

2022 Statement on Human Rights and Modern Slavery



TREASURY
WINE ESTATES





Contents

About Treasury Wine Estates

Page 2

Introduction	3
Reporting entities	3
Key milestones	4
Our business	5

Our operating model and key brands	6
Our value chain	7
Governance	8
Sustainability strategy	10
Risk mitigation and remediation	11
Compliance	11
Certifying our wines	12
Responsible consumption	12

Human rights at Treasury Wine Estates

Page 13



Understanding our human rights risks	14
Human Rights Charter	14
Training and communication	15
Education and awareness of human rights	15
Supporting framework	16

Workforce

Page 18



Direct workforce	19
Indirect workforce	21

Procurement

Page 22



Managing risks in procurement	23
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Other relevant information

Page 25



Our commitment to collaboration	26
Grievance mechanisms	26
Assessing effectiveness	27
Managing COVID-19 impacts	27
Looking ahead	28



About Treasury Wine Estates



Introduction

Treasury Wine Estates Limited (TWE) is committed to respecting and protecting human rights. We seek to prevent modern slavery in all its forms across our operations and global supply chain.

At TWE, we believe that human rights recognise the inherent value of each person and encompass the basic freedoms and protections that belong to all of us, and that our business, people and communities can only thrive when human rights are safeguarded.

We endeavour to respect and uphold the human rights of our people and everyone who touches our business, either directly or indirectly.

TWE acknowledges that addressing modern slavery and protecting human rights requires an ongoing commitment to undertaking due diligence across our operations and through our supply chain to build a more comprehensive understanding of human rights and modern slavery risks.

TWE is committed to continuous improvement in this area, and ensuring that our processes, systems and interventions are as effective as possible in preventing and remediating modern slavery and protecting human rights. We remain a committed member of the UN Global Compact and seek to drive progress towards the future we want through responding to our priority Sustainable Development Goals (SDGs).

TWE's 2022 Statement on Human Rights and Modern Slavery (Statement) sets out the actions taken by TWE and our reporting entities to understand, mitigate, and address human rights and modern slavery risks for the financial year 1 July 2021 to 30 June 2022 (F22).

This Statement has been approved by TWE's Board and is publicly available via the homepage of the Company's website at www.tweglobal.com.



Reporting entities

The following reporting entities are covered by the 2022 Human Rights and Modern Slavery Statement:

- Treasury Wine Estates Limited
- Treasury Wine Estates Vintners Limited
- Treasury Wine Estates Australia Limited
- Penfolds Wines International Limited
- Penfolds Wines Australia Pty Ltd
- Treasury Wine Estates (UK) Holding Co Pty Ltd
- Wolf Blass Wines Pty Ltd
- Bilyara Vineyards Pty Ltd
- Aldershot Nominees Pty Ltd
- Treasury Wine Estates (NZ) Holding Co Pty Ltd

In F22 we transitioned to our new divisional operating model led by Penfolds, Treasury Premium Brands and Treasury Americas. The new model has delivered

increased focus and accountability throughout our business. Despite these three established divisions, Treasury Wine Estates Limited and each of our wholly owned subsidiaries operate as one corporate group with central management and control functions. As a result, each of Treasury Wine Estates Limited's wholly owned subsidiaries adhere to group wide policies and procedures and all sustainability (or ESG) risks are reported on and monitored centrally.

We have reviewed and determined that no TWE investments currently meet the reporting threshold. Nonetheless, we continue to engage several of these investments to ensure they are aware of the issue of modern slavery as well what steps TWE is taking to manage the risk.

Further details on the Company's trading names, operating structure and joint ventures are outlined in detail in our [2022 Annual Report](#).



Key milestones

In F22, we did not identify any instances of modern slavery in our operations or supply chain.

During F22, TWE:

- Achieved an engagement score of 70% in our annual employee engagement survey
- Implemented our Supplier Governance Framework
- Improved employee education and awareness of human rights matters through newly developed training
- Assessed a further 484 of our suppliers for their ethical, social, and environmental performance, bringing the total assessed to 1,339
- Increased overall female representation to 41.9% (+1.7%)
- Refinanced \$1.4 billion of debt facilities to sustainability linked loans, delivering financial incentives as it progresses towards a number of sustainability commitments including our gender representation targets
- Updated our Whistleblower Policy to provide more information about the practical ways TWE can support and protect whistleblowers.





Our business

Treasury Wine Estates (TWE) is a premium focused, global leader in wine, listed on the Australian Securities Exchange (ASX).

Our iconic wines are loved by consumers around the world and are available in major retailers, premium wine stores, restaurants, bars, and online.

TWE is a vertically integrated wine business that employs 2,500 team members focused on three principal activities:

- grape growing and sourcing
- wine production
- wine marketing, sales and distribution.

GRAPE GROWING AND SOURCING

TWE accesses grapes and bulk wine from a range of sources including Company-owned and leased vineyards, grower vineyards, and the bulk-wine market, varying by region.

A global sourcing model, diversified across geographic regions, varietals and price segments, supports growth and limits exposure to vintage variation risk, as well as grape and bulk wine pricing during grape shortages and surpluses.

TWE owns and leases 8,362 planted hectares of vineyards in Australia and New Zealand and is the custodian of sought-after viticultural assets in renowned winemaking regions including Australia's Barossa Valley and Coonawarra, and Marlborough in New Zealand.

The Company also owns and leases 2,702 planted hectares in key viticultural regions in California, including Napa Valley, Sonoma County, Lake County,

and the Central Coast. In Europe, TWE owns and leases 90 planted hectares in France's Bordeaux region and 154 planted hectares in Tuscany, Italy.

WINE PRODUCTION

TWE owns world-class wine production and packaging facilities.

- In Australia, TWE owns and operates seven wineries and one packaging facility, with wines primarily produced in South Australia and Victoria.
- In New Zealand, TWE owns one winery in the Marlborough.
- In the US, TWE has six wineries and one packaging facility in California's North and Central Coast regions.
- In Europe, TWE owns one winery in Italy and two wineries in France.

MARKETING, SELLING AND DISTRIBUTION

TWE generates revenues and profits from the production, marketing and sale of its portfolios of branded wine in more than 70 countries, with its route-to-market model reflecting regional insights and opportunities.

The Company has taken deliberate action to embed greater balance across its regional earnings mix and sourcing models.

