



BROWN-FORMAN

Australia Modern Slavery Act Statement 2022

Guided by integrity, respect, trust, teamwork, and excellence, Brown-Forman is committed to ethical behaviour in our operations. We apply our high ethical standards and core values to our commitment to human rights, including the prevention of modern slavery in our business and our supply chains.

This statement is made pursuant to section 14 of the Commonwealth of Australia's *Modern Slavery Act 2018*.

DEFINITION AND SCOPE

Modern slavery is a violation of fundamental human rights as it represents the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. In this statement we use this term to refer to situations in which coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery takes various forms, including slavery, servitude, forced and bonded labour, debt bondage, deceptive recruitment, human trafficking, the worst forms of child labour and forced marriage.

Modern slavery is prevalent across the globe. The International Labour Organization estimates that more than 25 million men, women and children are forced to work against their will.

Global businesses have an important role to play in the prevention of modern slavery. By identifying high-risk activities and locations, as well as the common indicators of potential violations, businesses can implement processes designed to reduce the risk of individuals being unethically and unlawfully exploited as they seek to earn a living.

Brown-Forman is committed to acting ethically and with integrity in all our business dealings and relationships and to implementing effective systems and controls to ensure modern slavery is not taking place anywhere in our own businesses or in our supply chains.

We expect the same high standards from all of our third-party contractors, suppliers, and other business partners, and we include specific prohibitions in our [Supplier Code of Conduct](#). We expect that our suppliers will in turn hold their own suppliers to the same high standards. All of our suppliers undergo an initial compliance screening, for compliance risks such as anti-corruption and modern slavery compliance. Suppliers deemed higher risk are required to complete a Know Your Third Party form, and are subject to additional due diligence by our Compliance team. Screening results for all third parties are continuously refreshed and monitored by our Compliance team.

REPORTING ENTITIES

This statement is made jointly by Brown-Forman Australia Pty Ltd (ACN 000 064 086) and Brown-Forman Corporation (ARBN 629 020 720).

REPORTING PERIOD

This statement covers the financial year 1 May 2021 to 30 April 2022.

OUR BUSINESS

Brown-Forman Australia Pty Ltd (**Brown-Forman Australia**) is ultimately owned by Brown-Forman Corporation and is the entity through which the Brown-Forman business is conducted in Australia.

Brown-Forman Australia is a proprietary company and one of a number of subsidiaries of Brown-Forman Corporation, one of the largest American-owned spirits and wine companies, whose portfolio of more than 30 brands is sold across the globe. Brown-Forman Australia directly employs 149 people in Australia in its operations which include the importation, distribution, marketing and sale of alcohol beverages across Australia and the management of third-party suppliers of manufacturing services to produce ready to drink alcohol beverages in Australia.

Brown-Forman Corporation sells a portfolio of branded beverage alcohol products to Brown-Forman Australia, who then distributes, sells and markets the products within Australia. In addition, Brown-Forman Corporation imports bulk whisky into Australia for the outsourced production of a wide portfolio of Jack Daniel's brand ready-to-drink alcohol beverages (RTD). Brown-Forman Corporation sells the RTDs to Brown-Forman Australia for distribution in Australia, as well as to customers outside of Australia. More information about Brown-Forman Corporation, its business and organizational structure, can be found in the company's [2022 Annual Report](#).

SUPPLY CHAINS

The Brown-Forman supply chain is a complex business process that incorporates the system-wide flows of material, information, and cash across the globe. It includes various operations such as stave mills, cooperages, distilleries, warehouses, bottling plants, etc., as well as over 5,000 external business partners (suppliers, distributors, agency partners, etc.). We strive to continuously improve how we plan, source, make, and deliver products, which are the primary activities.

In Australia, Brown-Forman Corporation licenses the production of its RTD products to a third-party producer, who sources most of the principal raw materials used to make the RTD products, which include water, flavourings, neutral spirits, as well as the main packaging materials, which include glass, aluminium cans, labels and cartons. Brown-Forman Corporation imports its Jack Daniel's bulk whiskey from the U.S. which is a primary ingredient in the RTDs. Our licensed producer undergoes a rigorous screening and risk assessment, and we continue to monitor their operations through our red flag system and ongoing monitoring. We work with our licensed producer constantly and receive regular reporting on their operations. We understand that our licensed producer is subject to the same modern slavery compliance requirements as we are.

Brown-Forman Australia's supply chain manages the importation of goods, warehousing and distribution activities for both imported and locally produced products. Brown-Forman Australia distributes its imported and locally-produced products using a third-party logistics (3PL) provider's network and five under-bond warehouses. The 3PL provider complies with Customs and Excise requirements, safety, security and Quarantine guidelines. Brown-Forman Australia operates a weekly settlement with Customs and the ATO with Duty and Excise payment made every Monday for the previous week's sales.

Distribution to customers (both wholesalers and retailers) is also managed by the 3PL provider and outsourced to 4PL providers as required.

