



Pernod Ricard Winemakers

MODERN SLAVERY

STATEMENT 2020



We bring good times from a good place.

We are passionate hosts and respectful guests.

CONTENTS

A MESSAGE FROM PERNOD RICARD WINEMAKRES.....	2
STRUCTURE, OPERATIONS & SUPPLY CHAINS.....	3
ASSESSMENT OF RISK.....	5
ADDRESSING RISK.....	7
MEASURING EFFECTIVENESS.....	10
CONSULTATION.....	11
COMMITMENT TO CONTINUOUS IMPROVEMENT.....	12

We treat each other with respect - We collaborate - We are honest and transparent - We can rely on one another - We act with integrity - We are genuine and accountable - We have open conversations - We play an active role in the communities in which we operate.

A MESSAGE FROM PERNOD RICARD WINEMAKERS

This is the first Modern Slavery Statement made by Pernod Ricard Winemakers Pty Ltd and covers the fiscal year 2020. This statement outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain. We recognise that slavery is a violation of fundamental human rights and are committed to doing business with integrity. We aim to implement and enforce systems and controls to ensure that the risks of modern slavery in our business and supply chain are identified and addressed.

Our business is committed to taking collective action to address critical global issues, aspiring to create a more convivial world, a world without excess. As part of our Sustainability and Responsibility (S&R) roadmap, [Good Times From a Good Place](#), we have set clear 2030 objectives supporting the United Nations Sustainable Development Goals. This includes a pillar dedicated to 'Valuing People', with a focus on respect for all those we work with to attract employees, lower supply chain risks and meet rising consumer expectations. This pillar also incorporates the UN Guiding Principles on Human Rights across our business, strengthening our responsible procurement processes.

We aim to embed sustainability in all procurement processes including risk management, sourcing, supplier performance management and costing, and this is ingrained in our values and culture.



This Statement was approved by the Pernod Ricard Winemakers Pty Ltd Board of Directors on 8 February 2021

Signature & Date:


