

Modern Slavery Statement.



2020.

Welcome to Winc

As one of Australia's largest suppliers of workplace solutions for government, healthcare, education, industrial and professional services organisations, Winc Australia Pty Limited (ACN 000 728 398) and its related bodies corporate ('Winc') takes its responsibilities in ethical sourcing and conduct seriously. We recognise that our corporate and social responsibilities reside as much in our supply chain as in our own activities, and we are working with our suppliers to positively influence social and ethical performance.

Our long-standing tradition of ethical and sustainable business practices means we consistently seek to ensure that the goods and services we supply are ethically and responsibly produced. We know that our customers, employees and the wider community place a growing importance on human rights, and we are dedicated to transparent and continuous improvement in the identification and mitigation of modern slavery risk.

This statement sets out how we assess and respond to risks of modern slavery practices in our business. As a reporting entity under the Modern Slavery Act 2018 (Cth) ('Modern Slavery Act'), this is our comprehensive modern slavery statement on the reporting period from 1 January 2020 to 31 December 2020.

About Winc

Winc is a large Australian company with over 1,300 employees. We are structured as a private company incorporated in Australia, with headquarters in Sydney and offices in Melbourne, Tasmania, South Australia, Perth, Darwin and Brisbane.

Winc works with over 700 suppliers to source, package and deliver everything a workplace needs to work, including office essentials, furniture, safety equipment and complex technology solutions. Included in our offering are Winc private label products under brands such as Amoroso, Business Interiors, Cleera, Codafire, Corporate Express, Milford, Office Elements, OfficeMax, Safe Choice, V'eau, Victoria Gardens, Winc and Winc Earth. We pack and deliver over 50,000 deliveries to customers across Australia every business day. The sheer size of our operations and geographic reach necessitates stringent processes to ensure that risks within our business and supply chain are addressed and managed appropriately.

Ethical sourcing program

Our Commitment to Responsible and Ethical Sourcing

Winc seeks to procure from suppliers who demonstrate a commitment to implementing policies and practices consistent with and complementary to our own. We do this by engaging suppliers who fully comply with all applicable laws and regulations and adhere to internationally recognised standards and practices in dealing with their workers and working environment. We believe these considerations to be the foundation of responsible behaviours.

Winc Private Label Product Processes

Winc has traditionally imposed standards and screening processes that exceed our obligations under law. Our former parent company, Staples, Inc, has been reporting on modern slavery risks for over a decade. As a former subsidiary of Staples, Inc, Winc has inherited stringent supply chain screening processes.

All Winc private label products are required to go through an extensive vetting process. Each manufacturer is audited, assessed and scored based on compliance with law, labour standards, human rights, health and safety, ethics and environmental standards.

Winc's audit process of Winc private label products identifies and manages risks within our supply chain at the source. This means our screening process focuses on the first-tier direct manufacturer or producer. Winc does not tolerate slavery, human trafficking, forced labour or child exploitation in its supply chain, and our screening processes identify, assess, mitigate and monitor potential risks of modern slavery practices. By conducting regular planned and random audits at manufacturing and production facilities, Winc is confident potential risks are identified and addressed.

Ethical Sourcing Policy

Winc's standard supply contract compels suppliers to adhere to applicable laws and regulations, as well as Winc's Ethical Sourcing Policy and Code of Conduct. By signing Winc's supplier terms and conditions, each supplier grants Winc the right to inspect raw materials, manufacturing processes, packaging and transport facilities to verify compliance. The program is focused on the first tier of the supply chain, that is, the final site of manufacture. This is where we have the most control and influence. Below is a summary of the values covered in our Ethical Sourcing Policy:

Labour standards

Our Ethical Sourcing Policy section on labour standards is guided by the International Labour Organisation's (ILO) eight principles of labour.

1. Employment is freely chosen.

- Suppliers must not use forced, bonded or involuntary prison labour. Workers are not required to lodge "deposits" or their identity papers with the employer and are free to leave once their shift ends or after giving their employer reasonable notice.

2. Freedom of association and the right to collective bargaining are respected.

- Suppliers must respect the rights of workers to associate, organise and bargain collectively in a legal and peaceful manner.

3. Child Labour must not be used

- No child under the age of 15 is permitted to work in the Winc supply chain unless there is a concession in local or national law.

4. Living wages are paid

- Suppliers must provide wages and benefits that comply with all local laws and regulations or match prevailing local manufacturing or industry rates, whichever is higher.

