

HILL-SMITH FAMILY ESTATES



2022 Modern Slavery Statement

Version: 1.0

30 November 2022

Hill-Smith Family Estates is committed to protecting human rights and preventing modern slavery in all its forms, including forced labour and human trafficking across its business activities and global supply chain.

Hill-Smith Family Estates' core values of Integrity, Knowledge, Friendship, Excellence, and Respect are what drives us to actively identify and overcome social and environmental challenges.

We endeavour to conduct business with honesty, integrity, and respect to human rights, and act safely, fairly, and transparently in all business dealings with respect for our customer and the people who work for and with us.

We make every effort to abide by all fair labour practices, ensuring that our activities do not directly or indirectly violate human rights. We act in ways that uphold the effective abolition of child labour and elimination of all forms of forced and compulsory labour. We uphold the freedom of association and the effective recognition of the right to collective bargaining and respect the right of all employers and workers to establish and join groups for the promotion and defence of their occupational interests freely and voluntarily.

Hill-Smith Family Estates' 2022 Statement describes the risks of modern slavery practices in the operations and supply chains of its entities. The Statement describes the actions taken by Hill-Smith Family Estates to assess and address the risks of modern slavery practices for the financial year 1 July 2021 to 30 June 2022 (FY22), and how the effectiveness of such actions is assessed.

This statement has been approved by Hill-Smith Family Estates' Board of Directors.

Reporting Entities

The following entities and their wholly owned subsidiaries are covered by the 2022 Modern Slavery Statement and are referenced collectively throughout this statement as Hill-Smith Family Estates or HSFE.

Samuel Smith & Son Pty Ltd
S. Smith & Son Pty Ltd
S. Smith & Son Processing Pty Ltd
Negociants International Pty Ltd
Free Run Juice Pty Ltd

All wholly owned subsidiaries operate under and are controlled by the centrally managed group. These subsidiaries adhere to and are covered in group wide policies, procedures and reports.



About

For more than 170 years, the Hill-Smith Family has been growing grapes and making wine. Each generation of pioneers and innovators has led Hill-Smith Family Estates to where it is today; a business integrated from vine cultivation, grape growing, winemaking and distributing fine wine.

Hill-Smith Family Estates has evolved from a single brand to a family of wine brands including but not limited to Yalumba, Jansz Tasmania, Oxford Landing, Winesmiths, Pewsey Vale Vineyard, Dalrymple Vineyards, Heggies Vineyard and Nautilus.

The company's operational structure comprises over 1000 hectares of vineyards, as well as five wineries, in South Australia, Tasmania and New Zealand; sales and distribution teams throughout Australia, New Zealand, Canada and the UK; and a global network of distribution partners selling our wine in more than 52 international markets.