BRYAN FRY
Chairman & CEO

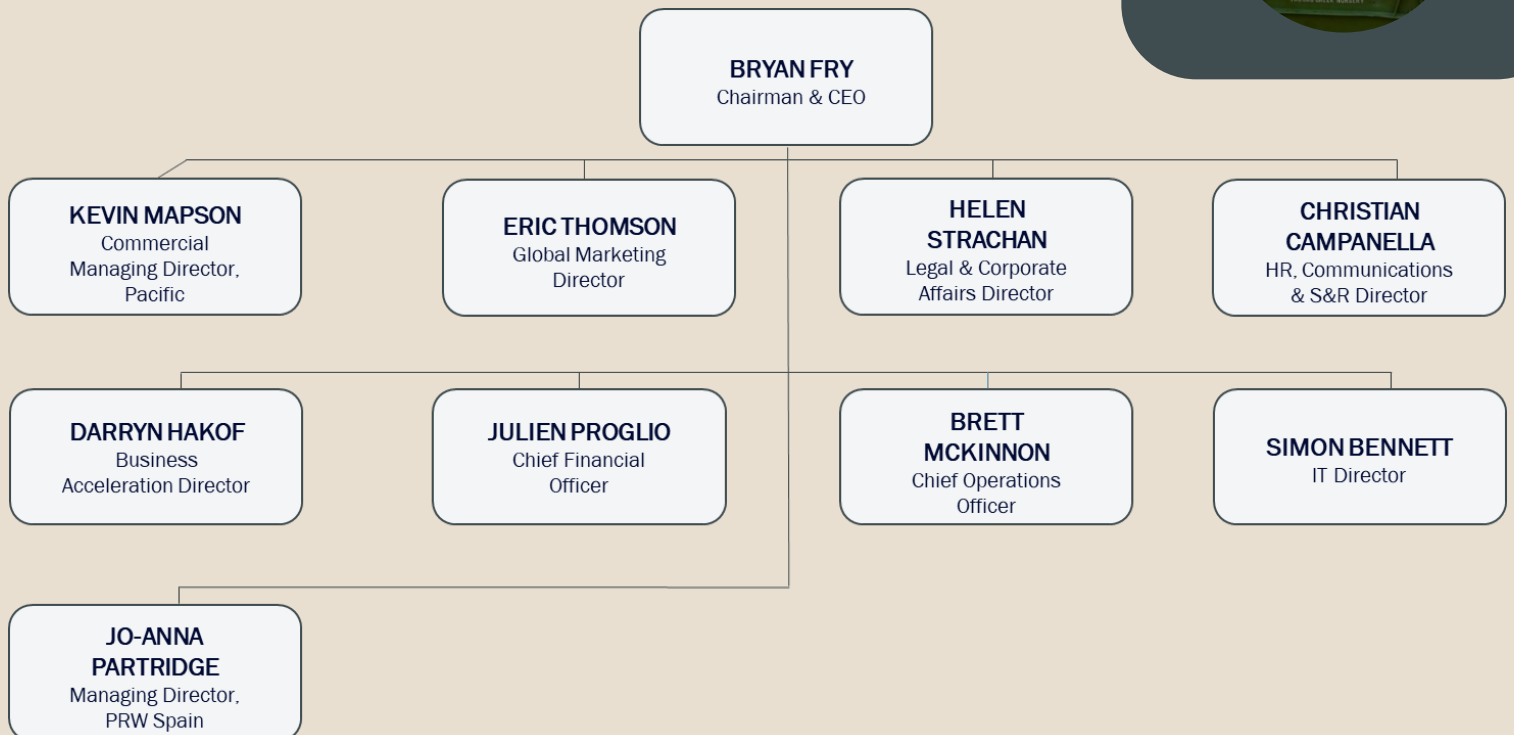
STRUCTURE, OPERATIONS & SUPPLY CHAINS

STRUCTURE

Pernod Ricard Winemakers Pty Ltd is a world-renowned premium wine subsidiary of French wine and spirits producer Pernod Ricard. With iconic brands across Australia, New Zealand, Spain and the USA, Pernod Ricard Winemakers grows, crafts and markets award winning products to consumers in every continent. Pernod Ricard Winemakers also imports, markets and sells champagne, wine and spirits from the individual affiliates of the global Pernod Ricard group for the Australian Domestic Market.

Our Leadership Team serves as Pernod Ricard Winemakers' management committee and is comprised of 10 members, including the chairman and managing directors of each organisational department. The Committee meets each month to define and discuss the organisation's strategy, and to keep the business aligned with Pernod Ricard Headquarters and other affiliates (Brand Companies & Market Companies). Working under the authority of its parent company Pernod Ricard SA, it directs business activities and ensures that its main policies are applied.

Our strategy towards modern slavery applies to all persons working for Pernod Ricard Winemakers or in any way related to its operations or acting on its behalf in any capacity, including employees, directors and contractors, external consultants and business partners.



We Bring It to You



We Craft It



We Grow It



STRUCTURE, OPERATIONS & SUPPLY CHAINS

Pernod Ricard Winemakers Pty Ltd undertakes and performs key business activities that include:



Supply Chain & Logistics



Grape Growing & Sourcing



Wine Production & Packaging



Marketing, Sales & Distribution



Procurement

SUPPLY CHAIN & LOGISTICS

Our supply chain activities incorporate all processes to plan, produce and distribute our finished goods and imported goods from other affiliates within the Pernod Ricard Group to customers globally. To align all the supply chain activities in terms of planning and execution it is vital that we provide excellent and responsible service to our customers.

GRAPE GROWING & SOURCING

We source our grapes from a combination of company owned and leased vineyards, grower vineyards and the bulk wine market. Our volumes and methods of sourcing and procuring vary between regions and products.

WINE PRODUCTION & PACKAGING

We produce and package award winning wines under our wholly owned and operated brands; including Jacob's Creek, St Hugo, Brancott Estate and Stoneleigh, as well as providing third party packaging services to external beverage organisations.

MARKETING, SALES & DISTRIBUTION

We market, sell and distribute our products and brands globally, exporting to more than 70 countries, and distribute our affiliate brands for the Australian domestic market.

PROCUREMENT

We procure both direct and indirect goods from our suppliers. Direct goods represent the inputs of our production including dry goods (cartons, corks etc.) and wet goods (ingredients, grapes etc.). In addition, we procure supplies of indirect goods and services including marketing, IT, logistics, corporate and consulting.



ASSESSMENT OF RISK

Our success is strongly linked to the way we do business, and this includes acting responsibly throughout the supply chain and our operations. We rely on many suppliers, from farming and manufacturing through to distribution and merchandising, and view our suppliers as an extension of our business. We acknowledge that, together, we can have an impact on society and the environment.