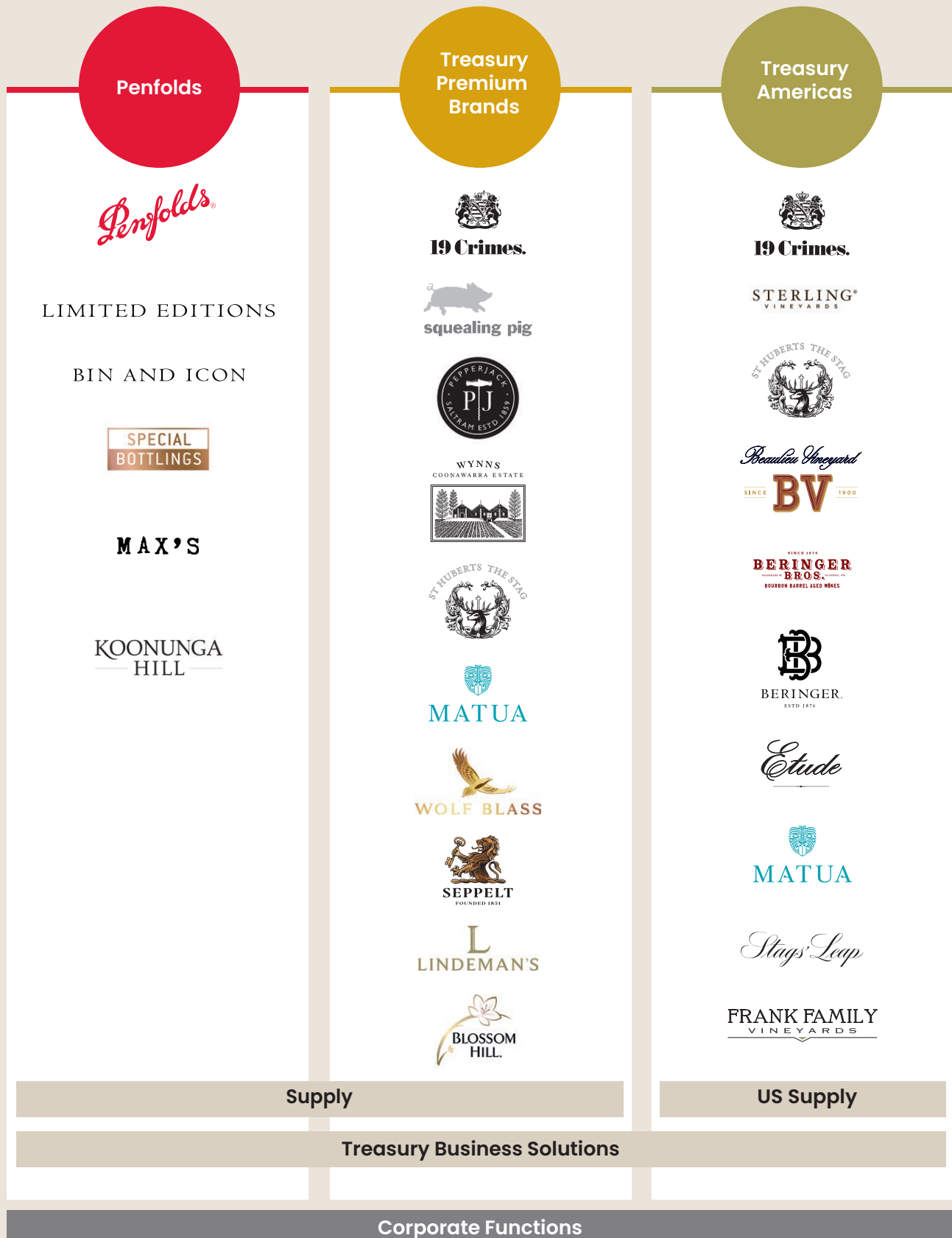
TWE's profitability continues to be increasingly driven by the high-growth luxury and premium segments, as well as improved profitability across all segments.





Our operating model and key brands

TWE has a brand portfolio-led operating model with three key divisions – Penfolds, Treasury Premium Brands and Treasury Americas – supported by centralised business services, supply, and corporate functions.



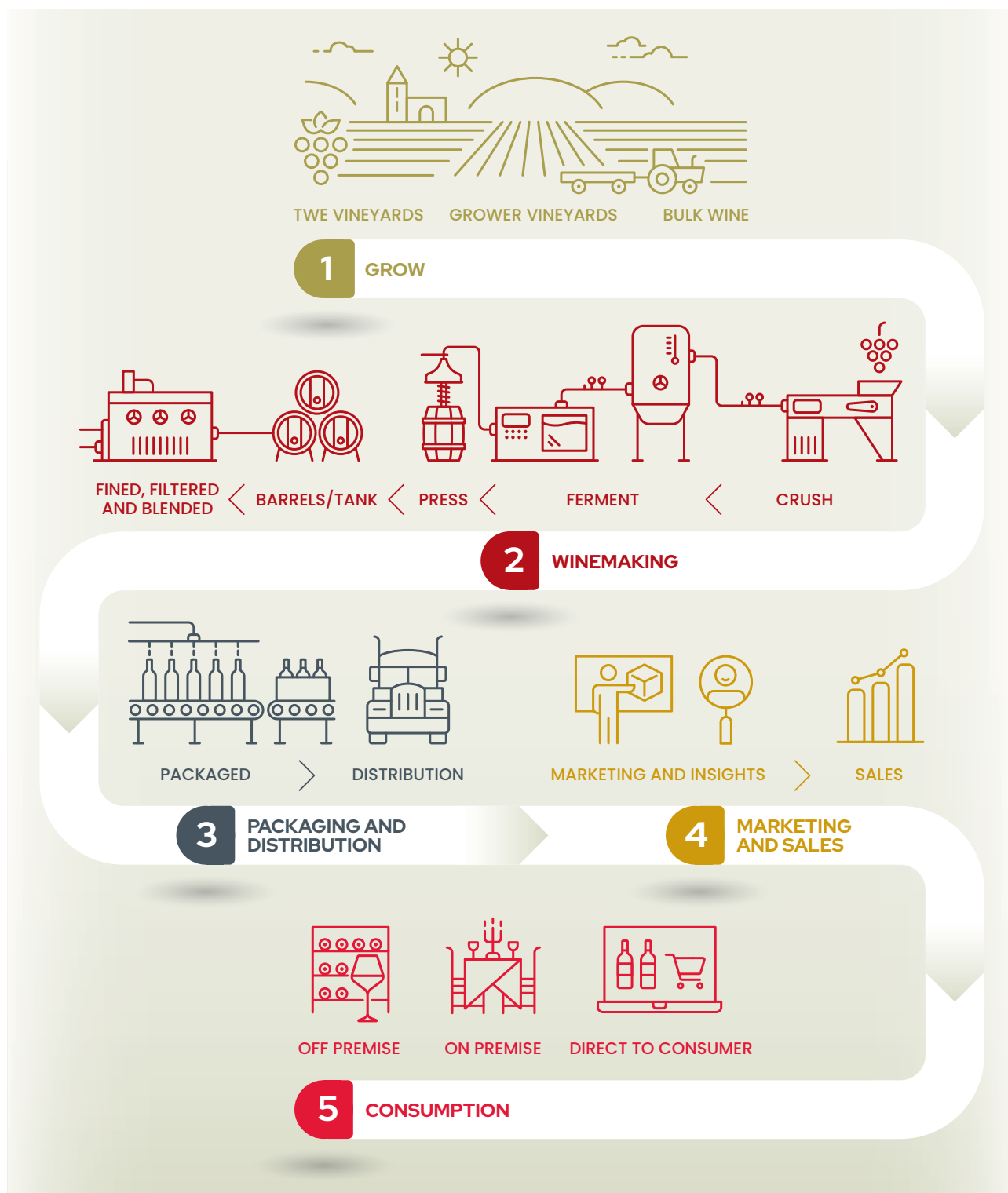


Our value chain

We are part of the global economy, meaning our value chain is connected to people, communities, ecosystems and other businesses around the world.