Brown-Forman Australia's business operations are primarily in sales, marketing and distribution of alcohol beverages domestically. We lease office spaces in five (5) states which are sourced and managed through a third-party commercial leasing company, and we also engage third-party vendors to provide cleaning, maintenance and security services. Brown-Forman Australia also utilises third-party suppliers for office peripherals, furniture fittings, telecommunications and IT-related needs for its business operations and employees. We also engage third-party vendors for business catering, travel-related needs and professional services such as accounting firms, law firms, insurance agents and certain consultants. Our marketing teams engage advertising agencies to assist with brand development and activation both above and below the line.

Globally (including Australia), we systematically review our business partners using the Refinitiv World-Check screening and ongoing monitoring tool, together with supplementary due diligence as determined by our Compliance team. We screen for past instances of misconduct and alignment with Brown-Forman's core values, and we appropriately address any gaps that are identified. We expect our partners to adhere to the same high standards of business conduct that we follow and these expectations are set out in the [Supplier Code of Conduct](#), with which all Brown-Forman suppliers are expected to comply. We develop and implement best-fit partner strategies for various categories regularly, to ensure we align with the best partners in the market.

ACCOUNTABILITY AND GOVERNANCE

We subscribe to the United Nations Sustainable Development Goals. We are also a signatory to the United Nations Global Compact concerning human rights, labour practices, environmental stewardship, and anti-corruption. Our 2022 Annual and Corporate Responsibility Report contains our Communication on Progress, and we maintain a UNGC Index on our website: https://www.brown-forman.com/sites/default/files/team_resources/2022-08/Brown-Forman%20Global%20Compact%20Index%202022.pdf

Responsibility for our human rights compliance program resides with the Senior Vice President, Chief Ethics and Risk Officer who reports to the Executive Vice President and General Counsel, a member of Brown-Forman's Executive Leadership Team. The Senior Vice President, Chief Ethics and Risk Officer is the chair of our Human Rights Steering Committee, which works on shaping our global strategy on human rights compliance through implementation of key work processes and ensuring compliance by our third party business partners. The Human Rights Steering Committee includes the following senior management positions: Associate General Counsel and Chief Compliance Officer, Chief Sustainability Officer and Director of ESG, Director, EHS, Director, Brown-Forman Brand and Communications, Chief Inclusion and Global Community Relations Officer and Director Global Process Owner. This committee's aim is to chart the course, timing and consistency of our human rights initiatives and implement these across all of Brown-Forman's activities globally.

To date, we have:

- Completed a human rights risk assessment based on our global spend across our global markets
- Formed a Human Rights Steering Committee
- Refreshed our [Global Human Rights Policy](#)
- Reviewed our [Supplier Code of Conduct](#) to ensure it reflects our position on Environmental, Social and Governance goals
- Communicated and distributed our [Supplier Code of Conduct](#) to key third party business partners
- Continually monitored compliance with laws, regulations, and policies
- Developed a strategy for external disclosure and reporting on our Human Rights compliance program

RISKS OF MODERN SLAVERY PRACTICES

Management of Human Rights and Modern Slavery risks throughout our global supply chain is a key part of Brown-Forman's corporate responsibility and risk management strategy. A risk assessment completed in late 2021 identified the following categories of Brown-Forman Corporation's global spend as having an elevated potential for human rights-related risk: third party point-of-sale providers; outsourced labor for agricultural activities; and third party promotional partners who use outsourced labor in markets with inherently higher human rights-related

risk. Based on these results, we have begun a number of tailored risk assessments to evaluate and improve as needed the processes and controls we have in place to support our human rights commitments.

The aforementioned risk assessment indicated that Australia has low risk on the indices of labour, environment, business ethics, management and health and safety. Nevertheless, we expect a heightened compliance in the industry to the Commonwealth's Modern Slavery Act 2018 requirements and its links to human rights risks as time progresses.

The success of our business in Australia is premised on acting responsibly throughout all levels of our business operations. Our suppliers in Australia range from advertising and promotional agencies, co-packing, logistics, warehousing and merchandising, and we regard our suppliers as an extension of our business.

Merchandising materials remain one of our highest-risk categories as they are frequently sourced from higher-risk countries, and are purchased through intermediaries. We will continue to work with our key merchandising suppliers to develop their capability and processes to drive auditing and assurance further down their supply chains.

RELEVANT POLICIES

We support and believe in the rights of all people and we outline specific guidelines reflecting this commitment in our [Global Human Rights Statement](#).

