



TREASURY WINE ESTATES



F18 STATEMENT ON THE PREVENTION OF MODERN SLAVERY

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

This Statement sets out the actions taken by TWE to understand, mitigate, and address modern slavery risks related to its business for the financial year 1 July 2017 to 30 June 2018, and is publicly available via the homepage of the Company's website, tweglobal.com.

Focus areas in F18 include:

- Refreshed the Corporate Responsibility program, including the consolidation of several human rights and labour initiatives under the new strategic pillar – People.
- Reinforced environmental, social and governance (ESG) risk considerations, inclusive of human rights, in supplier (including contractors and labour hire) onboarding, through direct partner engagement, and key TWE policies.
- Expanded the Whistleblower program in the Americas to include a Spanish language option for the US toll-free service.
- Engaged with the Australian Government and TWE's industry networks to provide input and better understand the implications of the Modern Slavery Act Bill 2018 (Commonwealth), which was introduced in Parliament in June 2018.
- Continued to roll out TWE's Responsible Procurement Code (RPC) to existing suppliers across the globe.

About TWE

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

With a rich heritage and diverse portfolio of outstanding wine brands and viticultural assets, the Company's enduring 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 employs approximately 3,500 winemakers and viticulturists, along with marketing, sales, distribution and support staff across four key regions, with wine sold in more than 100 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, 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.

Further information on TWE's structure and business is available in the F18 Annual Report, available at www.tweglobal.com/investors.





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Preventing modern slavery through TWE's policies and programs

TWE's commitment to the prevention of, and protection against, modern slavery is underpinned by a number of global company policies and programs that are designed to identify risks and adopt preventative measures where necessary. These include (listed in alphabetical order):

Code of Conduct¹

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

Corporate Responsibility (CR) Program

In F18, the CR program was reviewed, resulting in a consolidation of the CR work done across TWE under the four strategic pillars: Performance, Planet, People and Product. The People pillar of the refreshed CR program comprises a focus on human rights and labour.

Employing and Engaging Minors Policy

This Policy sets out the Company's commitments to safeguard a minor's employment circumstances when they are employed or engaged by TWE or a third party.

New Market Entry Policy

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. In F18, this Policy was updated to include a specific reference to the consideration of ESG risks, inclusive of human rights, in the risk assessment process.

Responsible Procurement Code (RPC)¹

The RPC sets out TWE's expectation that suppliers conduct business in accordance with the highest ethical standards and internationally proclaimed human rights. The RPC is further outlined below.

Risk Management Policy¹

This 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 (UNGC)

As a signatory to the UNGC, TWE has provided a Communications on Progress (COP) since 2011. Through UNGC Principle 4, TWE is committed to the elimination of all forms of forced and compulsory labour. The F18 COP is submitted as an integrated part of TWE's 2018 Sustainability Report.

Whistleblower Policy¹

This Policy, which is publicly available on TWE's website, enables employees and others to confidentially raise concerns and report instances of actual or suspected unethical, illegal or fraudulent behaviour without fear of reprisal or threat. The Policy is supported by a confidential whistleblower service through an external service provider (Deloitte), which operates globally and enables confidential reporting via a hotline or via email.

¹ This policy can be found on the Company's website, at www.tweglobal.com/investors.





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This service offers local toll free numbers to reflect our major operating regions, which include services in local languages for China, Hong Kong, Singapore, Japan, Australia, New Zealand, United Kingdom and the United States of America (US).

In F18, TWE expanded the program adding a Spanish language option for the US toll free number, reflecting employee diversity in the Americas region.

Matters raised through the confidential whistleblower service are periodically reported to the Board through the Audit and Risk Committee. All issues are resolved by way of investigation and action as required.

Workplace Health, Safety and Wellbeing Policy¹

Our group Workplace Health, Safety and Wellbeing Policy commits TWE to educating, engaging and empowering employees, contractors and visitors in relation to TWE culture, expected behaviours and safe work systems.