This also means our economic, social and environmental impacts extend beyond our own operations and our direct control. We believe in deep long-term partnerships and networks that use the size and scale of our business to leverage change – from the producers and manufacturers that supply us all the way to our customers and consumers.

The diagram below identifies the key stages of our value chain.





Governance

TWE believes that transparent and robust governance practices are critical to delivering value to shareholders; promoting investor confidence; and meeting our ambition of being the world's most admired premium wine Company.

At the heart of our business is the [TWE Code of Conduct](#), our TWE ambition of being the world's most admired premium wine company, and our [DNA](#). Each have at their core a focus on doing business the right way and TWE's responsibility to compete for business openly, honestly, fairly and with the highest ethical standards and internationally proclaimed human rights. This thinking has been woven into our performance appraisal, goal setting and development goals across the organisation.

F22 has seen continued progress and development in TWE's governance and compliance framework.

In F22 TWE reviewed its global [Compliance Management Policy](#) and continued to implement its revised Compliance Management Framework (CMF). This was led by a newly appointed Compliance Manager with support and input from across the business. The newly implemented CMF includes defined processes for compliance risk assessment, clear accountabilities, and regular review and reporting. Under the CMF, an assessment and attestation of the conformance with the framework in each compliance area is conducted annually, with the first reviews completed in F22.

The outcomes of the F22 assessment will inform the priorities and work in the coming financial year aimed at further strengthening compliance with the CMF.

Because of TWE's global footprint, our operations are subject to legal requirements set out by multiple national and local laws and regulations. TWE has defined Group policies and Group standards that must be complied with regardless of location. Where local laws or regulations mandate additional or stricter requirements than those established by Group policies and Group standards, TWE must ensure compliance with the local requirements in the relevant market in addition to or instead of internal Group requirements.

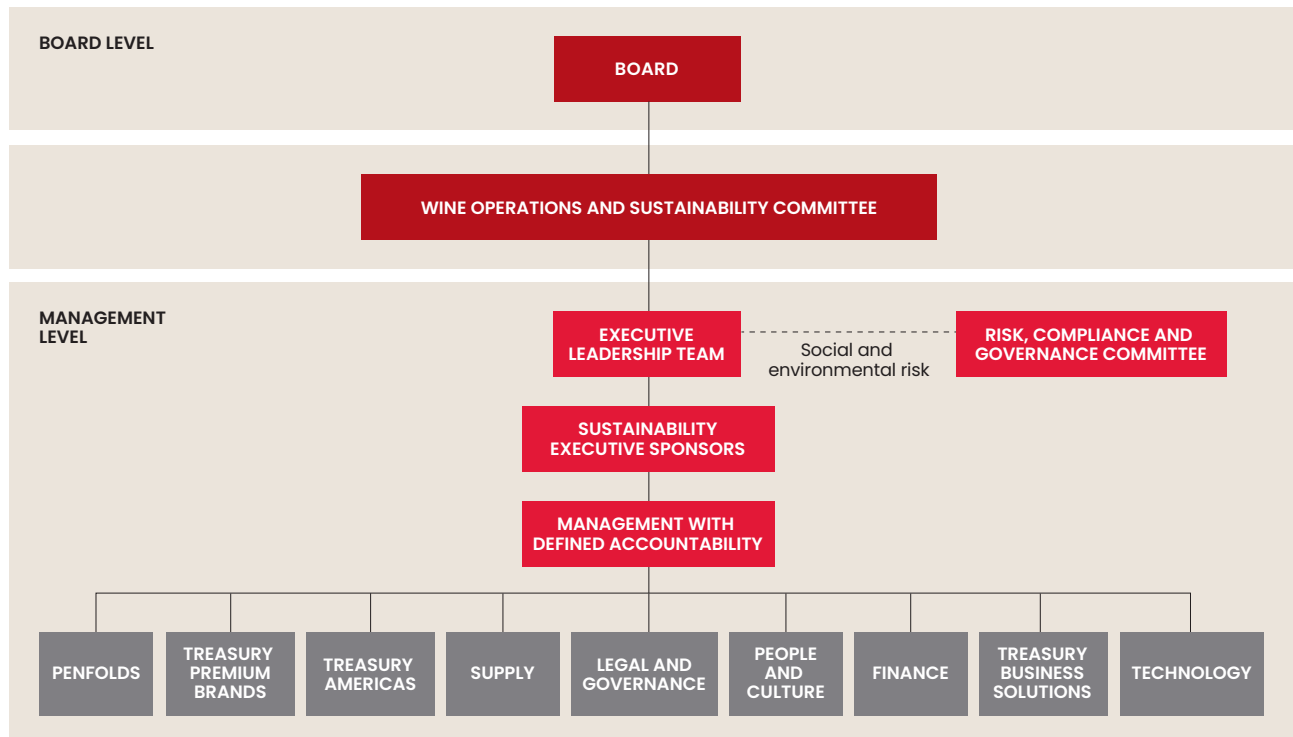
At its AGM in October 2021, TWE announced the establishment of a new Board Wine Operations and Sustainability Committee. The purpose of the Committee is to assist the Board by providing expert consideration of, and advice on, the Company's wine making operations in the various regions in which the Company operates, expansion opportunities in winemaking areas, supply chain and sustainability and oversight of the Company's sustainability reporting. The Committee was established to allow more time for in depth consideration of winemaking, sustainability, and supply chain strategic, long term planning and operational issues, both in relation to the Company's own operations and its relationships with the sector in different winemaking regions.





Governance continued

Sustainability governance



Current as at 30 June 2022

TWE's governance structure ensures that the Board, with assistance from the Wine Operations and Sustainability Committee, oversees TWE's approach and management of Environmental, Social and Governance (ESG) matters. The Board and the Wine Operations and Sustainability Committee of the Board also have oversight of the Company's key ESG disclosures, including this Statement on Human Rights and Modern Slavery and the Board approved Sustainability Report. The governance structure of sustainability at TWE is represented above.

TWE's governance practices provide for continuous monitoring and reporting of non-financial risks across the organisation. Regular reporting is conducted on a range of topics including Inclusion, Equity and Diversity,

Code of Conduct breaches, Whistleblower reports, litigation and compliance, anti-bribery and corruption matters, HSE performance, internal audit outcomes, and private sessions with internal and external audit. These reports extend beyond management level and are submitted to the Board bi-annually.

In addition, our Executive Leadership Team (ELT) are expected to actively support the delivery of our sustainability commitments, including those related to Responsible supply chain and Inclusion, equity and diversity commitments. This key performance objective directly influences remuneration outcomes.

A cross functional working group has been formed to help raise awareness and drive organisational alignment on human rights issues.