The majority of Pernod Ricard Winemakers workforce is employed directly over several employee contract types, including casual, fixed term, permanent and international assignment contracts. We apply an employment framework that complies with local laws and covers core employment conditions such as minimum wages, hours of work and leave entitlements. We have a small component of indirect labour hire through third party labour providers, including within third party agricultural labour services. For such services, commercial contracts are put in place which expressly state our requirements that any contractor provided is engaged in accordance with local statutory employment requirements. Furthermore, such arrangements and compliance thereof are regularly reviewed as part of our third-party contracting arrangements.

We utilise two key external processes to assess the risk levels of our suppliers:

ECOVADIS

An internationally recognised standard, EcoVadis provides global benchmarks, which are essential for measuring and improving performance of our global value chain. The EcoVadis rating is based on an evidence-based assessment which has been adapted to hundreds of business categories and considers relevant industry labels and certifications as well as local laws in 160 countries. EcoVadis is aligned with global standards such as the UN Global Compact and relies upon international corporate social responsibility standards based on 21 criteria, divided into 4 categories; environment, labour and human rights, ethics and sustainable procurement.

SMETA

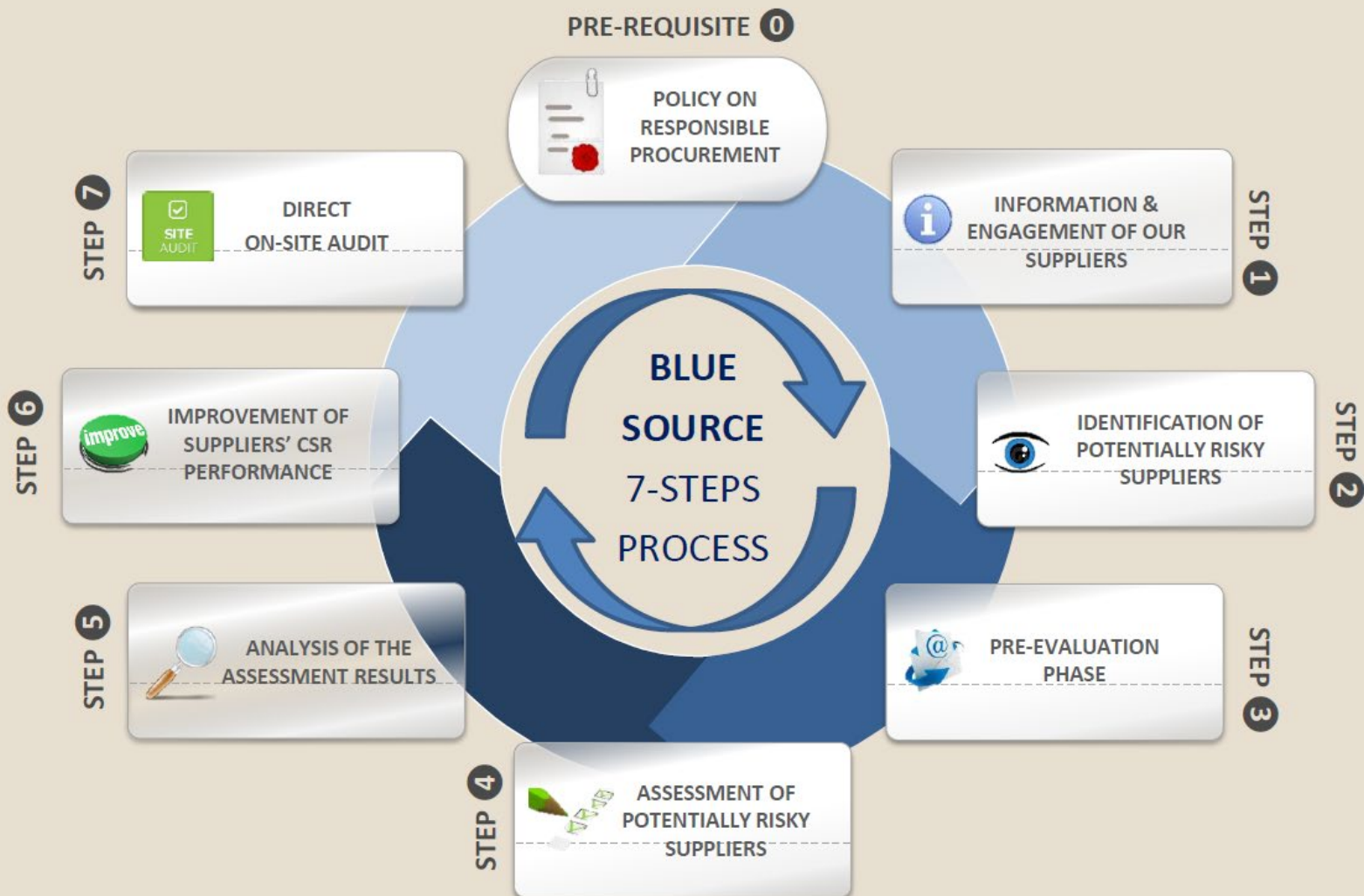
The Supplier Ethical Data Exchange (Sedex) is a not-for-profit, membership organisation for businesses committed to the continuous improvement of ethical performance within their supply chains. The Sedex Members Ethical Trade Audit (SMETA) was developed through multi-stakeholder consultation by the Sedex Associate Auditor Group (AAG), to provide a best practice reference framework for social auditing and reporting. It draws from practices defined by Sedex members and by the Global Social Compliance Programme (GSCP).