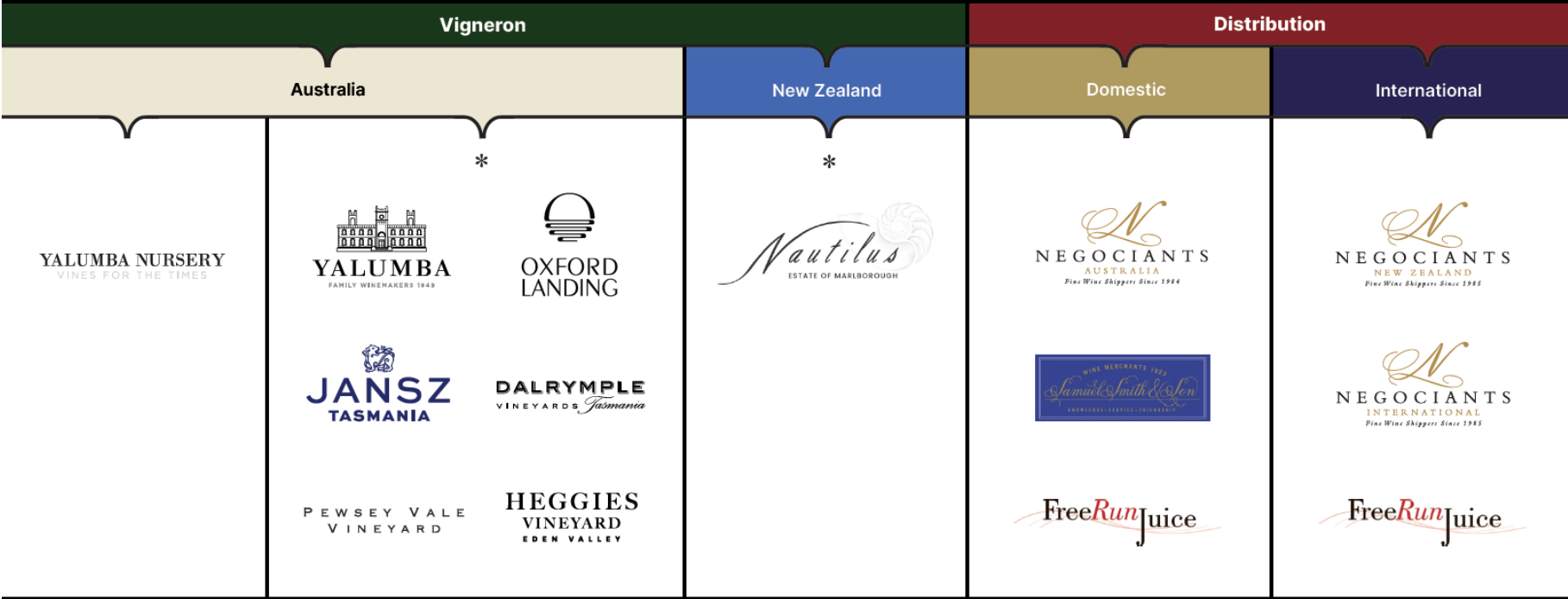
Hill-Smith Family Estates prides itself on its family heritage and its connection to people, but above all, the desire to remain a sustainable and successful family-owned business for generations to come.

The three key business activities include:

1. **Grape growing and sourcing**
HSFE sources grapes from both company-owned and grower vineyards.
2. **Wine production and packaging**
HSFE produces wine at its own production facilities in Australia and New Zealand, as well as providing third-party contract processing and packaging services.
3. **Wine marketing, sales and distribution**
HSFE markets, sells and distributes its wines, and the wines of other producers, globally.

Group Structure

HILL-SMITH FAMILY ESTATES



* Wine Estates



Assessing the Risks

Operations

The majority of HSFE's workforce is employed directly on a permanent full time, part time, casual or fixed-term basis. Employment complies with all relevant legislation in the relevant jurisdiction including conditions such as minimum wages, hours of work and leave entitlements.

HSFE has a small component of indirect labour that are engaged through third-party labour providers, including third party agricultural services.

Forced labour and exploitation of seasonal and migrant workers in agricultural supply chains has been documented in Australia (Australian Government March 2019 Report of the Migrant Workers' Taskforce) and around the world.

Supply Chain

HSFE's supply chain comprises:

- › Wine businesses from Australia and around the world (including Argentina, Chile, France, Italy, New Zealand, Portugal, South Africa, Spain, and USA)
- › Packaging materials and dry goods (glass, closures, cartons); plant and equipment (from Australia, various European countries, and China)
- › Indirect service suppliers (marketing, legal, corporate and consulting services).

Detailed risk assessment work will be undertaken in FY23 to develop HSFE's understanding of modern slavery risks in our operations and our supply chain.

Risk Mitigation and Remediation

Policy Framework

HSFE's existing policies and procedures articulate its values, ways of working and expectations of employees. This framework ensures that employees clearly understand their role in upholding these values.

The Hill-Smith Family Estates Charter

The Hill-Smith Family Estates Charter provides guidelines for the company's expectations of integrity, honesty, and fairness in all dealings with our customers and with each other:

"We uphold the values that come with family ownership – integrity in what we do today that must survive into the future."

Code of Conduct

The Code of Conduct outlines the expectation for HSFE employees to conduct themselves and their business at the highest standards and behave in an ethical and responsible manner. Failure to abide by the Code of Conduct may constitute a disciplinary offence and can result in termination of employment.

