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ANTI-SLAVERY AND HUMAN TRAFFICKING STATEMENT

Reviewed: August 2019 in respect of actions taken in the period ending 1 April 2019 and for the year ahead

Next Review: August 2020

Application: Naked Wines Plc and all companies within the Group (“Naked Wines”)

Legislative Framework: This statement is made pursuant to:

- *Modern Slavery Act 2015 section 54(1) (UK)*
- *Modern Slavery Act No 153 of 2018 (Australia)*
- *Californian Transparency in Supply Chain Act of 2010 (TISCA)*

and constitutes our slavery and human trafficking statement for the financial year ending 30 March 2020.

1. Introduction:

Naked Wines Plc maintains a diverse supply chain across a number of geographic areas, as well as directly employing 335 people worldwide and having subsidiary companies registered in the UK, USA (California) and Australia. As a Group we are committed to the principles of the Modern Slavery Act 2015 (UK), Modern Slavery Act No 153 of 2018 (Australia) and the Californian Transparency in Supply Chain Act of 2010 (TISCA) and to doing everything we can to prevent slavery and human trafficking in our businesses and across our supply chains.

We recognise that modern slavery can take many forms, including servitude, forced or compulsory labour and human trafficking. Both management, staff and suppliers are alert to the risks of modern day slavery and we have a reporting line to bring any concerns to the attention of management who will act on all reports.

Our Anti-Slavery Position:

As part of our Company mission ‘To Do the Right Thing for our People, Customers and Suppliers’ we oppose modern slavery in all its forms and will try to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay. We promise that we will keep any information provided completely confidential.

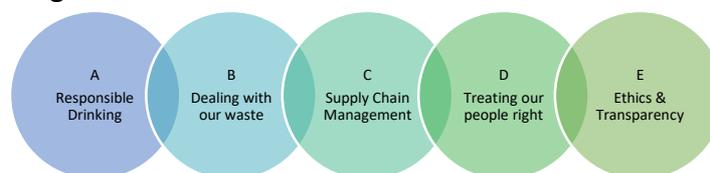


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Inclusion in Sustainability Plan:

During the review period we have formalised our Sustainability position and have approved five programmes of action. Programmes C, D and E include in their scope the tackling of Modern Slavery and Human Trafficking.



As part of our Sustainability Plan we have committed to a number of principles which address Modern Slavery including our requirement that our suppliers provide fair and safe working environments for all their workers and comply, at a minimum, with national legislation. We understand that there is a responsibility for us to remain vigilant around the treatment of our own staff and to this end we are proud of our reward strategy which, in addition to a salary and good benefits, also encourages employees to participate in the overall success of the company through our employee share participation schemes.

We encourage our suppliers to participate in local community charitable activities and to support and promote local enterprise.

2. Structure and Supply Chains

Our Structure

Naked Wines PLC is a leading on-line wine retailer. The Company is based in the UK and has operations in the UK, USA and Australia. Group turnover for the year ended 01 April 2019 was just above £178m. For more information on our Group please visit: [About Us](#)

Governance

We believe that we need to translate our high level policies into actions and ensure that the principles gain traction throughout our everyday activities. To this end oversight of how our Group engages with Modern Slavery and Human Trafficking is delegated to the Sustainability Committee which is made up of champions from each business unit; people who are senior and have the necessary clout to get things done. Our Board is provided with periodic updates against our Sustainability Plan and the actions are allocated the necessary budget.

Our Supply Chains

Our Group purchases goods and services from a wide range of providers located across differing geographic areas. By value the largest part of our supply chain is wine which comes from a mix of developed and developing economies around the world. As well as wine, we purchase goods and services to support our global operations ranging from printed marketing materials to consultancy management services and the like.

Our staff are predominantly permanent employees who work office hours. Our employment policies support the individuals' right to offer their services in exchange for a fair wage.



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We recognise our supply chain as our biggest risk area for exposure to modern slavery. We operate in a sector where our suppliers may make use of seasonal workers employed on a variety of types of contracts. There are potentially a large numbers of unskilled workers within the sector and geographically grape cultivation may be in areas that experience high levels of unemployment. This may constitute a heightened abuse risk.

3. Policies and Commitments

We expect high standards and transparency from inside our own businesses as well as from all our contractors, suppliers and other business partners. We expect our suppliers to hold their own suppliers to the same high standards.

