

## Anti-Slavery and Human Trafficking Statement

<b>Reviewed:</b>	March 2023
<b>Next review:</b>	June 2024
<b>Application:</b>	Naked Wines plc (the "Company") and all companies within the Group ("Naked Wines")
<b>Legislative framework:</b>	<p>Legislative Framework: This statement is made pursuant to:</p> <ul style="list-style-type: none"><li>• Modern Slavery Act 2015 section 54(1) (UK)</li><li>• Modern Slavery Act No 153 of 2018 (Australia)</li><li>• Californian Transparency in Supply Chain Act of 2010 (TISCA) and constitutes our slavery and human trafficking statement for the financial year ended 27 March 2023 and for the year ahead.</li></ul>

### 1. Introduction

Naked Wines plc maintains a diverse supply chain across a number of geographic areas, as well as directly employing c. 500 people worldwide and having subsidiary companies registered in the UK, USA 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 mission 'To disrupt the wine industry for the benefit of our customers, winemakers and our people' 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. To the extent possible, we will keep any information provided, confidential.



## 2. Governance and Supply Chains

### 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 members of our Global Sustainability Working Group. This working group is made up of champions from a range of business units and geographies; individuals who have sufficient responsibility and influence to implement change.

### Our Supply Chains

Our Group purchases goods and services from a wide range of providers located across different 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, logistics services and 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.

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 number 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. Commitments and Policies

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 and adopt an approach to ethical trade that goes beyond compliance.

### 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 a number of policies which underpin and support our commitments. These include:

- Responsible Supplier Policy
- Sustainability Policy
- Whistleblowing Policy
- Code of Conduct

All policies are available on our corporate website:

<https://www.nakedwinesplc.co.uk/sustainability/ethics-and-transparency/default.aspx>

## 4. Due Diligence and Risk Assessment Process

Like many beverage and agricultural industries, the wine industry has an increased risk of modern slavery in its supply chain due to the nature of work necessary in production, packaging and ultimately distribution of wine.

The most significant risks sit within our wine suppliers and include potential challenges such as:

- Health and safety - Health and safety safeguards may be limited or non-existent (e.g. no protection when spraying crops with insecticide).
- Seasonal / Casual Labour - 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.
- Local 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.
- Fair and timely pay - 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).

Due diligence undertaken across the Naked group follows the same broad principles and ethos. Much of the process outlined below had already been adopted, however to ensure full alignment, we're aspiring for full adoption across the Group in FY23.

## Initial Assessment

Our Buyers act as the first point of contact with suppliers and we will only partner with those who we are confident share our values and ethical outlook. Often these meetings occur in person and give the opportunity to see production operations and working practices in action. Where onsite visits are not possible, we focus on

developing a relationship built upon trust where open and transparent dialogue about challenges can be readily had.

## Agree Terms

New and existing wine suppliers are required to accept our contractual Winemaker Terms and Conditions. This document outlines our expectations around reading, understanding and adherence to the aforementioned policies, including our Anti-Slavery and Human Trafficking Statement.

## Assessment

During initial onboarding (and periodically thereafter), suppliers are sent a risk assessment survey. Based on our supplier risk profile, the survey is sent to all wine suppliers, and to targeted non-wine suppliers.

Wine suppliers are any partner that sells Naked Wines goods which are required to produce wine or the wine itself. Non-wine suppliers provide Naked Wines with everything else we require which isn't the liquid e.g. web hosting, dry goods, bottling, marketing, broader consultancy support etc.

Non-wine suppliers are targeted with risks assessments that meet the following criteria:

- Naked's annual expenditure is >£100,000
- Supplier operates in a high risk sector
- The non-wine supplier does not have their own Anti-modern slavery and human trafficking statement.

