



Accolade
Wines

MODERN SLAVERY

FY23 STATEMENT



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Accolade Wines is committed to preventing slavery and human trafficking within its business activities and its global supply chain. Tackling modern slavery is a key pillar of our global sustainability agenda.



01. Introduction

Accolade Wines has a zero-tolerance approach to modern slavery in its business activities and supply chains.

Having a global sourcing footprint and operations in every continent, we understand how important it is that we ensure everyone in our supply chain is treated fairly.

Accolade Wines recognises that, as a global business, the risk of modern slavery occurring in our supply chains must be taken seriously.

It is of the utmost importance to Accolade Wines to proactively identify and tackle any such risks.



Robert Buckner Foye
Chief Executive Officer



This statement

This statement is made pursuant to Part 2 of the Modern Slavery Act 2018 (Australia), section 54(1) of the Modern Slavery Act 2015 (UK) and the California Transparency in Supply Chains Act 2010. This statement constitutes Accolade Wines' modern slavery and human trafficking statement for the financial year ending 30 June 2023. It was approved by the Board of Directors of Accolade Wines Australia Limited on 12 December 2023, the Board of Directors of Accolade Wines Limited on 12 December 2023 and the Board of Directors of Accolade Wines North America, Inc. on 12 December 2023.

Reporting and consulted entities

This statement covers the Australian, UK and US activities of Accolade Wines, including Accolade Wines Australia Limited (our Australian trading company), Accolade Wines Limited (our UK trading company) and Accolade Wines North America, Inc. (our US trading company). Entities owned by each of these entities have been consulted on their operations and supply chains to the extent that they differ from the operations and supply chains of the reporting entities. The reporting entities covered by this statement are:

- Accolade Wines Australia Limited, ACN 008 273 907 of Level 10, 10 Franklin Street Adelaide, SA 5000 (AWAL)
- Accolade Wines Limited, Company No. 137407 of Thomas Hardy House, 2 Heath Road, Weybridge, Surrey KT13 8TB (AWL).
- Accolade Wines North America, Inc. of 1300 First Street , Suite 368, Napa, CA 94559 (AWNA).



02. About Accolade

Who we are, what we do and where we operate

Structure

Accolade Wines is a global company owned by the Carlyle Group.

- AWAL is structured as a public company (unlisted), incorporated in Australia, with offices across Australia and its headquarters in Adelaide, South Australia.
- AWL is structured as a private limited company incorporated in the UK, with its headquarters in Weybridge.
- AWNA is structured as a C corporation incorporated in the State of California in the United States, with its headquarters in Napa, California. Its principal business activity code identifies it as a winery.

Accolade Wines has vineyards, production sites (including wineries) and offices across the globe. Accolade Wines has over 1,000 employees.

Operations

Accolade Wines is a global, vertically integrated wine business with core operations including:

- Grape growing & sourcing
- Winemaking & production
- Sales & 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. Grapes are sourced from vineyards all over the world, including Australia, New Zealand, Chile & South Africa.

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. Berri Estates, our production facility in the Riverland (South Australia), is the largest combined winery and packaging facility in the Southern Hemisphere. Berri Estates has 220,000 tonnes crush capability (5,000T per day) and employs around 250 staff year-round and 500 during the vintage season. Accolade Wines also operates a number of smaller premium wineries across the globe, most of which are in Australia.

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, as well as carefully selected distributors and agents. Accolade Wines also markets its products through its own e-commerce site, wine clubs, and through its cellar doors across Australia, New Zealand and South Africa.



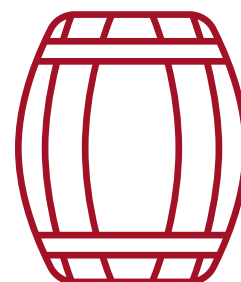
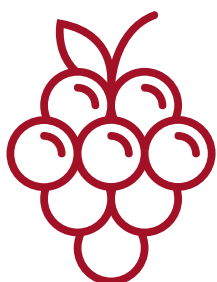
Our facilities, offices and wine producing regions



Our supply chain

The journey from grape to glass

An overview of the key elements in our supply chain:



VINEYARD (OWNED, LEASED OR THIRD-PARTY)

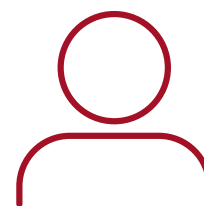
- P&E
- EQUIPMENT HIRE
- LABOUR HIRE (INCLUDING VINTAGE CASUALS)
- VINEYARD SUPPLIERS (INCLUDING VINES, SOIL, TRELLIS, IRRIGATION AND CHEMICALS)

