



Slavery and Human Trafficking Statement

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 (the Act) and sets out the steps that Direct Wines Holdings Ltd ("Direct Wines") has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within its business or supply chain. Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Direct Wines is committed to acting ethically and with integrity and transparency in all business dealings.

Our Business

This Slavery and Human Trafficking Statement applies to Direct Wines and its subsidiaries Direct Wines Limited (trading as Laithwaites Wine), a family-owned international wine merchant operating in the UK, USA and Australia, and Averys of Bristol Limited. The UK Group employs around 697 people. There have been no major changes to business or operational structures in the last 12 months which affect our Modern Slavery compliance.

Direct Wines' business comprises the areas set out below.

- Wine and sourcing: We source wines from a mix of owned and third-party vineyards.
- Wine production: Direct Wines owns or leases wine production and packaging facilities in the UK, USA, France and Australia.
- Marketing and distribution: We market and distribute wines to customers and businesses principally in the UK, although we have a small number of international wholesale customers. The principal brands are Laithwaites, Sunday Times Wine Club and Averys of Bristol.

As part of Direct Wines' commitment to ensuring that there is no modern slavery or trafficking in its supply chains, it has the following internal policies to ensure that it is conducting business in an ethical and transparent manner:

- **Recruitment**

Direct Wines conducts robust checks on any new employee including eligibility to work in the UK to safeguard against human trafficking or individuals being forced to work against their will. Where we engage contractors, for example via an agency or a personal services company, the manager responsible for the engagement is required to confirm that the terms of the engagement are in accordance with our Modern Slavery Statement and our Ethical Policy. The Human Resources Department has overall responsibility for overseeing our process for engaging contractors.

- **Training**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business, we provide appropriate training to our staff. Our Board of Directors completed anti-slavery training in 2019 to demonstrate their commitment to upholding the rights of workers. Training is mandatory for all members of the Wine Buying team who visit vineyards and wineries across the world, and for selected senior members of our operations team who supervise our warehouse, customer contact centre and outsourced mail houses (areas of our business in which there may be greater reliance on agency workers, especially at peak periods of activity). Day to day responsibility for our Modern Slavery compliance sits with our Group Compliance Director, who reports to a Board member. Training is refreshed as appropriate on a regular basis.

- **Employee Engagement**

All employees have an obligation to familiarise themselves with our Slavery and Human Trafficking Statement. This statement is included in the Employee handbook forming part of their contract of employment, and is available at all times via our intranet and website.

- **Ethical Policy**

We publish our Ethical Policy, which sets out our own values and principles in respect of workers' rights in areas such as:

- Freely agreed terms of employment
- The equal treatment of all workers, with respect and dignity
- All workers being of an appropriate age
- All workers being paid a fair wage
- Reasonable working hours
- Freedom for workers to exercise their rights to form and/or join trade unions, or to refrain from doing so and bargain collectively
- The protection of workers' health and safety

We make our suppliers and business partners aware that we expect them to share these principles in respect of their own workforce. Our contractual terms with suppliers have been updated to make more explicit reference to compliance with the Act. Consideration of our Ethical Policy and Modern Slavery Policy are documented in our Supplier Take On process. This process is periodically reviewed by our Compliance team to ensure the process is being followed, with the most recent review in 2021-22. No Modern Slavery concerns have been identified.

- **Whistle Blowing Policy**

The business has a whistle blowing policy so that all employees can raise any concerns that they might have without fear of reprisals. A whistle blowing report is made to the Board every month, whether or not any incidents have been reported, and the policy is reviewed annually to ensure it remains appropriate.

Due Diligence for Slavery and Human Trafficking

As part of Direct Wines' due diligence processes we identify and mitigate risk as follows;

- We identify and assess potential risk areas in our business and our supply chains. These are described below. The Group Compliance Director is responsible for Modern Slavery Risk Assessment.
- Where practical, we mitigate the risk of slavery and human trafficking occurring in our supply chains. This is principally achieved through developing relationships with our suppliers so that we understand their business model and ways of working, and by including contractual terms requiring compliance with applicable legislation (including the Act).
- We monitor potential risk areas in our supply chains.
- We protect whistle blowers.
- We ensure a high level of understanding of the risks of modern slavery and human trafficking in our business by providing training to all relevant staff.
- Now that pandemic travel restrictions have relaxed, our Global Buying Team has resumed its normal schedule of in-person visits to our wine producers. This enables them to see conditions for workers in vineyards and wineries at first hand.
- When incidents of Modern Slavery are identified in regions from which we purchase wine, we make specific enquiries of our suppliers in those regions to gain assurance that their employment practices are legal and ethical. No suspicious incidents have been identified in the current financial year.

