following one-off risks were also identified during FY21.

COVID-19 - Working from Home & Essential Workers

COVID-19 continued to present significant challenges for all organisations, including Accolade Wines. Lockdowns continued across the globe meaning many staff worked from home. Essential workers (including viticulture, winemaking and warehouse staff) and continued to attend sites, but movements were limited. 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 - Global Supply Chain Crisis

The global supply chain crisis caused by COVID meant there was further pressure on the freight industry. Given this industry was one identified as high risk for us, we ensured our discussions with our freight providers were ongoing to identify pressures that may be causing labour concerns.

COVID & China Wine Tariffs

Certain action items on our FY21 modern slavery roadmap were not rolled out given employees were focused on the impacts of COVID-19 and the China tariffs on the business and our teams. These will be moved in to FY22.





03 Actions Taken

Prior to FY21, 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
- Policies & Procedures, including: Modern Slavery Policy; Whistleblowing Policy and Procedure; Employee Code of Conduct (reviewed in FY21)
- A Supplier Code of Conduct all suppliers are required to comply with
- Modern Slavery requirements in all supplier contracts
- 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; Senior Leadership; Procurement; HR and Viticulture 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.

FY21 Actions

Accolade Wines undertook the following actions in FY21 to reduce the risk of modern slavery in its operations and supply chain:

Action	Detail
Global Procurement Policy	<p>Previously the company had localised and outdated procurement policies and procedures.</p> <p>In FY21 a Global Procurement Policy and Procedure was created and launched. This global approach ensures the company is united in its approach to procurement, including its approach to managing modern slavery risk through its procurement practices.</p> <p>This was a previously identified risk.</p>
Child Labour Policy	<p>Accolade introduced a Child Labour Policy. The Policy confirms Accolade's zero tolerance position on child labour and that the rights of the child will be protected from economic exploitation. This includes that children will not perform work at Accolade that is hazardous, interferes with education, or is harmful to a child's health or physical, mental, spiritual or social development.</p> <p>Whilst Accolade may hire people under 18, they will do so whilst complying with all relevant laws.</p>

Action	Detail
Payment Terms	<p>Payment terms for small business were reviewed and reduced to ensure small business were able to pay its employees or other labour on time and in full.</p> <p>This reduces the risk of employees in the supply chain being underpaid or being subject to other types of modern slavery - such as deceptive recruitment.</p> <p>In addition to this, an option for all Accolade growers (regardless of size) to be paid in 30 days from delivery of grapes was introduced into contracts. Growers can choose annually to be paid on these shorter terms, as opposed to 1/3 in 30 days; 1/3 in June and 1/3 September, for a small discount. The discount is equal to the cost of capital Accolade incurs by making those payments early. This ensures, in vintages where growers are struggling with cash flow, they can ensure all labour are compensated on time.</p>
Dry Goods and Logistics Agreements	<p>As part of the the tenders for dry goods; freight and warehousing - all contracts were reviewed to ensure adequate modern slavery provisions were included. These include:</p> <ul style="list-style-type: none"> • compliance with modern slavery laws • due diligence compliance • due diligence down the supply chain by the supplier • allowing audits • advising Accolade of any breaches of modern slavery laws immediately • termination for breach of the provisions
Training	<p>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:</p> <ul style="list-style-type: none"> • Accolade Wines' Board (new members) • Executive Leadership Team (new members) • Senior Leadership Team (relevant new members) • Procurement • Human Resources
Viticulture Team Training	<p>The team responsible for managing the relationships with our key risk supplier were given modern slavery awareness training. Training included:</p> <ul style="list-style-type: none"> • what is modern slavery • what does modern slavery look like in the wine industry • what Accolade's role is in reducing/eliminating modern slavery • what signs to look for • how to report/manage modern slavery <p>There was then discussion around how this training could be delivered to growers and tools that could be developed to assist.</p>



Action	Detail
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Global Sustainability Strategy

A high-level global sustainability strategy was developed in order to bring together the sustainability actions already being undertaken at Accolade and to develop new actions were identified as necessary to the strategy.

A multi-disciplinary team was developed to build the strategy. The three pillars are People; Product and Planet - modern slavery is included in the People Pillar and will form part of the overall strategy moving forward.



04 Effectiveness & Next Steps

The Board has ultimate oversight over the Accolade Wines' modern slavery program.

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.



In FY22, Accolade Wines intends to complete the following actions:

- Review and update Risk Assessment
- Develop Sustainability Strategy and roll-out
- Update Supplier Code of Conduct to reflect new Sustainability Strategy
- Update Supplier Survey to reflect new Sustainability Strategy and roll-out globally
- Training of Accolade Growers
- Review Whistleblowing logs to identify any modern slavery trends/risks
- Review and updated Modern Slavery Policy against best practice
- Continue monitoring global modern slavery legislation that affects Accolade's supply chain

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 2021.

It was approved by the Board of Directors of Accolade Wines Australia Limited on 27 April 2022 and the Board of Directors of Accolade Wines Limited on 28 April 2022.

Robert Bruce Foye

Robert Foye
CEO