(OR) BULK WINE

- BULK WINE PURCHASE
- BULK WINE SWAPS

WINERY

- P&E
- HARDWARE
- EQUIPMENT HIRE
- LABOUR HIRE
- PACKAGING MATERIALS (INC. GLASS, CAPSULES, LABELS AND CARTONS)
- REPAIRS AND MAINTENANCE
- PPE
- UTILITIES
- WINEMAKING SUPPLIERS (INC. BARRELS, OAK, CHEMICALS, WATER AND ADDITIVES)
- CONTRACT PROCESSING
- CO-PACKERS
- STORAGE



DISTRIBUTION

- DOMESTIC FREIGHT
- EXPORT FREIGHT
- DISTRIBUTORS
- WHOLESALERS
- WAREHOUSE
- 3PL PROVIDERS

CONSUMER

- MARKETING AGENCIES
- MARKETING CAMPAIGNS
- ADVERTISING
- SEASONAL STAFF
- POS

OTHER

- ACCOLADE WINES' SUPPLY CHAINS ALSO INCLUDE OTHER GOODS AND SERVICES, SUCH AS:
- PROFESSIONAL SERVICES/CONSULTANTS
 - CLEANING AND SECURITY COMPANIES WHO SERVICE OUR SITES
 - SOFTWARE/HARDWARE VENDORS
 - INSURANCE PROVIDERS
 - TRAINING PROVIDERS

03. Identifying Risk

Risk assessment

Following on from FY22, in FY23, Accolade Wines continued and refreshed its risk assessment of its supply chains. Despite pricing pressures, Accolade Wines maintained a focus on addressing modern slavery risks.

The following risk areas were considered as part of this assessment:

- Vulnerable populations
- High-risk categories
- High-risk geographies
- High-risk business models

Developed with assistance from Refinitiv, a third party provider of due diligence and screening, Accolade Wines uses the following register of high-risk supply categories to identify risk. Accolade Wines monitors this register on an ongoing basis and uses this resource to inform due diligence activities and training sessions provided to the business.

Risk in Operations	Risk Description			
Supply Group	Vulnerable Population	High Risk Category	High Risk Geography	High Risk Business Model
Grape Growers	Yes - migrant and low-wage labour used for pruning and picking	Yes - raw material	Yes - often rural areas	Yes - often labour hire used
Freight	Yes - likely to use low-wage labour	Yes - service procurement	No	Yes - often outsourced
Labour Hire	Yes - likely to use low-wage labour	Yes - service procurement	Yes - often rural areas	Yes - often labour hire used and second/third tier
Packaging	Yes - likely to use low-wage labour	Yes - likely to source raw materials	No	Yes - often labour hire used
Export Freight	Yes - likely to use low-wage labour	Yes - service procurement	Yes - often leaves by boat	No

New risks identified in FY23

The following additional risks were also identified during FY23:

COVID-19: Increased migrant workforce

- In FY23, Accolade Wines increased the number of newly migrant employees and contractors, in light of enhanced visa opportunities for foreign workers to be employed in the agricultural sector and in regional areas
- Accolade Wines continues to have an open dialogue with staff and suppliers to ensure the wellbeing and safety of all those who work for or with Accolade Wines.

Global supply chain crisis generally

- Continued effects of COVID-19.
- Global supply chain crisis continues to affect many industries, including freight in particular, creating difficulty in contracting for freight and in packaging materials for export. Risks increased of unethical business practices in light of instabilities and commercial pressures.
- Extended lead times and uncertainty have seen many companies holding more product in warehouses than they did pre-pandemic. In Australia, products are commonly stored on wooden pallets provided by global companies. The increase in demand for the pallets supplied by these companies has given rise to a severe shortage of pallets available.

Invasion of Ukraine; Broader geopolitical instability

- Existing supply chain issues greatly exacerbated by ongoing events in Ukraine. Risks of exploitation of wartime refugees.