We have developed a [Global Procurement Policy](#) that provides requirements for our global procurement activities and incorporates the principles in our [Global Human Rights Policy](#) and [Supplier Code of Conduct](#). The [Global Procurement Policy](#) outlines the responsibilities and methods to:

- Ensure all commitments, expenditures, and other key activities involved with procuring the Goods and Services are authorized and executed by the appropriate individuals or level of management, while complying with all applicable laws and regulations.
- Commit to appropriate accounting methods in accordance with types of procurement as well associated processes.
- Define the approved ways for procuring Goods and Services to ensure optimal value is received, spending is leveraged with the best performing suppliers, risks and liabilities are mitigated, and building mutually beneficial supplier relationships.
- Ensuring the supplier selection process includes diverse suppliers where the country provides this opportunity that will provide value through different backgrounds and experiences into our supplier mix and resulting in fresh new perspectives and strengthen our supply chain.

In line with the Global Procurement Policy, our Australia business has taken active steps to create and implement a regional policy to provide guidance and structure to employees when procuring goods and services, as well as developing a tool which includes vendor selection and approval processes with oversight by a regional Procurement Committee.

All of our contracts with suppliers require our suppliers to comply with all applicable laws. Our suppliers are also required to adhere to the [Supplier Code of Conduct](#) which states the requirement of compliance with laws and ethical business conduct, including those laws and principles prohibiting involvement in modern slavery. Brown-Forman's standards for business partners reflect the international labour standards set forth in the United Nations Universal Declaration of Human Rights as well as the eight fundamental International Labour Organization (ILO)

conventions. In countries or specific situations where there is no law or regulation governing a particular activity or operation, Brown-Forman asks its business partners to conduct their operations consistent with the principles of the United Nations Universal Declaration of Human Rights.

DUE DILIGENCE

In order to identify and mitigate modern slavery risks, we continuously screen all of our third parties against the Refinitiv World-Check Risk Intelligence system to surface negative media related to human rights violations in credible media sources globally. Our third parties that receive a "hit" based on screening are investigated and addressed.

In addition to this monitoring service, we include modern slavery in our Risk Register maintained by our Enterprise Risk Management team who routinely evaluates the likelihood and risk of violations and the magnitude thereof.

We offer an anonymous toll-free ethics hotline to anyone, not just our employees and business partners, which can be used to report suspected violations of human rights. The hotline is available in multiple languages and all reporters are protected from retaliation in any form. The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us and our third parties. The ethics hotline is published on our corporate website, and in our [Code of Conduct](#), which is accessible to the public.

SUPPORT AND TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business and supply chains, we provide training to relevant members of staff. Every year all Brown Forman employees globally must complete online Code of Conduct training and certification which contains components educating and testing employees on their knowledge of human rights and the ethical behaviours expected of Brown Forman employees. Each employee must, on completion of the training, certify their understanding of the training materials and Brown Forman's Code of Conduct. In 2022, we have included an exclusive and dedicated segment on Human Rights in our annual Compliance Month training to drive employee awareness of our commitment to Human Rights.

Where appropriate, and with the welfare and safety of local workers as a priority, we will provide support and guidance to our suppliers to help them address coercive, abusive, and exploitative work practices in their own business and supply chains.

REMEDATION

We are committed to the protection and respect of human rights across our business and supply chain. As indicated in the Due Diligence section above, we have established reporting procedures and mechanisms where employees and third parties can report any concerns regarding unethical or illicit conduct, including in relation to modern slavery. Allegations of human rights violations will be investigated consistent with our investigation protocols, and if such allegations are substantiated we would refer to our contracts with the supplier in question to determine the appropriate course of action.

EFFECTIVENESS AND TRACKING PERFORMANCE

Our review and assessment of our actions to identify and address modern slavery risk in our operations and across our supply chain is an ongoing and evolving process to which we are committed.

During this reporting period, our primary focus was to gain a better understanding of whether and where modern slavery risk may be present in our operations and supply chain. We have commenced and will continue to work on

developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

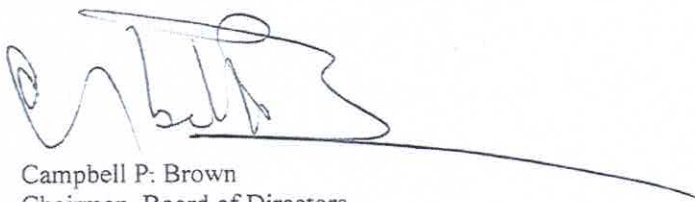
We communicate any reports of human rights violations through our Annual Integrated Report and our [ESG Scorecard](#).

CONSULTATION

In preparation of this statement on behalf of the reporting entities, the Human Rights Steering Committee engaged and consulted with the management teams of the Brown-Forman group of companies, including Brown-Forman Australia which has oversight of business operations. There was active discussion on the details of the Modern Slavery Act 2018 reporting requirements and future actions we intend to take to address these requirements in the development and improvement of our Human Rights compliance program globally.

APPROVAL

This statement was approved by the Board of Directors of Brown-Forman Corporation on 26 October 2022.



Campbell P. Brown
Chairman, Board of Directors
Brown-Forman Corporation

This statement was approved by the Board of Directors of Brown-Forman Australia Pty Ltd on 26 October 2022.



Kylie Jane McPherson
Director
Brown-Forman Australia Pty Ltd