Sustainability strategy

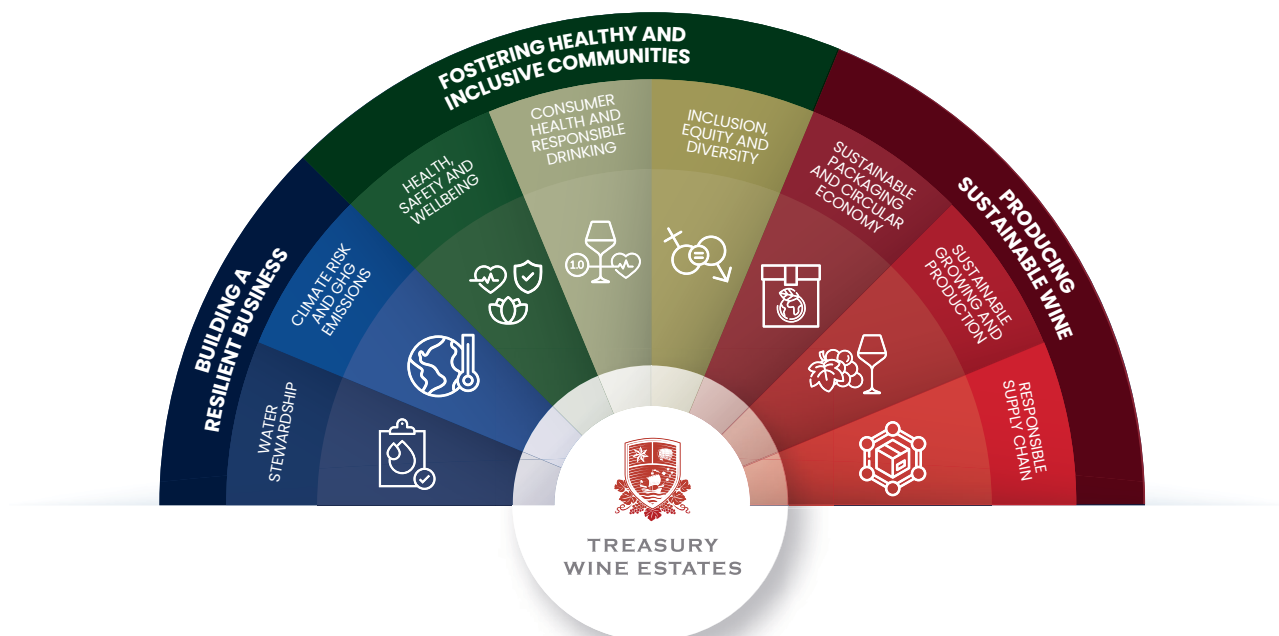
One year into our evolved sustainability strategy, we've made good progress against our plans to cultivate a brighter future, building momentum across all aspects of our agenda.

The progress made throughout the year reflects the collective effort of our team and partners who recognise that sustainability is integral to building a more resilient business, producing sustainable wine, and prioritising the wellbeing of our people, communities, and consumers.

Our ambition requires an integrated approach to sustainability with a focus on long-term value creation and leading collective action to effectively manage risks and make the most of new and emerging opportunities. This is coupled with investments in our data, processes and systems to support this transition, ensuring that sustainability is embedded into our business.

Whilst we have more work to do, we recognise the leadership role we must play in shaping a positive future for everyone who touches our business, from grape to glass.

Cultivating a brighter future



Our sustainability agenda has three focus areas:

BUILDING A RESILIENT BUSINESS

We want to ensure our business is resilient in the face of increasing uncertainty, complexity, and change.

FOSTERING HEALTHY AND INCLUSIVE COMMUNITIES

We want to foster safe, sociable, and connected communities where our brands are promoted, and our wine is consumed, safely and responsibly.

PRODUCING SUSTAINABLE WINE

We want every consumer to experience wine that is sustainably grown, made, and packaged.



Risk mitigation and remediation

TWE has implemented a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture. The Board, supported by the Audit and Risk Committee, has approved a Risk Management Policy (Policy) and a Risk Management Framework (Framework) to oversee and manage both financial and non-financial risks. The Board, as well as its Audit and Risk Committee and the Human Resources Committee, retain oversight of our human rights and modern slavery risks.

The 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.

TWE's Framework defines the approach and standards for risk assessment including periodic identification, analysis and evaluation of financial and non-financial risks at group level and in each major function or region. The framework includes both financial and non-financial risks, such as environmental and social risks. TWE intends to continue to use the Framework to help improve its supplier governance framework and refine the risk factors used for supplier onboarding and monitoring.

The F22 Operating and Financial Review (OFR) section of the [Annual Report](#) provides further information on TWE's material business risks and how they are managed.



Compliance

In F22 TWE defined a Compliance Management Roadmap that sets out a three-year strategy to fully operationalise TWE's revised Compliance Management Framework. During the first year of the Roadmap, we focused on:

1. assessing the level of maturity of TWE's compliance management capabilities (baseline at start) and defining ways to measure compliance performance and report on progress;
2. establishing our operational and aspirational targets; and
3. taking initiatives to address gaps and implementing processes to support continuous improvement.

As part of this work, TWE completed a number of actions that align with recognised best practices such as increased monitoring and reporting activities and feedback loops built into the compliance management system, established clear accountabilities over compliance management, and implemented global processes that promote a coordinated management of TWE's compliance obligations across the Group.

Priority areas in F23 will include a review of TWE's Whistleblower program, as well as initiatives aimed at improving compliance management capabilities across the 17 compliance areas identified as strategic to our business, including Human Rights and Modern Slavery.



Certifying our wines

A fundamental component of our approach to growing and production is the attainment and retention of third-party independently verified sustainability certifications across TWE's owned and leased vineyards and wineries. Over F22 we have maintained certification across approximately 97% of our operations.

We believe that certification programs not only foster stronger relationships between growers, wineries and their regions but provide confidence to consumers that they are receiving a product that is produced sustainably – that is with regard to social and

environmental impacts. For example, the Sustainable Winegrowing Australia program has regard to Worker obligations and compliance, Contractor selection and hiring, Remuneration, Health and safety, amongst others.

In Australia, we have focused on raising awareness and engagement with the Sustainable Winegrowing Australia scheme amongst our grower and bulk wine network. Over the course of F22 we undertook a number of actions to encourage adoption including the provision of training and have begun to embed our expectations into new grower and bulk wine contracts.



Responsible consumption

Millions of adults around the world enjoy drinking our wines and as one of the world's leading producers of premium and luxury wines, we recognise the role we play in promoting and celebrating moderation so that together we can foster safe, sociable, and connected communities.

We believe that excessive alcohol consumption is harmful to your health and to those around you and that's why we take responsible drinking seriously.

We support the World Health Organisation's (WHO), and the UN Sustainable Development Goals to reduce harmful use of alcohol by 20% by 2030 (in comparison to 2010).

In F22 we developed an [Alcohol and Health Policy](#) that publicly steps out what we stand for and where our stakeholders should expect us to act.

The policy sets out our minimum position on areas such as under-age drinking and drink driving. It also covers our commitment to include energy labelling and general health warnings on our products by 2025.

Alongside the launch of this policy, we have also created a dedicated site on [tweglobal.com](#) as the first step in giving our consumers more health information about our products. This will continue to evolve in F23, because we want to support our consumers in being able to make better choices.



Human rights at Treasury Wine Estates



Understanding our human rights risks

TWE has undertaken a thorough human rights impact assessment (HRIA) to understand its more salient human rights risks, specifically within supply chain and operations, and the degree to which TWE may be causing, contributing to, or having direct linkage to potential modern slavery breaches.