Preventing modern slavery in the supply chain

Responsible Procurement Code (RPC)

TWE's commitment to preventing modern slavery in its supply chain is supported by the Company's RPC. The RPC sets out TWE's expectation that suppliers conduct business in accordance with the highest ethical standards and internationally proclaimed human rights. It requires compliance with all legislative and ratified International Labor Organisation (ILO) conventions on the treatment of the supplier's workforce and that suppliers not use forced, prison or slave labour in any form.

In F18, the RPC was translated into simplified Chinese to ensure it is aligned with the language in which relevant contracts are prepared in China.

TWE requires suppliers and tenderers to agree to the RPC during the engagement process, and it is embedded into the contractual relationship, where a TWE issued contract exists.

TWE continued to roll out the RPC in Australia and New Zealand (ANZ) and the Americas in F18. The RPC roll out will be finalised with the Europe and Asia regions.

Environmental, social and Governance (ESG) supplier review

In F18, TWE integrated an ESG risk review framework in to its supplier onboarding process. The framework proactively flags suppliers who may carry high ESG risk based on their country of operation, industry of operation and the annual spend received from TWE.

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

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.

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 supplier contracts, employee and contractor agreements and workplace conditions. Labour hire providers are required to commit to the expectations outlined in the RPC when they onboard with TWE.

TWE does not currently engage an independent third party to verify or audit its supply chain.





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Governance and Accountability

TWE's Code of Conduct provides that it is the Company's goal to conduct business in accordance with the highest standards of ethical conduct.

The Board governs the Company, and its responsibilities include actively promoting ethical and responsible decision-making within TWE. The Audit and Risk Committee assists the Board in overseeing the processes used by management to monitor and ensure compliance with laws, regulations, ethical guidelines and other requirements.

Management has established the Risk, Compliance and Governance Committee, which is responsible for, amongst other things, 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; and
- employee behaviour with regard to governance, risk and compliance.

The Risk, Compliance and Governance Committee'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 modern slavery or human trafficking have been reported during F18.

Failure to abide by the Responsible Procurement Code can result in termination of the supply arrangement. No findings of non-compliance with the RPC's provisions relating to modern slavery have been reported during F18.

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

Employee training and communication

Employees are one of TWE's most important assets and the Company invests in them in order to support its success. TWE ensures relevant managers and employees know and understand the actions in place designed to uphold ethical behavior and prevent modern slavery within our global operations.

All new employees complete online training covering the Company's Code of Conduct, Fraud 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 Human Resource team of TWE's People and Communications function.

In F18, in preparation for the RPC roll out in Europe and Asia, relevant employees in these regions received training on the RPC. A similar group of employees in the Americas and ANZ regions were trained prior to their RPC roll out.





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F18 Corporate Responsibility program review and next steps

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

In F18, TWE undertook a CR materiality assessment², with participation from a range of internal and external stakeholders, including: employees, suppliers, customers, consumers, investors and members of the public sector.

These stakeholders were asked to rank the significance of a range of CR related issues, to them, and to TWE. Stakeholders were also asked their views on CR and sustainability, reporting, and communication.

The CR materiality assessment contributed to a broader CR program review, which informed the identification of the Company's priority CR and ESG topics. These topics were grouped, resulting in the establishment of four key pillars – Performance, Planet, People and Product.

The CR program review coincides with the release of TWE's inaugural Sustainability Report. The Sustainability Report outlines the Company's approach and performance in relation to the CR program's four pillars and is available on the Company's website at www.tweglobal.com/responsibility.

In F19, TWE will progress its work program on human rights, under the People pillar of the CR program. This will include further consideration of human rights risks in the supply chain; training, resources and communication on modern slavery, and human rights more broadly; and further supplier engagement on ESG topics, including modern slavery.

Michael Clarke
CEO
21 August 2018

Paul Rayner
Chairman
21 August 2018

² The CR materiality assessment was a process undertaken to inform TWE of its stakeholders' views on ESG topics. Priority ESG topics identified through the CR process are therefore not necessarily TWE's material risks. TWE's material business risks are outlined in the Operating and Financial Review (OFR) of TWE's Annual Report.

