



TREASURY WINE ESTATES



2019 STATEMENT ON HUMAN RIGHTS AND MODERN SLAVERY

Treasury Wine Estates Limited (TWE) is committed to protecting human rights and preventing modern slavery in all its forms, including forced labour and human trafficking, across its corporate activities and global supply chain.

TWE's 2019 Statement on Human Rights and Modern Slavery (Statement) sets out the actions taken by the Company including all business units and subsidiaries, to understand, mitigate, and address human rights and modern slavery risks related to its business for the financial year 1 July 2018 to 30 June 2019 (F19). The Statement is publicly available via the homepage of the Company's website at www.tweglobal.com.

During F19, TWE:

- ensured TWE's policies, procedures and standards were reflective and abide by all applicable global legislation with respect to human rights and modern slavery;
- continued to report under the California Transparency in Supply Chain Act, UK Modern Slavery Act and welcomed the introduction of the Modern Slavery Act Australia;
- aligned priority United Nations (UN) Sustainable Development Goals (SDGs) to the Company's Corporate Responsibility (CR) framework and initiatives;
- undertook further analysis of its supply chain with a specific desktop review performed to determine and then conduct due diligence on suppliers who posed a high human rights risk; and
- updated its Risk Management Framework to include a specific and comprehensive environmental and social risk register.

This Statement has been approved by TWE's CR Council and the TWE Board.

About TWE

TWE is one of the world's largest wine companies, listed on the Australian Securities Exchange (ASX). With an outstanding portfolio of wine brands from diverse countries of origin and some of the most prized viticultural assets in the industry, the Company's commitment to delivering shareholder value is underpinned by its passion for crafting, marketing and selling quality wine for consumers, as well as building sustainable partnerships with customers, globally.

TWE owns, leases and operates over 9,100 planted hectares of vineyards within Australia and New Zealand, over 3,600 planted hectares within California and 148 hectares within Europe as well as multiple viticultural assets across these regions employing approximately 3,500 winemakers and viticulturists, alongside marketing, sales, distribution and support staff with wine sold in more than 100 countries around the world.

The company's operational structure comprises, approximately 127 vineyards, 17 wineries, eight corporate offices and a vertically integrated global supply chain that operates with four principal activities. These being:

Grape growing and sourcing

TWE sources grapes from a mix of company-owned and leased vineyards, grower vineyards and the bulk wine market globally. The Company's sourcing mix varies by region.



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Wine production

TWE owns world class wine production and packaging facilities in Australia, New Zealand, Italy and the United States.

Wine marketing, sales and distribution

TWE markets, sells and distributes its wines to customers in more than 100 countries, tailoring its route-to-market model by country to capitalise on regional opportunities.

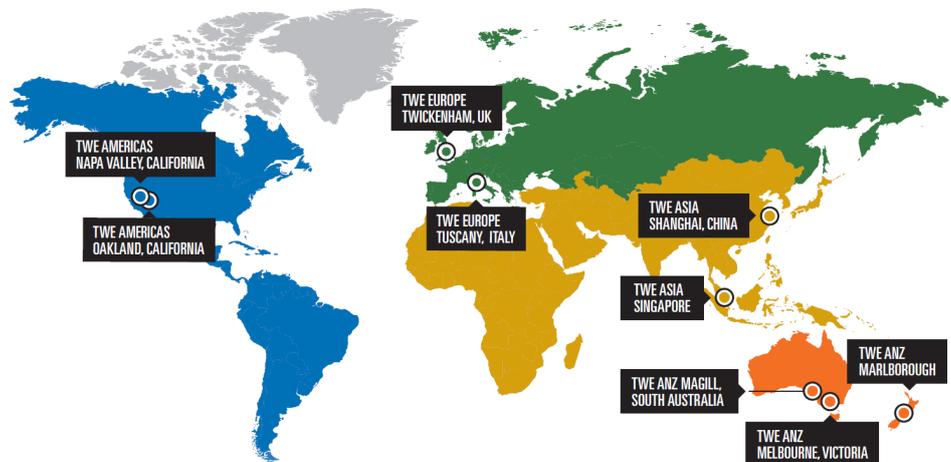
Procurement

TWE procures from both direct and indirect suppliers. Direct suppliers include those from whom the Company buys grapes, bulk wine, glass, card, labels, and business to business packaging, among other goods. Indirect suppliers include those from whom the Company buys services, including marketing, legal, corporate and consulting services.

Further details on the Company's trading names, operating structure and joint ventures are outlined in detail in its 2019 Annual Report, which is available via www.tweglobal.com/investors.

TWE's global operations are highlighted in Figure 1.0.

Figure 1.0 TWE's global operations





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Due diligence and remediation framework

TWE's commitment to the protection of human rights and the prevention of modern slavery is underpinned by its global policies and programs, including risk assessment processes that are designed to identify impacts and adopt preventative measures.

