



STATEMENT ON PREVENTING MODERN SLAVERY*

Treasury Wine Estates (TWE) is committed to preventing slavery and human trafficking in its corporate activities and its global supply chain.

This Statement sets out TWE's actions to understand and address modern slavery risks related to its business for the financial year 1 July 2015 to 30 June 2016.

TWE's global operations

Treasury Wine Estates (TWE) is one of the world's largest wine companies, listed on the Australian Securities Exchange (ASX).

The Company has a rich heritage and a portfolio of some of the most recognised and awarded wine brands in the world. TWE employs approximately 3,500 winemakers, viticulturalists, sales, marketing, distribution and support staff across the globe, TWE's wine is sold in more than 70 countries around the world.

TWE's business is founded on three principle activities:

- Grape growing and sourcing: The Company sources grapes from a mix of owned, leased and third-party vineyards. The Company's sourcing mix varies by region.
- Wine production: TWE owns world class wine production and packaging facilities in Australia, New Zealand, Italy and the US.
- Marketing and distribution: TWE markets and distributes its wines to customers in more than 70 countries, tailoring its route-to-market model by country to capitalise regional opportunities.

Further information on TWE's structure and business is available in the [F16 Annual Report](#).

Preventing modern slavery and human trafficking in TWE

TWE operates under a range of processes and procedures that ensure our workplaces meet international labour standards and ethical processes. Our 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 employee and contractor agreements and workplace conditions.

TWE's commitment to the prevention and protection against modern slavery and human trafficking is underpinned by a number of global Company policies and programs. These assist the Company to identify risks and take preventative measures where necessary:

- [Code of Conduct](#): TWE's Code of Conduct makes it clear that TWE expects the highest standards of employee conduct and ethical behaviour. The Code includes specific expectations around harassment, safety, respect, and principles of corporate responsibility. The Code of Conduct is a 'core TWE policy', which all

** This statement provides information on eradicating slavery and human trafficking in TWE's global supply chain, as required by the Modern Slavery Act (UK) and Transparency in Supply Chains Act (California).*



TREASURY WINE ESTATES

employees must read, understand and abide by. All employees are issued with a copy of the Code of Conduct upon commencement with the Company.

- [Whistleblower Policy](#): TWE's Whistleblower Policy ensures people can raise concerns regarding actual or suspected breaches of our ethical and legal standards without fear of reprisal or threat. The Policy is designed to ensure that serious misconduct or unethical behaviour, including circumstances that may give rise to an enhanced risk of slavery or human trafficking, is dealt with appropriately. The Policy specifically states that concerns regarding the Code of Conduct, abuse of authority, harm to any employee, or any conduct or practices which are illegal or breach any law can be reported under the Policy. Employees and contractors can raise their concerns through a number of mechanisms, including a confidential external service provider. The Whistleblower Policy is a 'core TWE policy', which all employees must read, understand and abide by. All employees are issued with a copy of the Policy upon commencement with the Company, and employees' understanding is assessed through a mandatory e-learning module.
- [Corporate Responsibility program](#): TWE's Corporate Responsibility (CR) program focuses on three strategic priorities: Responsible Consumption, Sustainable Sourcing, and Corporate Volunteering & Community Engagement. As part of its CR program, TWE is a signatory to the United Nations Global Compact (UNGC) and reports against the 10 principles of the UNGC annually. Principle 4 of the UNGC commits the company to the elimination of all forms of forced and compulsory labour. All TWE employees are expected to contribute to the fulfilment and principles of the CR program, as outlined in the company's Code of Conduct.
- **New Market Entry Policy and Checklist**: Before entering any new market, TWE undertakes a new market entry risk assessment. This assessment includes an analysis of the likelihood and consequences of a range of risks, including legal and reputational risk, through which the risk of slavery or human trafficking may be considered.

Labour hire providers

The nature and seasonality of 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.

During F16, TWE reviewed its oversight of contract labour hire used for viticulture, and while overall the Company is satisfied with its approach to labour hire, the review resulted in a number of activities being undertaken, including internal education sessions, updated contractual agreements, and the provision of guidance on TWE's expectations regarding employment conditions to labour hire providers.



Preventing modern slavery and human trafficking in TWE's broader supply chain

TWE is committed to preventing slavery and human trafficking throughout its supply chain. With regard to suppliers, TWE sets out its expectation that suppliers conduct business in accordance with the highest ethical standards and internationally proclaimed human rights in its [Responsible Procurement Code](#) (RPC).

Developed in response to a detailed analysis of social and environmental risks across our global supply chain, the RPC sets out TWE's expectations of suppliers with regard to social, environmental and economic rights. It also states TWE's expectation that suppliers comply with all legislative and ratified ILO conventions on the treatment of the supplier's workforce and not use forced, prison or slave labour in any form.

Relevantly, TWE's Responsible Procurement Code requires that suppliers:

- ensure that their workforce receives legally mandated benefits in the form of a relevant minimum wage;
- ensure that working hours comply with local laws and suppliers do not require their workforce to work excessive hours to a degree that may impact personal health and safety;
- treat their workforce fairly and provide them with workplaces free of harassment, abuse, intimidation, and corporal punishment;
- ensure their workforce is appropriately authorised and permitted to perform the work that they are engaged to do;
- ensure Health and Safety culture, processes, procedures exist that, at a minimum, comply with local laws;
- ensure a Health and Safety programme exists that aims to reduce hazardous working conditions and work related injury and illness; and
- allow employees the freedom to join a union or engage in other forms of collective bargaining if they so choose, to the extent permitted by law.

TWE requires suppliers and tenderers to agree to the Responsible Procurement Code during the engagement process, and this expectation is embedded into the contractual relationship. TWE commenced the global roll out of the Code to all existing suppliers in F16. This will continue over F17 and beyond.

The RPC is supported by fact sheets available to suppliers, including a fact sheet on forced labour. In addition, the TWE Supply team trained Australian site administrators on the Code in F16, with other employees who engage suppliers to be trained over the course of F17 and ongoing.

While the TWE Supply team does not engage an independent third party to verify or audit its supply chain, it regularly engages with suppliers on the Responsible Procurement Code, and supplier contracts now require suppliers to inform TWE if they become aware of any breach of the Code in their supply chain.



Due Diligence

In addition to the training and awareness raising mentioned, all risks to the Company are overseen by an internal Risk, Compliance and Governance Committee, and ultimately by the Audit and Risk Committee of the Board.

Under the Risk, Compliance and Governance Committee Charter, the Committee is responsible for ensuring that policies are being complied with by TWE employees, and it is responsible for supporting processes to monitor, communicate and comply with the Company's policies, and with laws, regulations, and other relevant requirements, including ethical and company standards. This necessarily includes ethical and company considerations of labour rights and the treatment of people.

The Audit and Risk Committee and the Board are responsible for oversight of the system of risk management, compliance and policy governance.

Impacts of breaches

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 modern slavery or human trafficking have been reported during F16.

Failure to abide by the Responsible Procurement Code can result in termination of the supply arrangement. No matters of non-compliance with the Responsible Procurement Code have been raised with TWE during F16.

TWE considers slavery and human trafficking to be very serious matters, and would treat any concerns raised about actions of its employees or across the supply chain with regard to slavery and human trafficking with utmost seriousness.

Board approval

This statement has been approved by TWE's Board of Directors.

Michael Clarke
CEO
17 August 2016