Our commitments

- To prohibit use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children;
- All team members must familiarise themselves with our procedures to help in the identification and prevention of modern slavery;
- We will review our supply base to identify high risk areas which raise concern against our “Doing the Right Thing” standards.
- **Our policies**

We have reviewed a number of policies which underpin and support our commitments. Amongst these are our [Code of Conduct](#) , [Sustainability Policy](#) and [Whistle Blowing Policy](#), but also our new [Responsible Supplier Policy](#) which is incorporated into our T&Cs.

4. Due Diligence and Risk Assessment Process

During the 2018/19 period the Majestic Wine^{1*} and Australian part of the business undertook a detailed risk mapping process which has included a review of the main suppliers and the areas where their grapes are grown and the wine they buy is produced. This process is only now commencing for the Naked Wines UK and USA parts of the business. We have been at pains not to fall into the trap of stereotyping regarding countries where modern day slavery exists but to rather review our supply chain against the criteria which we determined as relevant to our business. This process includes desk top analysis as well as supplier questionnaires and engagement. We identified the following criteria as material for our business:

¹ Majestic Wine Warehouses Limited, the holding company for the traditional face-to-face retail section of the Group was disposed of in August 2019.



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- **Type of industry and workers**– at risk people may be working in the agricultural sector and be employed on a seasonal or temporary basis, be unskilled and / or who are working in areas with high levels of unemployment. Workers may be employed through labour brokers or agents and thus become removed from employer obligations.
- **Manner of payment** - at risk people may be paid per hour, receive cash payments, be at the minimum wage level and / or may not be paid overtime. Workers may receive part of their remuneration by way of provision of goods / services (e.g. accommodation)
- **Benefits and Protection** – at risk people generally do not receive pension benefits and have little or limited access to medical services. Health and safety safeguards may be limited or non-existent (e.g. no protection when spraying crops with insecticide). Such workers are generally not represented by any labour organisations / trade unions and do not have access to legal remedies.
- **Level of legislation** – there may be little or no worker protection legislation within the geographic area, or the legislation may exist but there may be little or no enforcement.

The process that has been followed in some areas of the business, and which is being rolled out in the balance is as follows: initial assessments across our supply chain are undertaken, if potential high risk areas are identified, based on our criteria, we will request / requested suppliers to complete our questionnaire. The replies are consolidated and assessed to identify any areas of concern. Where identified criteria are indicated, the supplier is automatically risk rated with standardised interventions indicated.

Example:

Criteria		Risk	Intervention
Payment in cash	+ Labour broker	= High risk	Request proof of ultimate payment to workers and confirmation that it represents a fair wage ² after deductions of any broker fees
Payment in cash	+ effective well organised labour union	= Medium risk	Monitor
Part payment in benefits e.g. accommodation	+ family units and provision of health benefits	= Low risk	No action required
Part payment in benefits e.g. accommodation	+ seasonal workers and Labour broker	= High risk	Request proof of ultimate payment to workers and confirmation that it represents a fair wage after deductions for accommodation and any broker fees

² A fair wage will be subjective, depending on the jurisdiction. Indicators of a fair wage will include legislated minimum wage, general comparator wages and wages paid by other suppliers in the area



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High level of unemployment	+ lack of minimum wage and no organised labour bodies	= High risk	Request proof of payment to workers to ensure fair wage paid
High level of unemployment	+ strong well organised labour union and good law enforcement (minimum wage)	= Low risk	No action required

It is necessary to clarify that this is a first step for us and the information is not externally verified. We have identified the need for external verification of the information as a necessary next step. In this regard we have included this as part of the 2020/21 audit plan. As an ongoing action all new suppliers will be required to complete our questionnaire.

The risk assessment is part of a wider action plan including the implementation of supporting policies, training initiatives and mitigating interventions and strategies.

5. Training Processes

The need to raise awareness of modern slavery within our own business as well as amongst our supply chain, including the process which is available to report transgressions, remains a focus area. We have taken the first step of highlighting the problem to our own staff and publicising that any concerns can be raised via our whistleblowing hotline.

As part of our awareness programme, employees are encouraged to take action in the following circumstances:

- where they suspect a person acting on behalf of Naked Wines Plc or one of our businesses is seeking to exploit another in a way which could amount to modern slavery;
- where they suspect that a person acting on behalf of one of our suppliers is seeking to exploit another in a way which could amount to modern slavery;
- where they have received an approach from a person acting on behalf of Naked Wines Plc or one of our businesses who has invited them to participate in acts which could result in offences under the legislation being committed;
- where they have information which leads to the rational conclusion that a person acting on behalf of Naked Wines PLC or one of our businesses or suppliers is preparing to commit, is committing or has committed an act in contravention of the legislation.

We believe that the evaluation process, including the engagement around the completion of our questionnaire, will raise both the awareness and understanding of modern slavery and human trafficking amongst our staff and our supply chain.