These policies and programs have been embedded within the Company throughout the year and several have been enhanced to improve their effectiveness.

Anti-bribery and Corruption Policy *and Guidelines

TWE does not tolerate any forms of bribery or corruption, a commitment that is supported by the Anti-bribery and Corruption Policy and Guidelines.

TWE refreshed its Anti-bribery and Corruption Policy to align it with best practice and emerging governance requirements including the revised fourth edition of the ASX Corporate Governance Principles & Recommendations.

Code of Conduct*

The Code of Conduct is a core policy that outlines the Company's expectation of employees to conduct themselves and their business at the highest standards and behave in an ethical and responsible manner.

Failure to abide by TWE's Code of Conduct may constitute a disciplinary offence and can result in termination of employment.

No matters of non-compliance with the Code of Conduct relating to human rights, modern slavery or human trafficking have been reported during F19.

Corporate Responsibility Framework

TWE's Corporate Responsibility (CR) Framework supports the Company's strategy and is underpinned by four key strategic pillars being, Performance, Planet, People and Product. The People pillar of the CR Framework comprises a focus on human rights and labour practices.

Employee Assistance Program

The Employee Assistance Program (EAP) provides TWE employees and eligible immediate family members with a range of services and support. It is voluntary, confidential and easy to access, with support available for personal and work-related issues including performance, dealing with grief, stress management and career pathing.

Employing and Engaging Minors Policy

The Employing and Engaging Minors Policy sets out the Company's commitment to safeguard a minor's employment circumstances when they are employed or engaged by TWE or a third party on behalf of TWE.

Human Resource Assist

TWE's Human Resources (HR) shared service operation is the first point of contact for all general HR queries and support. Each of TWE's operating regions has a specialised HR Assist team and hotline.

Pay equity review

Each year, TWE undertakes a pay equity review to ensure that remuneration decisions are fair, competitive, market-relative, and reflective of performance. This process is underpinned by TWE's Remuneration Policy.

* This policy can be found on the Company's website, at www.tweglobal.com/investors





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New Market Entry Policy

Before entering any new market, TWE undertakes a risk assessment in accordance with the New Market Entry Policy. This assessment includes an analysis of the likelihood and consequences of a range of risks, including legal and reputational risk.

Responsible Procurement Code*

The Responsible Procurement Code (RPC) sets out TWE's expectation that suppliers conduct business in accordance with the highest ethical standards and internationally proclaimed human rights.

Regarding suppliers, failure to abide by the RPC can result in termination of the supply arrangement. In F19, there has been no findings of supplier termination for non-compliance to the RPC.

Risk Management Policy*

The Risk Management Policy provides guidance and direction on risk management related to the Company and states our commitment to the effective management of risk to reduce uncertainty in the Company's business outcomes.

United Nations Global Compact

As a signatory to the United Nations (UN) Global Compact, TWE has provided a Communications on Progress (COP) since 2011. Through UN Global Compact Principle 4, TWE is committed to the elimination of all forms of forced and compulsory labour.

The F19 COP is published alongside TWE's 2019 Sustainability Report, which is available, at www.tweglobal.com/sustainability.

Whistleblower Policy*

TWE's Whistleblower Policy has been adopted to ensure that people can raise concerns regarding actual or suspected contravention of TWE's ethical standards or the law without fear of reprisal or feeling threatened by doing so. The Policy is supported by a confidential whistleblower service, which is maintained by an external service provider, and operates across TWE operations globally, with the service available in a range of languages relevant to TWE's locations

Matters raised under the Whistleblower Policy are periodically reported to the Board through the Audit and Risk Committee. In addition, the Board is informed of any material incidents raised for the purposes of maintaining good corporate governance and oversight of TWE's culture. All issues are resolved by way of investigation and action as required.

Since 1 July 2019, the Company has updated the Whistleblower Policy, aligning it with recent reforms to Australian whistleblower legislation.

Workplace Health, Safety and Wellbeing Policy*

The Workplace Health, Safety and Wellbeing Policy sets out TWE's commitment to achieving an incident and injury free workplace. Supporting the Company's journey to "Destination Zero Harm" are three guiding principles: safe people; safe plant; equipment and environment and safe systems of work; with specific commitments agreed for each principle.

* This policy can be found on the Company's website, at www.tweglobal.com/investors





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Risk assessment and Mitigation

TWE Risk Management Framework

To oversee and manage risk, the Board and its Audit and Risk Committee (ARC) have approved a Risk Management Policy and a Risk Management Framework, both of which are reviewed annually. The Risk Management Policy provides guidance and direction on the management of risk related to the Company and states our commitment to the effective management of risk to reduce uncertainty in the Company's business outcomes.