ASSESSMENT OF RISK

The diagram below outlines the Pernod Ricard global Blue Source Process, an internal initiative that embeds sustainability and responsibility into our sourcing and procurement activities. Our Blue Source program is designed to engage with our suppliers on the Group's Sustainability and Responsibility (S&R) commitments and to work with them to improve their direct impact on people and our environment.

During the reporting period we reviewed all our local and global dry goods, wet goods and merchandising suppliers and identified those that were low, medium or high risk. Suppliers deemed a potential risk were referred to EcoVadis for evaluation or Sedex for audit. Upon completion of the evaluation, suppliers receive detailed feedback and a corrective action plan is provided by Pernod Ricard Winemakers to suppliers at risk. Pernod Ricard Winemakers will continue working together with these suppliers to assist with implementing corrective action plans and in improving their performance.

OUR INTERNAL S&R PROCESS:



ADDRESSING THE RISK

REMEDIAL ACTION

Pernod Ricard Winemakers takes a proactive approach to preventing modern slavery risks within our supply chain and our internal operations. This action is underpinned by our global policies and programs, including risk assessment processes that are designed to identify potential issues and adopt preventative measures.

Key Remedial Actions Completed in FY20

Developed specific *Modern Slavery Act 2018* (Cth) policy and strategy.

Included specific modern slavery compliance clauses in our template contracts (where appropriate, including in our Grape Supply Agreements).

Reviewed all relevant policies and procedures and amended them where necessary.

Launched our new Supplier Standards and incorporated them into our template contracts. By signing our [Supplier Standards](#), our suppliers are committing to adhering to these standards and taking appropriate measures for implementation.

Applied a functional risk mapping tool to improve risk assessment, due diligence, remediation and monitoring of suppliers.

Implemented the Pernod Ricard Global Human Rights Policy (which commenced 15/06/2019) within Pernod Ricard Winemakers.

Completed due diligence processes prior to awarding a contract and/or entering into labour hire agreements including the completion of industry checklists and assessment.

Communicated with, monitored and supported suppliers in higher risk sectors, including grape growers through pre-vintage/pre-harvest communications.

Introduced a secure reporting tool managed by an independent service provider to deliver a channel for employees, direct and indirect suppliers, their families and others to raise concerns.

Raised awareness for key staff to detect and prevent modern slavery practices.

KEY DOCUMENTATION

Pernod Ricard Winemakers has a comprehensive set of policies, standards, practices and procedures that articulate our values, ways of working and expectations of our employees. This framework ensures that our employees clearly understand our expectations, and equally that they can recognise when they are being treated in a way that is inconsistent with these expectations and be free to raise grievance or complaints. The following documents support our efforts to address the risk of modern slavery: Anti-Bribery Policy, Responsible Procurement Policy, Whistleblower Policy, Pernod Ricard Global Human Rights Policy, Labour & Human Rights Standard, the Code of Business Conduct, Unacceptable Behaviour Policy, Modern Slavery Policy, and the Diversity & Inclusion Policy.

ADDRESSING THE RISK

OUR RESPONSE TO COVID-19 & MODERN SLAVERY

The COVID-19 crisis has impacted efforts to end modern slavery by heightening the risk for those already exploited, increasing the risks of exploitation and disrupting anti-slavery response efforts (United Nations University, 2020).

