

J O V A L W I N E G R O U P

2020 STATEMENT ON HUMAN RIGHTS AND MODERN SLAVERY

Introduction

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for the advantage of another. Modern slavery is a major issue for millions of people throughout the world, who are being kept and exploited in various forms of slavery. All companies are at risk of being involved in this crime through its own operations and others in its supply chain.

Joval Wine Group Pty Ltd (ACN 004 564 069) ("JWG") is a major distributor of wines throughout Australia. JWG condemns modern slavery and is committed to preventing and addressing modern slavery in its global supply chains. JWG's 2020 Statement on Human Rights and Modern Slavery sets out the actions taken by JWG Pty Ltd to understand, mitigate, and address human rights and modern slavery risks for the financial year 1 July 2019 to 30 June 2020.

Joval Wine Group's published values and beliefs are core to everything the business does. Our key values of Empathy and Respect are strongly defended by the business. As such, JWG takes a zero tolerance approach to modern slavery.

1. Who is Joval Wine Group?

JWG is a leading Australian wine distributor, operating two divisions known as "red+white" and "Mezzanine The Fine Wine Specialist". Privately owned, and operating since 1963, JWG represents approximately 200 Australian, New Zealand and international wine brands, selling them to all areas of the Australian wine retail and hospitality sector. JWG prides itself on representing many of the most prestigious and reputable wine brands in the world.

2. JWG's Structure, Operations and Supply Chains

Structure

JWG is privately owned, and employs approximately 180 staff, all of whom are engaged under Employment Contracts which, at a minimum, meet award conditions. All employees, regardless of the jurisdiction in which they reside, are employed by Joval Wine Group Pty Ltd.

Joval Wine Group Pty Ltd has one wholly-owned subsidiary company, Joval Wine Group (NZ) Ltd, a New Zealand based private company. This company employs 3 permanent staff plus casual staff on Employment Contracts which all meet minimum legal conditions.

Operations and Supply Chains

JWG's head office is in Melbourne, Australia, with sales and marketing offices in all major Australian capital cities.

JWG is a distributor of wine, purchasing bottled wine from around 200 Australian and international wine producers. JWG enters into contracts or letters of appointment with these wineries, giving it exclusive rights to sell their wines in some or all segments of the Australian liquor market.

JWG outsources its international and domestic logistics operations to other parties.

3. The risks of modern slavery practices at JWG

The risks of modern slavery in JWG's supply chain can be categorised into the following three categories:

a. JWG may cause modern slavery practices

JWG believes that its risk of causing modern slavery is extremely low. JWG believes in fair remuneration and conditions for its employees. It complies with all relevant employment laws and awards, and none of its employees are paid below the relevant minimum wage. JWG invests in the health and safety of its employees, and this is overseen by the Human Resources department. All staff have access to a company-funded third party Employee Assistance Program.

b. JWG may contribute to modern slavery practices

JWG considers the risk that it may contribute to modern slavery practices as being low. JWG is a premium wine distributor, and while it attempts to enter into favourable commercial arrangements, price is never the only factor under consideration when negotiating with a potential supplier. JWG sells very little wine that retails at under A\$10 per bottle, meaning that in most instances, if not all instances, suppliers earn more than enough to pay their employees fairly.

c. JWG may be directly linked to modern slavery practices

JWG consider the risk that it might be directly linked to modern slavery practices is low to medium. JWG endeavours to discuss modern slavery with key suppliers, and is upgrading its contractual processes. However, it acknowledges that further work can be undertaken in this area. While JWG carefully selects its suppliers and ensures they have a strong reputation, further investigation and assessment can be conducted to determine whether there are risks of modern slavery practices further down the supply chain.

4. Actions being taken by JWG to assess and address risks of Modern Slavery

JWG already has policies in place to assist in ensuring that modern slavery is not taking place in its business or operations. Internal policies are available on SharePoint for all employees to review at their convenience, and in addition, an annual Policy Refresher Training session is compulsory for all staff. These policies include JWG's Whistle-blower policy and Discrimination, Harassment and Bullying policy. More policies are being added on a regular basis.

JWG also has a publicly available set of detailed values and beliefs published online at <https://www.jovalwinegroup.com.au/#/valuesandbeliefs/> demonstrating JWG's commitment to a fair and equitable approach in everything the business does.

In addition to existing and developing policies, JWG will implement the following:

- Contractual amendments in which suppliers will outline and acknowledge their obligations in relation to modern slavery
- Supplier due diligence checklist that must be completed by internal staff before signing a contract with a new supplier

JWG will also raise awareness of modern slavery throughout its business by communicating the following with our staff:

- Our commitment to the fight against modern slavery
- Red flags for potential cases of slavery or human trafficking
- How employees should report suspicions of modern slavery

5. Training

In addition to the awareness program, JWG will roll out a training course to all employees and key supplier contacts, covering:

- Various forms of modern slavery in which people can be held and exploited
- The size of the problem and the risk to the organisation
- How employees can identify the signs of slavery and human trafficking, including unrealistically low prices
- How employees should respond if they suspect slavery or human trafficking
- How suppliers can escalate potential slavery or human trafficking issues to the relevant people within their own organisation
- What external help is available for the victims of slavery
- What terms and guidance should be provided to suppliers in relation to slavery policies and controls
- What steps JWG will take if a supplier fails to implement anti-slavery policies or controls
- An attestation from employees that they will abide by JWG's anti-slavery policy

JOVAL WINE GROUP

6. Assessing the effectiveness of these Actions

JWG has defined a set of key performance indicators and controls to combat modern slavery. These include:

- How many staff have completed mandatory training
- How many suppliers have filled out our ethics questionnaire
- How many suppliers have signed amended contracts to acknowledge their obligations and commitment to mitigating the risk of modern slavery
- How many reports of suspicions of modern slavery have been raised by JWG staff

Approval

This statement covers the period from 1 July 2019 to 30 June 2020 and has been approved by Joval Wine Group's Board of Directors.



Frank Kraps
Executive Chairman
Joval Wine Group Pty Ltd
30 March 2021



Tim Menting
Chief Executive Officer
Joval Wine Group Pty Ltd
30 March 2021