In F19, the Risk Management Framework was updated to include a specific environmental, social and governance (ESG) profile. This profile includes risks relating to a range of ESG topics, including health and safety, labour rights, modern slavery, diversity and inclusion, discrimination, among others.

Commencing in F20, TWE will undertake a human rights impact assessment to identify actual and potential impacts to human rights within its own operations.

Supplier Environmental, Social and Governance (ESG) Risk Review

TWE's ESG risk review framework is integrated into the supplier onboarding process. The framework currently flags suppliers who may carry high ESG risk based on their country of operation, industry of operation and the TWE annual spend.

Currently, if a supplier is identified as high risk, the Procurement team is notified and an engagement and escalation process is followed to determine remedial actions, if required.

To build on this work, in F19, TWE engaged a third party to implement an online system during F20 which is designed to assess TWE's current and potential supplier and customer network. The system will be fully integrated in F20 and will alert TWE to supplier and customer risk using public and private intelligence databases.

TWE considers human rights breaches and identification of modern slavery to be a very serious matter, and would treat any concerns raised about actions of its employees or its partners with significance.

In the event that a supplier is identified as high risk, TWE will endeavor to work with that supplier to implement appropriate mitigation actions.

Labour hire providers

The nature and seasonality of TWE's wine production necessitates the use of contract labour hire. For this purpose, TWE has practices in place to ensure that it only uses reputable employment agencies to source contract labour.

Company owned and operated vineyards, wineries and packaging centres, are located in regions governed by a wide range of labour laws and standards which are reflected in our supplier contracts, employee and contractor agreements and workplace conditions.

Assessing Effectiveness

TWE will continue to develop and modify its approach as required to ensure that it meets its commitments and upholds the highest ethical standards.

The TWE Board governs the Company, and its responsibilities include actively promoting ethical and responsible decision-making within TWE.

The ARC assists the Board in overseeing the processes used by management to monitor and ensure compliance with laws, regulations, ethical guidelines and other requirements.





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Further, management has established the Risk, Compliance and Governance Committee (RCGC), which is responsible for overseeing and advising the Executive Leadership Team on:

- processes used to monitor, communicate and comply with the Company's policies, laws, regulations, ethical guidelines and other relevant requirements;
- employee behaviour with respect to governance, risk and compliance.

The RCGC's remit necessarily includes matters relating to labour rights and the treatment of people.

Failure to abide by TWE's Code of Conduct may constitute a disciplinary offence and can result in termination of employment. No matters of non-compliance with the Code of Conduct relating to human rights, modern slavery or human trafficking have been reported during F19.

Regarding suppliers, failure to abide by the RPC can result in termination of the supply arrangement. In F19, there has been no findings of supplier termination for non-compliance to the RPC.

Training and Communication

Employees are one of TWE's most important assets. TWE ensures all executive management, senior leaders and employees are aware of and understand the policies which reflect the Company's commitment to promote ethical and responsible behaviour and prevent human rights and modern slavery breaches within its global operations.

All new employees complete training covering the Company's Code of Conduct, Anti Bribery and Corruption, and Whistleblower policies and programs within the first three months of their employment. Thereafter, all employees complete these modules every two years.

Non desk-based employees receive training on TWE policy at a site level and compliance is monitored through the People and Capability function.

During F20, TWE will strengthen this learning with the development of appropriate internal training and updates to people leaders and key staff with respect to human rights and modern slavery.

Multi-stakeholder collaboration and engagement

TWE engages on a regular basis with investors, organisations and suppliers relating to a number of, issues including that of human rights.

The Company participates in multi-stakeholder forums to discuss human rights and modern slavery issues, including but not limited to the UN Global Compact Australia. TWE recognises the importance of engaging with a wide and diverse stakeholder group and will continue to engage with key stakeholders in F20.

For more information on how TWE engages its stakeholders, refer to the Company's website via www.tweglobal.com/sustainability.





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Looking Ahead

TWE is committed to continuously improving the practices, procedures and relevant education related to human rights and modern slavery to support its prevention.

In F19, the Company continued its focus on rolling out communication and awareness with respect to human rights and modern slavery legislative requirements.

During F20, TWE will:

- Progress implementation of a supplier and customer onboarding tool.
- Undertake a human rights impact assessment to identify actual and potential impacts to human rights within its own operations.
- Progress its work program on human rights and modern slavery under the People pillar of the CR Framework. This will include further consideration of human rights and modern slavery risks in the TWE supply chain; and training, resources and communication on modern slavery, and human rights more broadly.
- Continue to build expertise of our people especially those that work directly with third parties or those that rely on contractors in their workforce, so they can better identify and act on any indications of modern slavery.

Michael Clarke
CEO
August 2019

Paul Rayner
Chairman
August 2019