The HRIA identified Forced Labour, Child Labour, Human Trafficking and Forced Marriage as the most salient modern slavery risks in our global operations and supply chains.

We have identified the following areas to be at highest risk of modern slavery:

- Temporary or contracted labour in our vineyards and wineries
- National and international logistics of our dry good suppliers, bulk wine and finished goods
- Low-skilled labour and migrant labour used by our varied service providers including cleaning and maintenance.

Based on this work – which looked at a combination of risk factors such as geography, industry and spend – we consider that the vast majority of our suppliers and spend do not currently present a high risk of modern slavery.

Despite this, we acknowledge that we have more work to do in several areas including improving our systems and processes as well as ensuring supplier compliance with our policy and expectations.

As these risks and our operating environment are not static we will also seek to further improve our understanding of modern slavery and how it manifests in our supply chain as well as more targeted engagement with suppliers from high-risk sectors.



Human Rights Charter

TWE's [Human Rights Charter](#) (Charter) sets out our commitment to upholding human rights and the prevention of modern slavery. The purpose of the Charter is to enable awareness and understanding of TWE's commitment to human rights, in recognition that modern slavery and human rights risks apply across our operations and value chain. As a result everyone has role to play.

The Charter, translated into the main languages of the markets in which we operate, sets out the expectations across our business from our Board of Directors, right through to our brands and the role they each need to play in upholding human rights. The Charter is underpinned by global policies and programs, including risk assessment processes that are designed to identify potential impacts and adopt preventative measures.

The Charter sets out three core commitments:

- We protect human rights – we believe in acting fairly and making decisions based on merit
- We respect human rights – we believe respect for human rights is the cornerstone of a culture in which everyone can contribute and feel included so we strive to conduct business in a way that respects the rights and dignity of people and avoids complicity in human rights abuses
- We remedy human rights – we encourage all stakeholders to report and express concerns relating to suspected violations of our policies, including the Charter.



Training and communication

We want our leaders and team members to be 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.

Our desk-based employees typically complete compliance training modules, such as Code of Conduct, Anti-bribery and Corruption, and Whistleblower policies, online. New employees must complete compliance training as part of their induction, during the first three months of their employment, and thereafter, every two years. Learner assessment is built into the majority of these online modules and employees are only considered to have successfully completed the training if they have achieved the necessary level of understanding. Non-completion is monitored and managed via notifications sent to the employee's Manager. On a quarterly basis any non-compliance is escalated to each Divisional People & Culture Director. Completion rates are reported to both the Audit and Risk Committee and Human Resources Committee every six months.

Non-desk based employees receive face to face training on TWE policies at a site level.

For our leaders, the 'Managing People at Treasury' learning platform includes courses, training and resources to help managers mitigate bias from people processes. Leader training sessions are conducted regularly throughout the year to ensure fair and balanced conversations and raise awareness of issues such as unconscious bias in talent review and performance management processes. The TWE People Manager Charter reinforces our expectations of creating a supportive and safe working environment.

Plans are underway to uplift the global compliance training program in F23, including reviewing training frequency, allocation criteria, and delivery methods to improve learner experience and understanding, reduce training fatigue, and prioritise training related to high compliance risks facing TWE.



Education and awareness of human rights

In F22 we celebrated International Human Rights Day by launching our human rights and modern slavery training. The training is designed to raise awareness of human rights in general, their alignment with our values, culture and policies as well as to give specific insight into the issue of modern slavery.

Our human rights training covered material such as:

- the connection to other policies to ensure a fair, inclusive, safe and respectful workplace and responsible decision making
- each employee's role in living and breathing TWE's human rights commitments
- how human rights apply to hiring practices; inclusion, equity and diversity; and flexible work arrangements
- how human rights apply to treating colleagues with dignity; health and safety including safety at home; and fair wages and employment rights.

Modern slavery training was more focused, covering:

- what modern slavery is and TWE's commitment to preventing modern slavery in any area of our business
- TWE's specific modern slavery risk areas
- 'red flags' that may indicate modern slavery
- what employees can do to help prevent and report modern slavery.

To better support our people impacted by Domestic and Family Violence (DFV) we updated our global policy and improved the support available which now includes up to 10 days paid leave for both the impacted employee and anyone supporting someone impacted by DFV as well as emergency financial support of up to AUD\$5,000. Recognising that the work environment may be the only place an employee feels safe enough to seek help for domestic and family violence we provided training to people leaders and employees in our People and Culture and Health and Safety teams to enable them to better recognise, respond and refer impacted people to get the help they need.



Supporting framework

TWE policies are reviewed regularly, in consultation with the Risk and Governance Function, to ensure they are current and appropriate.

The TWE policies, procedures and programs listed below reflect the TWE DNA, ways of working and expectations of our team.

Policy	Overview of relevance to modern slavery
Code of Conduct 	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.  Code of Conduct
TWE 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 frameworks. Specific clauses relate to employee benefits, working conditions, hours worked, forced labour, and child labour amongst others. Regarding suppliers, failure to abide by the RPC can result in termination of the supply arrangement. In F22, there has been no findings of supplier termination for non-compliance to the RPC.  Responsible Procurement Code (RPC)
Anti-bribery and Corruption Policy and Guidelines 	Confirms that TWE does not tolerate any form of bribery or corruption. The Anti-bribery and Corruption Policy aligns with best practice and emerging governance requirements including the revised third edition of the ASX Corporate Governance Principles and Recommendations.  Anti-bribery and Corruption Policy and Guidelines
Anti-harassment, Discrimination and Bullying Policies 	States our commitment to strive for a diverse and inclusive culture where all individuals are treated with courtesy, dignity and respect and reinforces that everyone has the right to work in a professional and safe environment that promotes equal employment opportunities and is free from unlawful discrimination, harassment and workplace bullying.
Global Inclusion, Equity and Diversity Policy 	Sets out TWE's commitment to creating an inclusive, supportive and collaborative culture to attract and retain the best possible talent, and create an environment where people from diverse backgrounds can fulfil their potential.  Global Inclusion, Equity and Diversity Policy
Employing and Engaging Minors Policy 	Sets out TWE'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.



Supporting framework continued

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.
Recruitment and Selection Policy 	Outlines our commitment and approach to attracting and selecting high-calibre talent that reflects the diversity of our consumers. We act fairly and make people decisions based on merit.
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.
Compliance Management Policy 	Sets out the principles and commitments governing compliance management at TWE, and the responsibilities of employees and leaders at all levels of the organisation.  Compliance Management Policy
Whistleblower Policy 	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. More information is available in the 'grievance mechanisms' section.  Whistleblower Policy
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.  Workplace Health, Safety and Wellbeing Policy

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.

HR ASSIST

The HR Assist team is the first point of contact for general HR queries and support for all employees. The team can be contacted via TWE's employee self-service portal, TWEpedia, or Regional hotline. They are accessible across all regions including Australia and New Zealand, Asia, Americas and EMEA.

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.

Additionally, each year TWE reviews gender pay equity and where inequity is identified, adjustments are made. In F22 there were 5 instances that required adjustment as a result of the analysis, which otherwise showed a lack of gender-based pay difference.