However, as an organisation we already had a number of risk assessment and mitigation processes in place before the pandemic hit (in the form of our Blue Source program), so the effects of COVID-19 on our risk management program were minimal. We did deploy some additional measures, being:

- Regular communication with suppliers including risk assessments to understand the steps they have taken to protect their workers from Covid-19.
- Collaboration with suppliers through their Business Continuity Planning.
- Participation in Peer Industry Workshops on Covid-19 impacts on Supply Chain.



ADDRESSING THE RISK

GOVERNANCE MEASURES

At Pernod Ricard Winemakers we have three main tiers of governance to ensure we are complying with the legal and ethical obligations of the Modern Slavery Act:

Board approval and responsibility

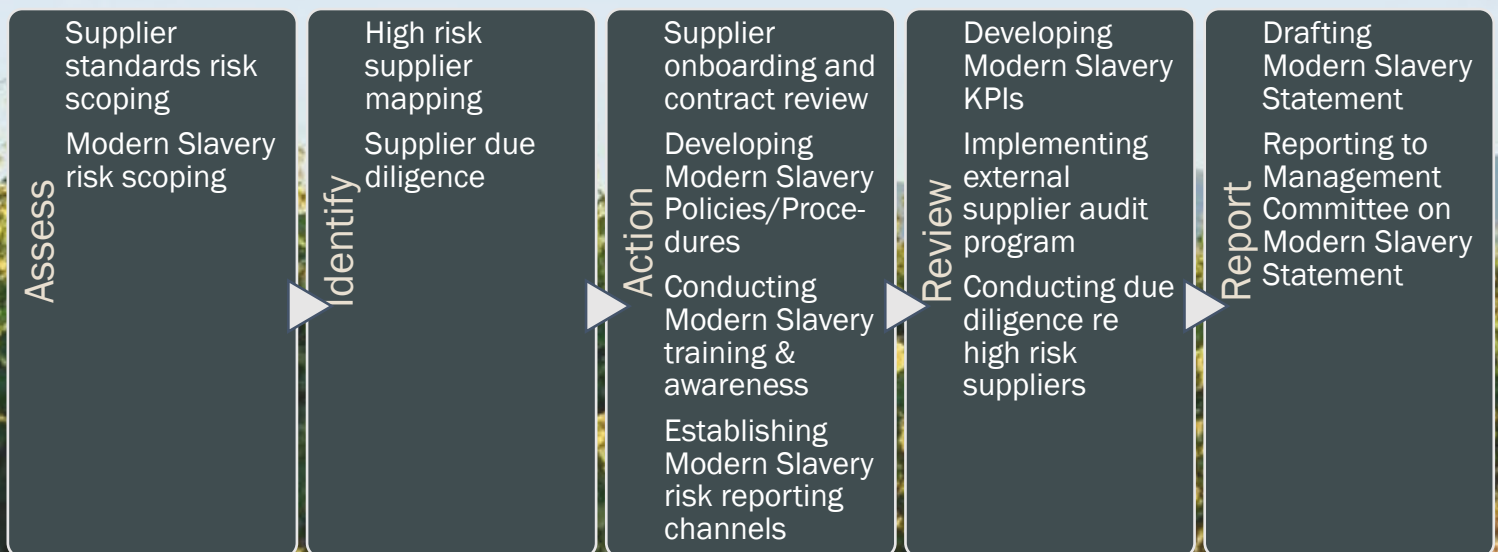
Pernod Ricard Winemakers' Management Committee has overall responsibility for ensuring that both the Modern Slavery policy and our business complies with Pernod Ricard Winemakers' legal and ethical obligations. The Management Committee is also responsible for approving Pernod Ricard Winemakers' annual Modern Slavery Statements and ensuring compliance with the disclosure obligations under the Modern Slavery Act.

Modern Slavery Compliance Manager

The Procurement Director (Modern Slavery Compliance Manager) has primary and day-to-day responsibility for implementing the Modern Slavery Policy, monitoring its use and effectiveness and dealing with any queries about it.

Management

Management is responsible at all levels for ensuring those reporting to them understand and comply with our Modern Slavery Policy and are given adequate and regular training on it and the issue of modern slavery in supply chains, including areas of our business and supply chains which are identified as at risk of such practices.



MEASURING EFFECTIVENESS

We are working towards fully implementing key performance indicators to better understand the effectiveness and impact of the initiatives detailed in this Statement and our broader program.