We strongly believe that we should work with suppliers in a collaborative manner and that it will not benefit marginalised and “at risk” people if we simply terminated suppliers where



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concerns are identified. We believe that it is more constructive to engage in education and training programmes, coupled with capacity building within the relevant structures, to address the problem. As part of this approach, we will also attempt to support “at risk groups” identified within our supply chain, to ensure they are made aware of their rights and provided with the necessary support structures to limit the scope for abuse.

6. Measuring the effectiveness of our actions to address modern slavery or human trafficking

	<i>What we are doing</i>	<i>2019/20 Target</i>
<i>Policy Implementation</i>	<p>Our Responsible Supplier Policy encourages suppliers to “self-report” problems with the commitment from Naked Wines that we will work with suppliers to address issues rather than to penalise them as a starting point. While we recognise the reputational dangers of non-compliance within our supply chains we believe that it is more beneficial to work for change and improvement rather than removing a supplier and leaving the abuse unresolved.</p> <p>Addressing problems within communities create the right ethical tone and encourages the employers and employees to adopt a holistic approach to what is often a wider social problem. To this end we have supported a feeding scheme operating in the wine producing area of South Africa (see Sustainability Report in Annual Report for Details)</p>	<p>100% of suppliers accepted the Responsible Supplier Policy</p> <p>100% of indicated HIGH intervention undertaken</p>
<i>Risk Management and Due Diligence</i>	<p>We have commenced a risk assessment process in respect of our “wine supply chain” together with mitigation and prevention outcomes. It is our intention to commence with a more detailed audit of the information received from our suppliers in the 2021 cycle.</p> <p>Only in Australia have we undertaken a risk assessment in respect of our “non-wine supply chain” being the supply of goods and services incidental to</p>	<p>60% of risk assessments of wine suppliers completed</p> <p>Questionnaire for non-wine suppliers completed and</p>



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	<p>our business (referred to as auxiliary suppliers). While we do not believe that these are high risk we are targeting a risk assessment in 2020/21 specifically around bottling, packaging, transportation and IT equipment which we believe are our secondary risk areas.</p>	<p>implementation plan developed</p>
<p><i>Whistle Blowing</i></p>	<p>We promise to unconditionally protect any legitimate whistle blowers within or outside our organisation. Concerns about suspected Modern Slavery associated with the Company or our suppliers may be reported via the process set out below.</p> <p>Anyone may submit a complaint or tip off via our hotline - speakup@nakedwines.com</p> <p>All reports of suspicious activity are kept in the strictest confidence. The source of reports will be kept confidential, save to the extent that our maintaining that secrecy or the anonymity of the source is not permitted by law, or is not consistent with our maintaining our adequate procedures. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Please cross refer to our Whistle Blowing Policy.</p> <p>Employees should in the first instance approach their Divisional Director/MD or contact the confidential email contact on speakup@nakedwines.com as per our Whistle Blowing Policy. The Director will then escalate this further and the course of action will depend on the nature of the complaint.</p> <p>The Company encourages members of the public or people not employed by us to write, in confidence, to our hot line or our Company Secretary at our headquarters to raise any concern, issue or suspicion</p>	<p>All reports responded to within 5 business days of receipt</p>



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	of modern slavery in any part of our business or related supply chain.	
<i>Training</i>	<p>We have taken the opportunity which came with the distribution of our questionnaire to explain to our suppliers what behaviour constitutes modern day slavery and human rights abuse. We have raised awareness of the need to be fair and transparent in dealings with people and have specified what behaviours are not acceptable, including a number of practices which fall within the definition of modern day slavery.</p> <p>As part of this process our key staff have been informed of modern day slavery and the information provided has been used to assist with the mapping of risk areas and the subsequent assessment processes and interventions.</p>	General ongoing awareness training across group completed.
<i>Stakeholder Engagement</i>	Our zero-tolerance approach to modern slavery will be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter. We expect all our people to have read and be aware of this statement.	Distribution of statement to all suppliers and staff

We will include in the directors’ report accompanying our Annual Report a reference to the Company’s Slavery and Human Trafficking Statement, which will be presented on our PLC website post the year end. This statement will also be available on our PLC website at www.nakedwinesplc.com

Recommend for adoption by the Board

Date of Adoption: 8th August 2019



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All Group Policies are intended to set out the minimum principles to which the Group subscribes – where necessary, local companies should adjust policies to take into account local requirements, specifically local currencies where amounts are stipulated

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John Walden (Chairman)
The Naked Wines Plc Board
Date 08 August 2019



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