TWE conducts reviews to ensure compliance against minimum wage requirements across the Company's various jurisdictions. These processes are underpinned by TWE's Remuneration Policy.



Workforce

We believe in the inherent value of each person in our business; both our employees and everyone who touches our business, either directly or indirectly. We recognise and support their rights to basic freedoms and protections.

This is reflected through the following constructs and policies which apply to all employees in all countries in which TWE operates:

- TWE DNA – our cultural code that guides our actions
- Code of Conduct which reinforces our responsibility to understand and comply with all laws and regulations
- Inclusion, Equity and Diversity Policy.

TWE's global supply business, which includes grape growing, sourcing and production, is seasonal meaning we engage a combination of permanent ongoing employees and short-term and contracted labour to meet operational demands during busy periods such as vintage. As a result, our workforce is made up of people engaged directly and indirectly.

- Direct: Employees engaged under a TWE legal entity.
- Indirect: Contractors who may be engaged under a TWE legal entity or through a third party, labour hire and subcontracted labour.

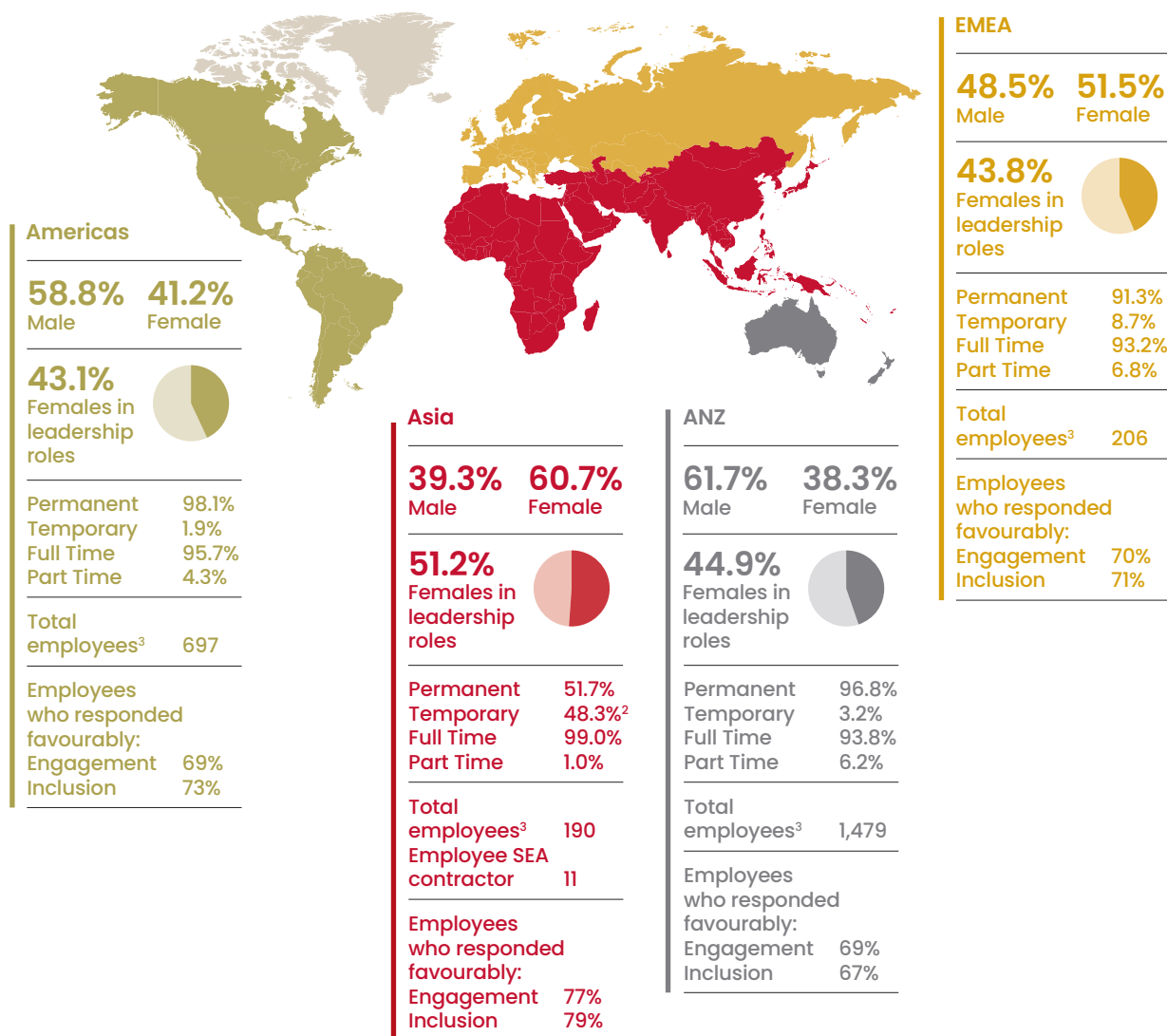


Direct workforce

As at 30 June 2022, our direct workforce (including casuals) consisted of around 2,600 people, about 43% of whom (1,104) are employed outside Australia.

A proportion of our direct workforce is covered by Enterprise Agreements underpinned by modern awards in Australia, and Industry Collective Agreements in Italy and France.

A snapshot of TWE employees across the world¹



Global	Male	58.1%	Permanent	93.2%	Full time	94.7%
	Female	41.9%	Temporary	6.8%	Part time	5.3%
	Total employees	2,572	Employees who responded favourably		Engagement	70%
					Inclusion	70%

¹ The information in this table is current as of 30 June 2022 includes casual, on call and seasonal employees and excludes contractors, which make up 8.2% of TWE's total workforce.

² The Asia region has a higher proportion of employees identified as 'Temporary' due to common legal practice in China to place employees on three-year fixed term contracts. After ten years, an employee is considered permanent.

³ Includes casuals.



Direct workforce continued

To help protect the human rights of our direct workforce and directly engaged contractors, we pay particular attention to:

HOW WE RECRUIT

We have a global Recruitment and Selection Policy which is underpinned by:

- UN Universal Declaration of Human Rights
- TWE Inclusion, Equity and Diversity Policy
- A commitment to attracting and selecting high-calibre talent who reflect the diversity of our consumers.

This is complemented with a rigorous selection process through which applicants are assessed against measurable criteria that is relevant to success factors and traits required by TWE. We conduct necessary checks on candidates prior to making an offer of employment, including Right to Work.

We engage with external recruitment companies under our Responsible Procurement Code and using our Supplier Onboarding Process to ensure that providers share TWE's Human Rights beliefs and have appropriate policies and practices in place.

HOW WE REWARD OUR PEOPLE

We are committed to meeting the requirements of applicable industrial instruments wherever we operate.

In addition, our Global Remuneration Policy is aligned to our commitment to respect and protect Human Rights and the prevention of Modern Slavery and applies to all countries in which TWE operates. We benchmark remuneration structures against the external market and are committed to ensuring our approach is fair, competitive and in line with contemporary market practice, including meeting any minimum wage requirements.

To ensure transparent, fair and equitable remuneration outcomes for all team members we analyse our remuneration data annually to ensure that pay decisions are reflective of performance and free from bias that may occur (consciously or unconsciously), for example, in relation to a team members' gender, age, race, and sexual orientation.