● Complete
 ● On-going
 ● Not Started

STATUS	KPI	Related tasks undertaken/to be undertaken in the Reporting Period
ASSESS & IDENTIFY		
●	Scoping Exercise	Use of CSR Risk Mapping Tool to identify high risk suppliers.
●	Due Diligence re High Risk Suppliers	CSR Assessment of suppliers by EcoVadis; Scorecard Analysis conducted.
●		Corrective Action Plans issued; SMETA audit program implemented.
ACTION		
●	Training & Capacity Building	Train key staff on identifying and notifying of the risk of modern slavery practices and on MS Act compliance.
●		Participate in information sessions for suppliers involved in labour hire.
●		Participate in information sessions for suppliers involved in grape growing.
●	Policy & Procedure Development	Development of Modern Slavery Policy; Review of Supplier Standards.
●		Incorporation of reporting under Modern Slavery Policy into PRW's Whistle-blower Procedure.
●	Supplier Contract Review & Revision	Inclusion of MS Act compliance clause in new/varied dry good supplier contracts.
		Ensure dispute resolution clauses include appropriate remediation options where a supplier is in breach of an MS Act compliance clause.
●	Supplier Onboarding	Obtain Supplier Standards commitment from suppliers.
●		Implement the Pernod Ricard group's Blue Source Process including adherence to Responsible Procurement Policy.
●		Utilise CSR Risk Mapping Tool to apply in selection of new suppliers; Global Supplier Standards.
●	Reporting Channels Established	Engagement of EcoVadis to conduct supplier CSR assessments.
●		Facilitate modern slavery risk reporting through the PRW Speak Up platform.
●		Incorporate reporting channels into Modern Slavery Policy.
REVIEW		
●	KPI Assessment	Development of KPIs; review of actions in the Reporting Period against KPIs.
●	Oversight	Audits using SMETA audit program of specific high MS risk suppliers conducted by external auditors.
REPORT		
●	MS Statement	MS Statement drafted and provided to the Management Committee; MS Statement submitted.

CONSULTATION

Structured consultation was undertaken in preparing Pernod Ricard Winemakers' Modern Slavery Statement. A cross-functional committee, convened by our Modern Slavery Compliance Manager, was responsible for the preparation and initial review of the statement. The committee was first fully briefed on our Modern Slavery Act compliance strategy and obligations under the Act, and was comprised of key stakeholders from the following teams:

- Procurement;
- Legal;
- Wine Supply / Grower Relations;
- Human Resources; and
- Communications.

Further consultation was then undertaken with Pernod Ricard Winemaker' Management Committee before the statement was finalised and submitted.



COMMITMENT TO CONTINUOUS IMPROVEMENT

Industry Engagement Activities

Pernod Ricard Winemakers' has participated in a number of industry engagement activities in relation to modern slavery during the reporting period (e.g. Wine Industry Roundtable engagement) and will continue to do so. An information session for grape growers on labour hire issues was delivered during our pre-vintage conference in December 2020.

Training Employees to Address Modern Slavery

We are committed to training all relevant stakeholders within our business on the modern slavery policy and associated commitments via e-learning materials. Expert on-going advice and coaching will continue to be provided to these stakeholders as required.



Digital Tool to Improve Due Diligence

The Pernod Ricard Group has developed a digital platform which will allow our employees to check that third parties do not raise compliance red flags prior to entering contracts. The tool will be fully embedded in our responsible procurement process, Blue Source, for the suppliers we work with and will also cover customers. Partner Up is worldwide and web based, creating a shared database of third parties for Pernod Ricard users around the world.



Australian Wine Industry Standard of Sustainable Viticulture & Winegrowing Australia

Membership is available to all Australian wine-grape growers and wineries. We will investigate the possibility of certification for all our key raw material suppliers by a third party (existing standards) or to verify them internally according to our own framework. We will encourage wine-grape growers to obtain verification via a program available through Sustainable Winegrowing Australia (SWA). We currently have 26 Australian growers who are members, with 3 certified.

Index to the mandatory criteria under section 16 of the Modern Slavery Act

Criterion	Page Number in Statement
1. identify the reporting entity; and	2
2. describe the structure, operations and supply chains of the reporting entity; and	3-4
3. describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls; and	5-6
4. describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes; and	7-9
5. describe how the reporting entity assesses the effectiveness of such actions; and	10
6. describe the process of consultation with: <ul style="list-style-type: none"> • any entities that the reporting entity owns or controls; and • in the case of a reporting entity covered by a statement under section 14—the entity giving the statement; and 	11
7. include any other information that the reporting entity, or the entity giving the statement, considers relevant.	12

