



F17 STATEMENT ON PREVENTING MODERN SLAVERY*

Treasury Wine Estates (TWE) is committed to preventing slavery and human trafficking in its corporate activities and 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 2016 to 30 June 2017. This statement is publicly available via the Company's website homepage.

About TWE

TWE is one of the world's largest wine companies and is publicly listed on the Australian Securities Exchange (ASX).

The Company has a rich heritage and a portfolio of some of the world's most recognised and awarded wine brands, which are sold in more than 100 countries. TWE employs approximately 3,400 winemakers, viticulturists, sales, marketing, distribution and support staff across the globe. TWE operates a balanced and sustainable sourcing model by diversifying its sourcing regions across Australia, the United States, New Zealand, Italy and France.

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 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 [F17 Annual Report](#).

Preventing modern slavery in TWE's global operations

TWE operates under a range of policies and procedures that ensure our sites 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 supplier contracts, employee and contractor agreements and workplace conditions.

TWE's commitment to preventing slavery and human trafficking throughout its supply chain is governed by the Company's [Responsible Procurement Code](#) (RPC). The RPC sets out TWE's

** 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).*



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. The RPC is available via the Company's website.

TWE requires suppliers and tenderers to agree to the RPC during the engagement process, and this expectation is embedded into the contractual relationship. The RPC is supported by fact sheets available to suppliers, including a fact sheet on forced labour.

TWE commenced the global roll out of the RPC to existing suppliers in F16. F17 saw the continuation of this process with over 73% of Australian and New Zealand (ANZ) grape and bulk wine suppliers having confirmed their commitment to the RPC. TWE's Americas team commenced rolling out the RPC to existing suppliers at the end of F17. Both the ANZ and Americas teams will continue to work with suppliers on their RPC commitments in F18. The Europe and Asia supply business regions will commence roll out in F18.

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

In F17 TWE completed an Environmental, Social and Governance (ESG) risk review of primary suppliers in the Company's supply chain to identify high ESG risk areas that TWE can proactively manage. This ESG assessment will underpin more in-depth discussions with suppliers from F18 onwards.

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.

During F17, TWE continued to educate managers, labour hire providers and contractors about its expectations in regards to their adherence to laws governing employment conditions. The enhanced administrative controls put in place in F16 continue to apply in F17.

On occasion TWE employs minors, typically in apprentice or hospitality roles. In F17, the Employing and Engaging Minors Policy was published, to ensure that these relationships are managed appropriately. The Policy ensures that all minors are employed or engaged lawfully, that their employment is overseen by a Human Resources team member and that a support system be implemented within the first 30 days of the minors' employment or engagement.

Policies and procedures that support the prevention of modern slavery and human trafficking

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

- TWE Code of Conduct



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.

- TWE Whistleblower Policy

This is a core TWE policy that ensures employees can raise concerns regarding actual or suspected breaches of our ethical and legal standards without fear of reprisal or threat

- Responsible Procurement Code (RPC)

The RPC sets out TWE's expectations of suppliers in regards to social and environmental practices.

- Employing and Engaging Minors Policy

This Policy sets out the Company's expectations when a minor is employed or engaged by TWE or a third party and ensures minors are employed lawfully, that their employment is review by a relevant Human Resources team member and that there is a workplace support system in place to guide the minor.

- Risk Management Policy

This Policy ensures TWE manages its risks responsibly so that risk management processes are integrated into organisational processes, are explicit for decision makers, and are contextual and dynamic.

- 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.

- Workplace Health, Safety and Wellbeing Policy

Our group health, safety and wellbeing policy that commits to educating, engaging and empowering employees, contractors and visitors about TWE culture, expected behaviours and safe work systems.

- TWE's Corporate Responsibility program

This program drives continuous improvement in TWE's corporate responsibility, through the three strategic pillars: Responsible Consumption, Sustainable Supply, and Corporate Volunteering & Community. The Sustainable Supply pillar is accountable for upholding TWE's efforts to prevent modern slavery and human trafficking.

- United Nations Global Compact (UNGC)

As a signatory to the UNGC, TWE has provided a Communications on Progress since 2011. UNGC Principle 4 commits the company to the elimination of all forms of forced and compulsory labour.



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 and with 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 F17.

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 relating to modern slavery or human trafficking have been reported during F17.

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.

Employee training

Employees are TWE's most important asset and the Company invests in them in order to support its success. Consequently TWE ensures relevant managers and employees know and understand the actions in place to prevent modern slavery and human trafficking 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 upon starting with the business. Thereafter, all employees complete these modules every two years following.

The Whistleblower program was updated in F17 to include local toll free numbers for China, Hong Kong, Singapore and Japan, enabling a whistleblower in these regions to make a report in their respective local language, thereby strengthening TWE employees' ability to identify and report instances of breach in company policy or codes.

In F17, the supply team rolled out training on the RPC to all relevant employees. New employees who interact with suppliers will also receive training.

Finally, ANZ managers, labour hire providers and contractors continued to receive education in F17 surrounding the expectations of the company in regards to their adherence to laws governing employment conditions.



Next Steps

TWE is committed to continuously improve the practices, procedures and relevant training related to modern slavery and human trafficking to support their prevention.

In F18, TWE will continue the roll out the RPC across the globe; continue to develop resources that aid employee understanding of modern slavery and human trafficking and the Company's approach to prevention and identification; and increase partner engagement on ESG risks.

A handwritten signature in black ink, appearing to read 'M Clarke'.

Michael Clarke
CEO
6 July 2017

A handwritten signature in black ink, appearing to read 'P Rayner'.

Paul Rayner
Chairman
6 July 2017