The risk assessment gathers a host of information including:

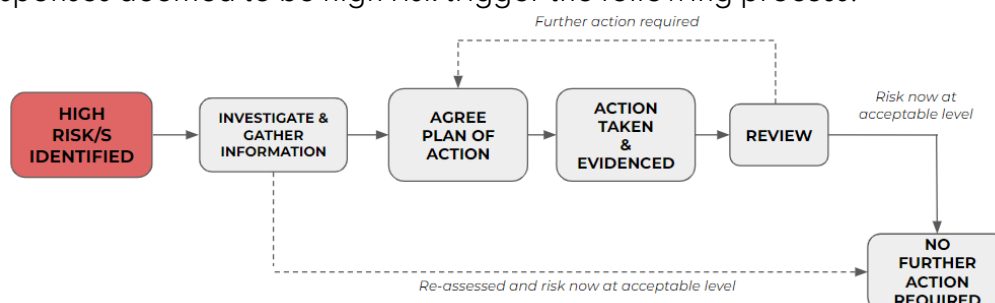
- Independent accreditations of ethical and responsible operations
- Provision of protective clothing / equipment for dangerous activities
- Supporting policies (e.g. Health and Safety, Grievance Process, Modern Slavery Statement)
- Verification of employees eligibility to work
- Typical working hours
- Pay and benefits
- Context around local employment conditions

## Clarification / Interventions

Risk assessment responses are reviewed against the following key themes:

- Health and Safety
- Child Labour
- Pay
- Eligibility to work
- Employee protection

Any responses deemed to be high risk trigger the following process:



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

### Training Processes

The need to raise awareness of modern slavery within our own business as well as amongst our supply chain remains a focus area. Training is tailored to the requirements of the stakeholder groups / business unit. Examples of stakeholder training include:

Stakeholder group	Topic discussed
<b>Buyers Wine Team New starters</b>	What is modern slavery? What are Naked's responsibilities? How to report suspicions/ instances of modern slavery?
<b>Wine suppliers</b>	What is modern slavery? Why is modern slavery is a concern? What are the responsibilities of a winemaker? How to report suspicions/ instances of modern slavery?

Further to the above 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 terminate relationships with suppliers where 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.

### 5. Measuring the effectiveness of our actions

What are we doing?		FY23 Target
<b>Policy Implementation</b>	<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 creates the right ethical tone and encourages the employers and</p>	100% of wine suppliers accepted Responsible Supplier Policy.

	employees to adopt a holistic approach to what is often a wider social problem.	
<b>Risk Management and Due Diligence</b>	<p>In FY21/22, more than 80% of Naked Wines UK wine suppliers were risk assessed. Selected non-wine suppliers were also risk assessed; initially prioritised by annual expenditure of &gt;£100,000. High risk responses were explored further; typically once clarifications had been sought the risk was downgraded.</p> <p>Although the assessments undertaken will likely feature some globally shared suppliers, the Group ambition is to introduce a globally aligned, comprehensive risk assessment and remediation process for wine and non-wine suppliers.</p>	<p>80% of wine suppliers completed risk assessments within the past 24 months.</p> <p>80% of targeted non-wine suppliers completed risk assessment within the past 24 months.</p>
<b>Whistle blowing</b>	<p>We commit to unconditionally protect any legitimate whistleblowers 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 - <a href="mailto:speakup@nakedwines.com">speakup@nakedwines.com</a></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 <a href="mailto:speakup@nakedwines.com">speakup@nakedwines.com</a> 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 of modern slavery in any part of our business or related supply chain.</p>	<p>All reports responded to within 5 business days of receipt</p>
<b>Training</b>	Maintaining and raising awareness of modern slavery and human trafficking is vitally important. In particular we want to ensure there is shared knowledge of how to safely report modern slavery concerns, as well as a confidence that appropriate and sensitive remedial	Continue global roll-out of existing tailored programmes for Wine Team, Buyers, new starters and wine

	<p>action will be taken.</p> <p>Tailored training for a range of stakeholders has been delivered using a variety of resources. As this process has become a more established norm, this needs to be continually refreshed at regular intervals.</p>	<p>suppliers.</p> <p>Introduce refresher training every 24 months for key roles.</p>
<b>Stakeholder engagement</b>	<p>We continued to reinforce our zero-tolerance approach to modern slavery to all suppliers (both at the outset of our relationship, but also reinforced where appropriate).</p>	<p>Distribution of statement to all suppliers and staff</p>

Our Annual Report includes reference to the Company's Slavery and Human Trafficking Statement. This statement is available at <https://www.nakedwinesplc.co.uk/sustainability/ethics-and-transparency/default.aspx>

This statement was approved by the Board of Directors and signed by David Stead, Chairman of the Board, on 6 March 2023 and constitutes our slavery and human trafficking statement for the financial year starting 4 April 2023.