HOW WE ENCOURAGE PEOPLE TO SPEAK UP

We conduct engagement and inclusion surveys with all our employees in all countries through a WhatWe Think Survey to collect feedback, insights and encourage everyone to have the courage to speak up and be heard. There are a range of grievance mechanisms open to employees, with more detail available in this section.



Indirect workforce

Our indirect workforce is engaged through a number of suppliers across our operating regions.

Total number of suppliers providing temporary and contract labour in each region

	Americas	ANZ	Asia	EMEA	Grand total
Number of suppliers*	18	33	1	2	54

*Number of suppliers has been refined to only include current suppliers of labour hire.

To help protect the human rights of our indirect workforce, we pay particular attention to the selection and management of suppliers.

We use our legal and commercial (i.e. contracts, Purchase Order conditions and expectations set out in our RPC) as well as operational controls to ensure that suppliers understand and meet the expectations outlined in TWE's human rights policy and have appropriate policies and practices in place to minimise the risk of modern slavery in the supply chain. Please refer to the Procurement section for more detail.

Over F22 we continued working in Australia with all our labour providers for TWE-managed vineyards to reinforce the importance of robust processes and controls to ensure workers hold appropriate rights to work and receive all their entitlements. We continue to monitor our third-party labour providers through written questionnaires, conversations and inspection of documentation and external technology 'Check work Rights' that enables our subcontractors to simplify their process of ensuring their employees hold appropriate working rights.

During the year we became aware, through media reports, of two New Zealand based labour contractors who were allegedly exploiting migrant workers. These workers were in New Zealand as part of the Government run Recognised Seasonal Employer (RSE) scheme.

While these labour contracting firms were not engaged by TWE and the allegations not reflective of the approach of the broader industry, we took this as an opportunity to engage with our labour hire provider in New Zealand to ensure their on-going compliance with the requirements of the scheme and related legislation covering workplace standards and health and safety laws. We also took the opportunity to engage with our growers in New Zealand to remind them of their responsibilities and our commitment to respecting human rights.



Procurement

In F22 we sourced goods and services worth approximately \$1.7 billion from around 50 countries. Given this large global supply footprint many of our social, ethical, and environmental impacts reside as much in our supplier relationships as in our own activities.

We believe that by working closely with our suppliers we can reduce our impacts, manage risk and position for growth. We take care in selecting to ensure constructive, long-term relationships with suppliers and partners that share our commitment to socially responsible and sustainable business practices.

Our approach includes:

- Clearly defined acceptable standards for suppliers via the Responsible Procurement Code (RPC)
- Ensuring a fit for purpose risk assessment platform to address key risks in our supply chain
- Working with key or high-risk suppliers to improve performance and to ensure key risks and opportunities are identified and managed.

Our direct suppliers include those from whom the Company buys grapes, bulk wine, glass, cardboard, labels, and business to business packaging, among other goods. Indirect suppliers include those from whom the Company buys services, including logistics, labour hire as well as marketing, legal, corporate and consulting services.



Managing risks in procurement

Over F22 we continued to improve our Supplier Governance Framework, which assesses suppliers against seven categories of risk (see table). This involved implementing a new operating model for procurement that gave additional focus to effective risk management, sustainability and governance of our suppliers. We have also commenced a more strategic approach to key supplier relationships, which will enable joint business planning and a focus on achieving sustainable packaging and circular economy outcomes.

We reviewed and updated relevant policies such as our Procure to Pay Policy and our RPC.

RISK CATEGORY	WE HAVE EXPECTATIONS THAT SUPPLIERS:
Conduct	Comply with all applicable laws and regulations as a non-negotiable minimum and we prefer to work with partners that demonstrate leadership in how they act in an ethical, fair and responsible manner.
Business continuity	Have resources and plans in place to understand, prepare and respond to disruptions to minimise the impacts on continuity and quality of supply.
Bribery and corruption	Do not tolerate any form of bribery and corruption and promote a culture of compliance.
Modern slavery and labour practices	Respect the human rights and labour rights of the workers in their operations and supply chain.
Health and safety	Provide a safe and healthy workplace for their workers.
Environmental management	Minimise the environmental impacts of their operations, products, and services and have environmental practices and policies in place.
Privacy and information security	Maintain standards to safeguard the security, confidentiality and integrity of information assets and resources.

We continue to monitor our external environment, stakeholder expectations and will update our governance focus areas over time.

RESPONSIBLE PROCUREMENT CODE

TWE sets out its expectations for suppliers via the RPC in areas of human rights, ethical conduct, employee benefits (covering wages, conditions and working hours), health and safety, discrimination as well as environmental impacts. The RPC is provided to all suppliers during supplier selection, embedded into TWE contract templates, TWE Purchase Order terms and conditions, as well as being a compliance requirement for all new suppliers. TWE maintains close relationships with its suppliers to detect non-compliance and will continue to strengthen controls over our supply chain in F23 including assessing how further verification and audit can be built into supplier management processes. Failure to meet TWE's requirements will result in remediation actions which may include termination of the relationship between TWE and that supplier.

SUPPLIER RISK ASSESSMENT

In F22 TWE continued to utilise our supplier onboarding platform for all new suppliers. This platform enables us to leverage an intelligence database to determine the level of risk posed by a supplier across a number of factors including labour issues, human rights, anti-bribery and corruption.

Following the first year of operation we further calibrated this risk assessment tool to incorporate identified insights and opportunities to streamline the process. Should risks be identified, the system flags the appropriate people within the business to take action prior to onboarding a supplier. These actions include supplier adoption of the RPC and contract terms adjusted to respond to the identified risk. To date, this process has raised just over 6,000 risks, of which less than 6% are pending further action.



Managing risks in procurement continued

During F22 we assessed an additional 484 new suppliers (total suppliers assessed to date is 1,339) for their ethical, social, and environmental performance, with 406 of these approved and activated (total 956). Out of these activated suppliers, 218 higher risk suppliers have been endorsed with the risk identified and actioned accordingly. The most common areas of risk related to smaller organisations not having documented policies in relation to issues like anti-bribery and corruption and the more extensive scrutiny of areas of known higher-risk services such as cleaning, security and temporary labour hire.

The remaining suppliers are currently pending remediation and approval. Examples of required remediation include suppliers adopting relevant policies as well as being required to provide greater evidence of controls and activity to meet our incremental due diligence questioning.

CONTRACTS

We have evolved our standard contract terms with the inclusion of explicit clauses related to modern slavery. Embedding these clauses – related to due diligence, risk management, and reporting – helps to promote transparency and gives us greater flexibility/influence over the life of the relationship.

CASE STUDY

Choosing renewable electricity

Although we are a relatively low emitter in the context of some other large businesses, we believe that every business and every person needs to play a part in reducing emissions, and we take our responsibility to do so very seriously.

We took further steps forward in the decarbonisation of our operations over F22. Focusing on electricity is the single most effective action we can take to mitigate our impact because electricity accounts for 68% of our Scope 1 and 2 emissions. This year we finalised our strategic roadmap to achieve 100% renewable electricity across our operations by 2024. The roadmap articulates an ambitious but pragmatic approach to actively support the transition to renewable electricity across our business and the broader economy.