5. Working hours are not excessive

- All working hours must comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime work should be voluntary, and overtime should not be requested on a regular basis.

6. No discrimination is practiced

- Suppliers must employ workers solely on the basis of their ability to do the job and must not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, pregnancy, sexual orientation, disability, national, cultural, religious, or personal beliefs in relation to hiring, wages, benefits, termination or retirement.

7. Regular employment is provided

- To every extent possible, suppliers must ensure work performed is on the basis of a recognised employment relationship established through national law and practice.

8. No harsh or inhumane treatment

- Any form of violence, including both physical and verbal abuse, is not tolerated.

Health and safety

The health and safety of all employees is a fundamental right throughout Winc's supply chain, and everyone is entitled to a safe and clean workplace.

Suppliers are required to provide a safe and hygienic working environment, and monitor compliance with applicable legislation, regulations and ILO standards.

Business ethics

We require our suppliers to comply with all applicable laws regarding bribery and corruption, including, but not limited to, the Australian Criminal Code Act, the US Foreign Corrupt Practices Act, and the UK Bribery Act.

Environment

At Winc, we acknowledge that, being a large organisation, it is our responsibility to minimise the impact our business has on the environment. Winc is a member of the Australian Packaging Covenant Organisation (APCO) and we have commitments to decrease our waste to landfill, increase waste to recycling, and to review our packaging to make improvements in line with APCO's Sustainable Packaging Guidelines. We are also taking action to address the impact of climate change in our operations, including improvements in the way we pick, pack and deliver to our customers – everything from initiatives to minimise small orders to optimising delivery routes.

As an extension of this commitment to the environment, Winc's suppliers must, at a minimum, comply with all applicable laws and regulations relating to the environmental impacts of their business, specifically in relation to waste, water and pollution.

Sedex platform integration

Throughout 2020, Winc has been migrating to a Sedex-based ethical sourcing program. Previously, we have audited factories using the Staples-specific auditing standard, which is based on the SA8000 system. By switching to Sedex, we have access to Sedex Advance, an ethical data exchange platform. Sedex Advance is one of the largest collaborative platforms in the world, which allows us to capture, analyse and manage risk information in our supply chain. It is used by more than 50,000 members in over 155 countries. It supports multi-tier relationships and allows visibility through different buying structures.

Sedex Self-Assessment Questionnaire (SAQ)

All suppliers of Winc private label products are required to complete a yearly Self-Assessment Questionnaire (SAQ) through the Sedex system. This questionnaire provides us with an understanding of the compliance with ethical labour standards within our suppliers' factories, through questions aligned with the four pillars of the Sedex audit methodology: Labour, Health and Safety, Environment and Business Ethics. This overview allows us the opportunity to perform a gap analysis and a pre-audit check for our suppliers to review current business practices and enhance performance. The SAQ is tailored to different industries and covers the policies in place to ensure that our suppliers' factories have a good procedural framework that will reduce the likelihood of breaches of our ethical sourcing policy.

Third Party Auditing

After completing the SAQ, suppliers are required to complete an independent third-party audit assessment. All our labour audits are undertaken by third party audit firms that specialise in labour standards and worker rights auditing. We accept audits that comply with several international standards, but our preference is for a Sedex SMETA four pillar audit, which covers the areas of business ethics, health and safety, labour standards and environment. Our main requirement is that the audit be able to be viewed and managed through Sedex Advance. A social audit is one of the best ways to understand the working conditions at a supplier site. An auditor physically attends the site, enabling the auditor to assess the conditions on the ground. The auditor then uploads the documents onto Sedex Advance, which provides Winc with direct access to the auditor's feedback and assessment.

Corrective Action Plan

After the audit is completed, it is uploaded to Sedex Advance with a list of non-compliances and the corrective actions recommended by the auditor. From there, Winc and the supplier work together to address any issues based on a Corrective Action Plan (CAP). Winc works closely with suppliers to ensure that any major or critical issues are resolved and sets targets for the following auditing cycle.