Proactively Identifying Risk

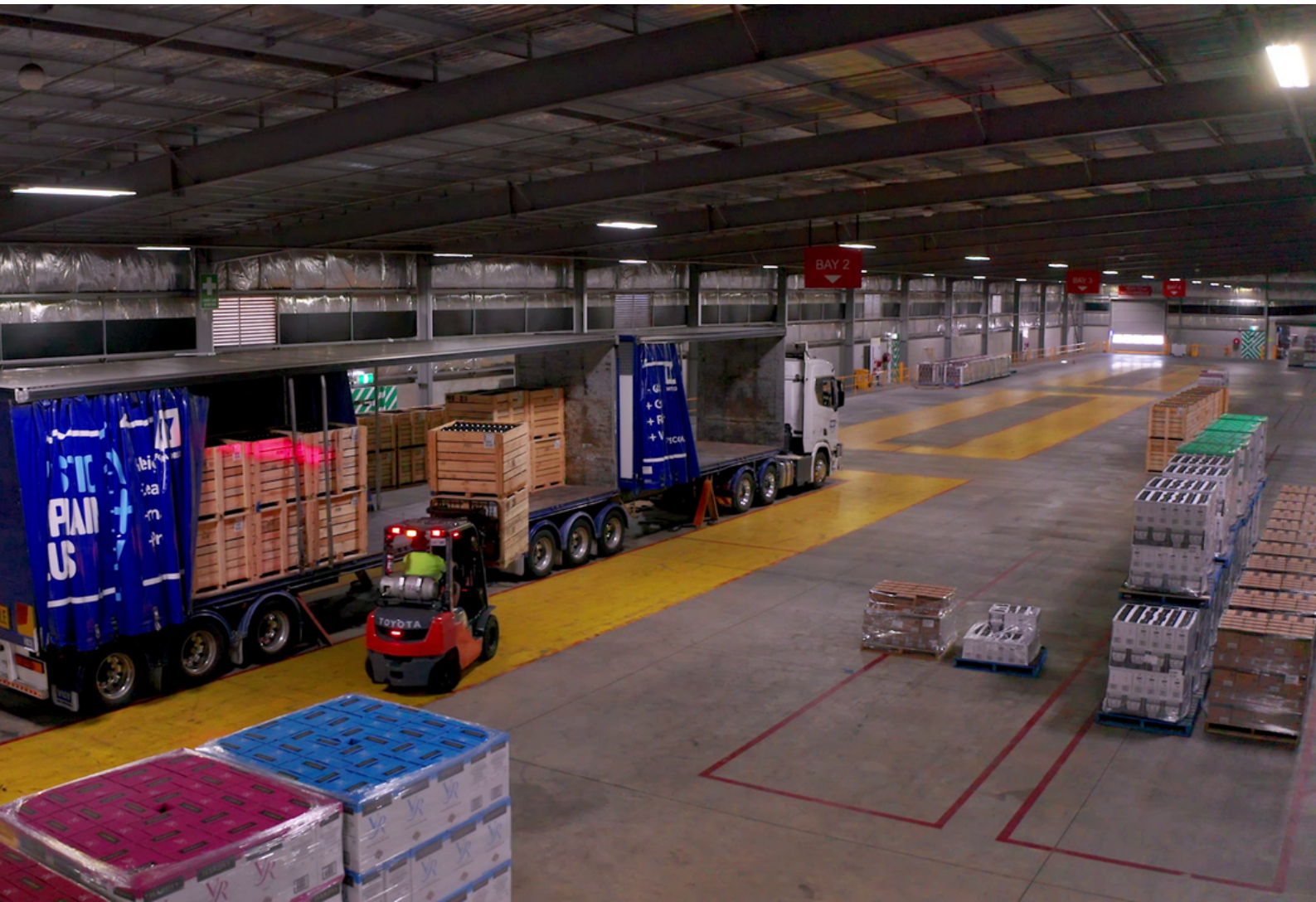
GSI Mapping and Assessment

In FY23, Accolade Wines carried out an assessment of all third-party suppliers and customers from whom it purchases or to whom it sells goods and services using the Refinitiv platform.

Accolade Wines cross-referenced all such third parties with countries of origin identified on the Global Slavery Index (GSI) maintained by Walk Free (walkfree.org/global-slavery-index) as having a prevalence score of 10 or higher. The GSI prevalence score estimates the number of people in modern slavery per 1,000 population.

In the 23 countries with a high prevalence score at the time the assessment was conducted, Accolade Wines identified a number of customers, but only one supplier of goods or services. A detailed review of that supplier identified that it became a member of the UN Global Compact on Human Rights in FY23. Accolade Wines is now reviewing its relationship with that supplier and will continue to closely monitor its operations.

This exercise confirmed that our risk exposure is low as the bulk of our suppliers are situated in Australia and the UK, which have low incidences of modern slavery.



04. Addressing the Risk

Steps taken

Longstanding protections

At Accolade Wines, we have important policies and processes in place to help mitigate the risks of modern slavery in our supply chains. These ensure we comply with local labour laws and best practice. We review our policies and processes on a regular basis to ensure that they are up-to-date and effective. We also regularly train our staff on these important policies and processes.