As part of this we announced a significant capital investment in solar generation, with construction recently starting on Australia's largest winery solar installation. Around 9,500 solar panels will be installed at our Barossa Winery and Packaging Centre in South Australia and our Karadoc Winery in Victoria by the end of 2022. The installation, which includes solar panel car park shelters, are expected to generate more than 5,500 megawatt hours of

electricity per year, the equivalent of powering 900 homes. Beyond this installation, we have identified around 50 additional feasible solar projects across our operations.

As part of this project we identified human rights and labour risks that needed to be assessed – particularly given the scale of the investment and the association with our brands.

We've worked with our key delivery partner to ensure that they have suitable policies in place to manage risk associated with the supply of solar panels and components, covering their own operations and their supply chain, to provide a framework for managing the risk.

This included enquiry into the level of engagement with, and visibility of, their supply chain. This due diligence covers a range of criteria including technical specifications and quality which are critical to ensuring health and safety during their operational phase but also ethical and compliance screening of labour issues. This control environment was found to be appropriate, complemented by audits organised by our direct supplier as well as providing a good level of visibility around the source of components. We will continue to engage and monitor our partners' performance in this area.





Other relevant information



Our commitment to collaboration

We acknowledge that complex, global issues like modern slavery require collaboration.

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 F22 CoP is published alongside TWE's 2022 [Sustainability Report](#).

Treasury Wine Estates is a Founding Member in the Sustainable Wine Roundtable, participating in local and national sustainability accreditation groups, presentations, conferences, and events across the globe.

We utilise experts and external resource to build our understanding, capability and response and actively participate in conferences and workshops to share our experiences, lessons learned and challenges.



Grievance mechanisms

The Company maintains a [Whistleblower Policy](#) (Policy) to promote and support our culture of honest and ethical behaviour. The Policy is available publicly on our company website and is also discussed in numerous corporate reports including our Annual Reports and Corporate Governance Statements. The Policy encourages people to raise any concerns and report suspected or actual misconduct or any improper state of affairs or circumstances in relation to TWE or any other matter that may contravene the Company's Code of Conduct or other policies or the law.

The Policy is supported by a confidential whistleblower service, which is maintained by an external service provider and operates across the Company's operations globally, with the service available in a range of languages relevant to TWE's locations. The Whistleblower Policy contains global contact information for company Designated Recipients as well as how to access the confidential Whistleblower service.

During F22, TWE updated its Whistleblower Policy. The key change was to provide people with more information about the practical ways TWE can support and protect whistleblowers, as well as providing greater information regarding the specific legislative protections for whistleblowers in Australia.

The Company is committed to confidentiality and fairness, in accordance with all legal requirements, in relation to all matters raised and will support and protect those who report matters in accordance with the Policy and the law. In particular, any person who makes a report will not be discriminated against or

disadvantaged in their employment with the Company by virtue of making a report. All matters raised are resolved by way of investigation and/or action as appropriate.

Whistleblower matters are periodically reported to 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 the Company's culture. In F22 a benchmark comparison and trend analysis of whistleblower matters, dating back to 2019, was completed and reported to the Committee. The insights will be used to guide improvements to the Whistleblower Program in the next year. At their request, the Committee will be provided with an annual trend analysis report in addition to the periodic reporting of whistleblower matters.

During F22, the Company received whistleblower reports relating to various matters including health and safety, conflicts of interest, policy breaches and bullying and harassment. Each of the reports made in F22 were investigated and are now all closed.



Assessing effectiveness

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

The Audit and Risk Committee and the Human Resources Committee assist the Board in overseeing the processes used by management to monitor and ensure compliance with laws, regulations, ethical guidelines and other requirements.

The Company's Whistleblower Policy is used by employees, suppliers, and other third parties to anonymously raise any concerns and report suspected or actual misconduct or improper state of affairs or circumstances in relation to TWE or any other matter that may contravene the Company's Code of Conduct or other policies or the law. The Whistleblower Policy is supported by a confidential Whistleblower service, which is maintained by an external service provider and operates across the Company's operations globally, with the service available in a range of languages relevant to TWE's locations, ensuring culturally appropriate access to the Whistleblower service.

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; and

- employee behaviour with respect to governance, risk and compliance.

As part of TWE's Compliance Management Roadmap, initiatives were completed in F22 to monitor and assess the effectiveness of TWE's compliance management system and evaluate its performance. These included an initial assessment of TWE's compliance management capabilities against best practices, the implementation of qualitative and semiquantitative compliance metrics (i.e., Key Compliance Indicators and process maturity ratings), the trend analysis and reporting of compliance incident to management and the Audit and Risk Committee, and a mandatory annual attestation process for key compliance areas.

In regard to our training, we monitor completion rates and failure to complete training is escalated to People Leaders (and later to Divisional People and Capability Directors). Completion rates are then reported to both the Audit and Risk Committee and the Human Resources Committee. Additionally, modules include quizzes during and post-completion to assess learner understanding and ensure engagement with the material.

We monitor, manage and report progress on a range of indicators used to assess the effectiveness of our programs and performance. Our annual [Sustainability Report](#) discloses progress against key performance metrics including Inclusion, equity and diversity, Health, safety and wellbeing and results of our employee engagement survey.



Managing COVID-19 impacts

During the second year of the pandemic a more normalised approach to managing COVID-19 was adopted, however, we continued to focus on supporting the safety, health and wellbeing of employees and contractors given the ongoing physical and mental health and economic impacts of the COVID-19 global pandemic.

Regions maintained COVID-19 plans and continued to monitor and react quickly to changing Government advice and direction. Aligned with Government advice, many offices opened and closed at different times during the year with team members working from home where required. For those locations, such as winery production and packaging sites, that were able to continue to operate, they did so under strict Covid Safe policies and practices to safeguard the health and safety of everyone on site.

TWE continued with ongoing support for the mental health challenges associated with the second year of the pandemic through the provision of tailored COVID-19 support sessions and a dedicated Resources Hub for employees to access on demand. The provision of ongoing enhanced benefits such as home office allowances, additional leave and paid time off continued.

Whilst the world started to return to pre COVID-19 settings over F22, supply chain disruptions remained. Issues such as reduced capacity, pressure on equipment availability, congestion in ports, additional costs and surcharges persisted. During the year we engaged with our largest freight forwarder, who procure maritime logistics, to better understand their approach to identifying and managing the risk of human rights abuses and modern slavery. We will continue to monitor and engage on this topic.



Looking ahead

TWE is committed to continuously improving our approach to human rights and modern slavery.

Last year we made a number of future commitments, progress against which has been detailed throughout this report. Looking ahead we plan to:

- Complete supplier risk assessments for 100% of contracted spend¹
- Continue to strengthen controls through our supply chain over F23
- Identify and highlight country of origin for key commodities in future reporting
- Continue to build the expertise and capability of our people, with a focus on those that work directly with third parties or those that rely on contractors in their workforce.

This Statement was approved by the Board on 6 December 2022.

Tim Ford

CEO
6 December 2022

Paul Rayner

Chairman
6 December 2022

¹ Contracted spend refers to the ~500 suppliers with whom we have an active agreement in the TWE contract repository.



TREASURY
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