Risk assessment

Winc uses the Sedex Radar Risk Assessment Tool (Radar) to manage risk through our supply chain. This risk analysis tool has recently been developed and is updated regularly with guidance from industry experts. Radar uses the data uploaded by suppliers, the respective profile and SAQs, and third-party audit reports. The data is then segmented into three categories: site risk, country risk and industry risk, which together form the overall risk profile of each supplier. Below are examples of the factors taken into account during the risk calculation process:

Site risk

- Factory profile and size
- Quality of human resources process
- Environmental management process
- Factory management systems

Country risk

- Labour market conditions
- Economic opportunity levels
- Governance and legislation
- Social and cultural factors

Industry risk

- Seasonality of production
- Dangerous production processes
- Worker demographics

New factory onboarding

To on-board new candidate factories, Winc first invites the factory to submit any existing labour standard credentials in the form of a recent audit report undertaken for another customer. This is to avoid unnecessary duplication and to minimise audit fatigue for factories. Recent audits are reviewed for modern slavery risks and, where risks are identified, a CAP is developed, and the factory is monitored for improvement. If no existing audits are available, suppliers are required to work through the auditing process.

Before orders can be placed, suppliers must be a member of Sedex and be linked to Winc on Sedex Advance with a completed SAQ and a valid audit approved by the Winc Social Compliance team.

Third-party brands

Winc applies the same ethical sourcing policy to all products procured and sold by Winc. All suppliers to Winc are required to comply with our terms and conditions, which includes our Ethical Sourcing Policy and Code of Conduct. Under our standard terms and conditions, Winc has the right to inspect and audit all Supplier premises for compliance with our terms and conditions, Ethical Sourcing Policy and Code of Conduct. Our first priority is to ensure that our tier-one suppliers of Winc private label suppliers are compliant, before investigating branded product suppliers further, because we have the strongest influence over the source of Winc private label products. In 2021, we intend to release a set of guidelines to third-party-brand suppliers with our expectations for ethical sourcing standards and procedures.

Service providers and subcontracting

Winc's Ethical Sourcing Policy is embedded in all our major service provider contracts and mandates that our suppliers comply with the core principles of labour rights. In 2021, we intend to work with our service providers to ensure that they, and their subcontractors, have the necessary processes in place to prevent any instances of modern slavery.

Payroll auditing

As part of our standard business processes, payroll audits are conducted annually to ensure there are no accidental instances of underpaying Winc employees.

Statistics

- Tier 1 factories are primarily located in eight countries: Australia, China, Indonesia, India, Malaysia, Taiwan, New Zealand and Vietnam.
- Of the factories audited in 2020, 61 sites were identified as medium risk on the Sedex Forced Labour Indicator Report and four sites were identified as high risk.
- The highest levels of non-compliance were detected in the Health, Safety and Hygiene category, and the most common instance of non-compliance was systemic overtime.
- CAPs have been developed for these suppliers and they are being monitored for improvement.

Remediation policy

Winc's objective in ethical sourcing is to ensure that people working throughout our supply chain are treated ethically and in accordance with the law. As we expand upon our current ethical sourcing program, there may be instances of unethical behaviour and modern slavery, which we will seek to identify and remediate. The way we approach the situation varies based on severity and awareness or intent. Top of mind throughout the process is the end result for the workers and ensuring our customers experience minimal impact and disruption. Our remediation policy ensures impacted workers have secure employment or payment for a 12-month period following any breach of our Ethical Sourcing Policy. This either involves working with the factory to fix problems and ensure ongoing secure employment, or if the relationship is untenable, ensuring workers receive payment for the next 12 months of work.

2021 Ethical Sourcing Focus

Grievance mechanisms

Winc has a longstanding Whistleblower Policy and mechanism, which has been used in Australia for many years. We encourage any eligible whistleblower who becomes aware of violations of the law, our codes of conduct or any other ethical standards to report such violations. Winc uses an independent body to capture these reports through a confidential and anonymous service. We are looking to extend this mechanism to our suppliers in 2021.

Internal and external awareness

Winc has a highly experienced Social Compliance team that conducts regular training sessions with procurement and sales teams. Educating our team on the key indicators of modern slavery and the processes we have in place is important to ensure that all staff can identify issues should they arise.

Industry peer collaboration

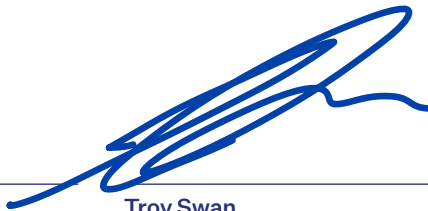
Winc seeks to actively engage with industry partners and peers. Winc's Social Compliance team have engaged with the Sedex ANZ Advisory Working Group and are proactive about sharing information and strategies with customers and suppliers with regards to ethical sourcing.

This statement was approved by the Board of Winc Australia Pty Limited.

Signed



Peter Kelly
Chief Executive Officer



Troy Swan
Director, General Counsel and Company Secretary