- Our global sustainability strategy identifies key areas where we believe we can make real change, including corporate governance. Our governance program has been designed to ensure our employees and suppliers operate sustainably, ethically, and safely. Modern slavery is a key pillar of the strategy.
- Supplier Code of Conduct: This establishes Accolade Wines' expectations of its suppliers when providing goods and services to us. All suppliers are required to comply with the Code under our contracts with them. The Code sets out our zero-tolerance approach to modern slavery and sets out the high standards we expect from suppliers, as a TISC Report affiliate.
- Modern Slavery Policy: This internal policy complements the Supplier Code of Conduct by setting out our expectation for all employees to act ethically and with integrity in all business dealings and relationships. The policy helps ensure transparency in our operations and implements systems to ensure modern slavery is not taking place anywhere in our business.
- Global Flexible Working Policy: This internal policy addresses the ability of employees and contractors to work remotely if the role permits.
- Contractor and Labour Hire Code of Conduct: This Australian code addresses expectations of contractors and labour hire, including the health, safety and welfare of workers.
- Whistleblower Policy: This policy encourages employees to disclose any unethical behaviour and any malpractice, misconduct or conflicts of interest. The policy ensures that disclosures can be made confidentially and with appropriate protections. Its operation includes not only employees but extends to external persons including past employees and family members.
- Modern Slavery Statement: Accolade Wines' published Modern Slavery Statements can be found on the Accolade Wines website at accoladewines.com/modern-slavery-act/.
- Anti-Bribery & Corruption Policy: This policy confirms our zero-tolerance approach on the giving or receiving of bribes, and establishes a robust procedure for the tracking, approval and auditing of the giving and receiving of proposed gifts and hospitality.

Longstanding protections (cont.)

- Work Health & Safety key priority focuses:
 - OHS training completed for all 'Officers'; safety responsibility manager and supervisor awareness training developed as safety leadership expectations training; business-wide focus on accountability: guest speaker in operational work areas to discuss individual responsibilities for safety of employees and work groups and potential implications.
 - Global Total Recordable Incident Frequency Rate (4.12) and Lost Time Injury frequency rate (3.75) saw a slight increase at the end FY23, however total injury reporting statistics (including first aid) saw a reduction of 20% from FY22, hazard reporting (leading and proactive measure of culture) saw an increase of 15%, and training completion saw an increase of over 100% on FY22 statistics.
 - Completed rollout of new HSEQ electronic reporting. Immediate benefit in increased reporting in all areas of functionality; greater opportunity to interrogate details to support proactive responses to risks and greater efficiency in mitigating actions post negative consequence events. System is now being expanded to facilitate a 'people' module to consolidate training management at all operational business locations.
- Contracts Policy: This internal policy makes modern slavery compliance a requirement for all supplier contracts.
- Due diligence screening: Screening is conducted on all suppliers, customers and third-party contractors before we agree to conduct business with them. The screening considers any adverse findings on topics such as money laundering, fraud, corruption, criminal convictions, adverse media coverage.
- Supplier Risk Assessment Questionnaire for bulk wine suppliers.
- Self Assessment Questionnaire through Sedex International for multiple sites.
- Training: Regular training for global executive leadership, senior leadership, HR, procurement and viticulture teams regarding modern slavery. Annual modern slavery training for UK procurement, HR and compliance functions.
- Employee Assistance Program: This program anonymously assists employees with any issues and includes free counselling and coaching.
- Global Procurement Policy and Procedure: 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.
- Child Labour Policy: This 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.

Steps taken

Progress against FY23 objectives

Accolade Wines undertook the following actions in FY23 to reduce the risk of modern slavery in its operations and supply chain:

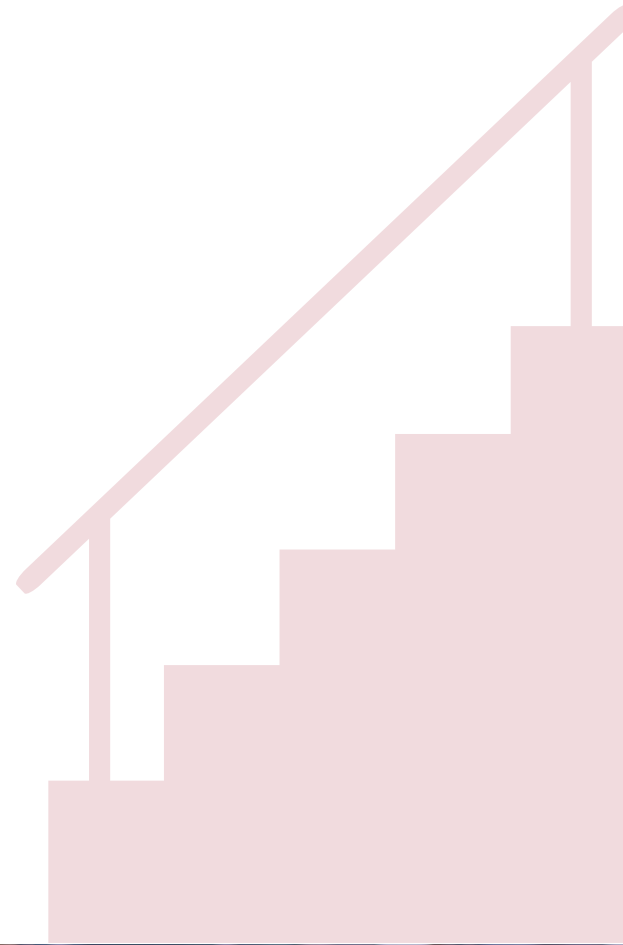
FY23 OBJECTIVE	PROGRESS AGAINST OBJECTIVE
<p>Deeper implementation of the supplier questionnaire process through Refinitiv</p>	<ul style="list-style-type: none"> • Rollout of modern slavery supplier survey to key Australian suppliers • Review of existing Refinitiv due diligence together with other options
<p>Continued regular employee and contractor training on modern slavery risks and expansion of training and education to broader supplier cohort</p>	<ul style="list-style-type: none"> • Collaboration with Procurement team to identify training opportunities for internal team and key external stakeholders • Identification of optimum modern slavery training programs • Ensure correct processes and work authorisations in place for migrant workers, including maintenance workers employed at key production site
<p>Conduct global audit and refresh of due diligence screening based on 'Top 10' customers and suppliers in each primary region within which we operate - including review of third party audit options</p>	<ul style="list-style-type: none"> • Review of media reporting on modern slavery and any use of suppliers identified by media as carrying modern slavery risk - no use identified • Commencement of review of Supplier Code of Conduct, highlighting modern slavery risks • Continued development of new supplier set-up system (K-Rise) including mandatory early background checks for risks • Detailed due diligence completed on purchaser of major UK facility The Park, with that supplier becoming our consolidated and largest supplier in the UK • Review whistleblower logs
<p>Continued execution of our global sustainability roadmap; expansion of sustainability and incorporated modern slavery strategy priorities to suppliers, including training</p>	<ul style="list-style-type: none"> • Review of sustainability roadmap and exploration of increased activity including establishment of new sustainability committee • Further development of training programs
<p>Options for establishment of modern slavery committee to focus attention on identification, assessment and addressing of risks</p>	<ul style="list-style-type: none"> • Round table discussion on modern slavery diligence and improvement of same across core business groups • Groundwork for new internal Modern Slavery Committee, including outreach to core business teams
<p>Identify additional third party partners to assist in mitigating and addressing risks, including further involvement with Sedex International</p>	<ul style="list-style-type: none"> • Confirmed Sedex International membership across globe and deepened use of tools and resources for third party due diligence and self-assessment at core production sites • Review of Australian government report of the statutory review of the Modern Slavery Act 2018 for the first three years, identified factors for best practice reporting and proactive change within group - further exploration of movement beyond mere transparency • Work with wine industry associations
<p>Align strategy with global leaders such as the UNHCR and the WHO</p>	<ul style="list-style-type: none"> • Review of UK government modern slavery guidance for government suppliers to identify best practice diligence, and identify improved compliance checking and business training

Steps to be taken

Objectives for FY24

Accolade Wines has identified the following objectives for FY24:

- Extend rollout of modern slavery supplier survey to top 100 suppliers for the business and grape growers of contracted grapes
- Rollout of optimum modern slavery training programs through comprehensive internal online training platform – seed
- Rollout of online training through UTS Anti-Slavery Australia to goods suppliers, grape growers, bulk wine suppliers and co-pack contract processing suppliers
- Hire of dedicated sustainability officer
- Refresh relevant policies, including Modern Slavery and Whistleblower Policies, and including against WHO and UNHCR best practice
- Complete Stronger Together Employer Good Practice Checklist
- Creation of modern slavery assets for identifying and reporting





**Accolade
Wines**

accoladewines.com/modern-slavery-act/