The Code of Conduct defines an employee's right to expect a work environment free of harassment and bullying. All employees have received training to understand what actions, conduct or behaviour is unacceptable in the workplace to ensure HSFE has a safe and inclusive work environment.



Raising Concerns Program

The Raising Concerns Program is implemented to ensure that people can raise concerns regarding actual or suspected contravention of ethical standards or the law without fear of reprisal or feeling threatened by doing so. The program utilises a third-party confidential service, which receives confidential information, objectively reports to the organisation and ensures the correct processes are followed to ensure all disclosure remain anonymous.

Matters reported via the Raising Concerns Program are reported to the Board through the Risk and Audit Committee. In addition, the Board is informed of any material incidents raised for the purposes of maintaining good corporate governance. All issues are resolved by way of investigation and action as required.

Diversity Policy

HSFE's Diversity Policy outlines its aim to create a diverse workforce and defines the expectation of employees, suppliers and customers in upholding our diversity commitments.

Health, Safety and Wellbeing Policy

HSFE's Health, Safety and Wellbeing Policy outlines our commitment to provide a safe work environment for all employees, contractors, and visitors. Our systematic approach to managing safety aims to prevent injury, based on a continuous improvement approach to hazard identification and risk management.

Corporate Social Responsibility Policy

In 2021, HSFE's Corporate Social Responsibility Policy was shared with its grape growers. The aim of HSFE's Corporate Social Responsibility Policy is to be transparent in the way business is conducted, and in HSFE's expectations of suppliers, contractors and partners. HSFE actively sought commitment from grape growers to take appropriate measures to implement and comply with this policy; and sought their commitment to act in accordance with all applicable national and international regulations on social and environmental responsibility.

In FY23, the policy will be included in contracts to define HSFE's expectations that suppliers conduct business in accordance with the highest ethical standards; uphold basic human rights; ensure health and safety of workers; ensure data protection; and manage and reduce environmental impact.

Employee Assistance Program

The Employee Assistance Program is a professional counselling service that offers confidential, short-term support for a variety of issues. The service is available to employees and their immediate families. The program is voluntary, and easy to access, with support available for personal and work-related issues including performance, dealing with grief, stress management and financial counselling.

Risk Management Framework

The Risk and Audit Committee (RAC) oversee and manage all elements of risk related to the company operations and supply chain. The major focus for the RAC is a commitment to the effective management of risk to reduce uncertainty in the company's business outcomes.

Training and Communication

All executive management, senior leaders and employees are aware of and understand the policies which reflect the company's commitment to promote ethical and responsible behaviour.

Assessing Effectiveness

In FY22, HSFE underwent its first Sedex Members Ethical Trading audit (two pillar) of work health safety and labour practices. Some non-conformances were identified with improvements made to HSFE's labour hire review processes as well as the recomunication of the disciplinary policy with all employees.

HSFE conducts regular reviews and assessments of the effectiveness of policies and processes as part of its risk management framework.

The Board governs the company, and its responsibilities include actively promoting ethical and responsible decision making within the business. The Risk & Audit Committee assists the Board in overseeing the processes used by management to monitor and ensure compliance with laws, regulations and other requirements.

Consultation and approval process

The Board, with support of its Risk & Audit Committee, retains oversight of HSFE's human rights and modern slavery risks through its risk management framework.

Next Steps

HSFE is committed to continuously improving the practices, procedures and relevant education related to human rights and modern slavery to support its prevention.

During FY23, HSFE will:

- › Undertake a detailed human rights impact assessment to identify actual and potential impacts to human rights within our operations and supply chain.
- › Incorporate the Corporate Social Responsibility Policy into contracts and disseminate with our supply chain.
- › Continue to update core policies and processes to reflect the commitment to upholding human rights.
- › Continue to build expertise of its people especially those that work directly with third parties and rely on contractors in their workforce, to better identify and act on indications of modern slavery.

This statement was approved by the Board of Directors of Hill-Smith Family Estates on the 23rd day of December 2022.



Karl Martin

Chief Executive Officer
Hill-Smith Family Estates