Direct Wines does not and will not knowingly support or deal with any business involved in slavery or human trafficking. Direct Wines completes due diligence on its suppliers, where practicable, to satisfy itself that it is trading with a reputable organisation. We expect all those in our supply chain to be opposed to slavery and human trafficking.

As a minimum, Direct Wines expects each entity in its supply chain to adopt 'one-up' due diligence on the next link in the chain for those organisations governed by the Act. It is not practical for Direct Wines to have a direct relationship with all links in the supply chain.

Monitoring for developments in anti-slavery legislation

We note that in May 2022 the UK government outlined plans to reform the Modern Slavery Act 2015, although at present no draft legislation has been tabled. We continue to monitor for developments to anti-slavery legislation to ensure that we remain compliant.

Risk Assessment: Higher risk areas in the business and supply chain

Wine Suppliers

We source wines directly from growers and producers in more than 20 countries across the world, from the most well-known and well-established wine regions such as France and Italy to regions whose wine is less familiar in the UK market such as Greece, Turkey and Canada. Many of these producers have worked with Direct Wines and its founders, the Laithwaite family, across multiple generations – the relationship between Direct Wines and its suppliers is a close one, and is based on shared values of honesty, integrity and fairness.

The suppliers are agricultural businesses who often rely on a largely temporary/short term labour force at peak activity periods such as the grape harvest. We recognise that this type of workforce may be at increased risk of exploitation. As a result, our wine buying team undertakes targeted training in Modern Slavery risk so that they are in a position to assess conditions for the workforce when they visit our network of producers. Completion of the training is monitored by the Group Compliance Director, who also acts as the first point of contact for our buyers if they wish to discuss potential concerns.

The lifting of travel restrictions associated with the Covid-19 pandemic has meant that our buyers have now fully resumed their programme of visits in person to suppliers' wineries and vineyards, which is an important opportunity to view suppliers' working practices and production operations at first hand. We remain focussed on building and maintaining strong working relationships with suppliers. Working with these partners on the basis of shared values and strong business ethics will always remain central to our business model.

Where we do buy from producers with whom we are less familiar, our supplier take-on process requires consideration of Modern Slavery compliance and our contractual terms require producers to operate in accordance with all applicable laws, including the Modern Slavery Act. Supplier take-on is overseen by the Finance department.

As part of our risk management, we monitor the trade press to identify instances of reported slavery or trafficking in wine regions from which we source products. No such instances have been noted in the current financial year. In the past we have made enquiries of our producers in regions where such concerns have been reported – in all cases our suppliers have been happy to discuss their arrangements with us and provide assurance.

Agency staff in warehouse

Our practice in this area is documented as part of our Engaging Individual Contractors Policy. Our warehouse in Gloucester in the UK is staffed by a mixture of permanent employees and agency staff. The use of agency staff provides the business with operational flexibility but it is recognised that the types of role which are typically fulfilled by agency staff may present a higher modern slavery risk. We mitigate this risk by working with a single, reputable local employment agency who comply with the requirements of the Modern Slavery Act. We do not engage any staff on a "casual" basis. Senior members of the Operations team have completed Modern Slavery training.

International Wholesale Sales

In addition to our core business of retail sales in our British, American and Australian markets, our Corporate Sales Team team (based in the United Kingdom) also generates revenue through a number of wholesale clients in markets across the world. These sales are immaterial to the group. The inbound supply chain is no different from that of our core operations but these sales are to business customers across the world, including in developing markets where there may be an increased risk of Modern Slavery.

As part of the due diligence measures we describe above, the Corporate Sales Team has a process to escalate any compliance concerns (including but not restricted to Modern Slavery) for discussion with the Group Compliance Director and the Legal department at an early stage when negotiating with a potential new customer. The purpose of this escalation is to ensure that all aspects of the potential new business relationship (including any Modern Slavery risk) are fully considered and any relevant

compliance enquiries are made before terms are agreed. Members of the Corporate Sales Team who are responsible for these negotiations are included in our Modern Slavery training requirement.

Mitigation of risks:

Training Provision:

Training provision is the responsibility of the Group Compliance Director, who monitors legislative developments in this area and can ensure the training remains up to date. We continue to expect that each employee for whom training is relevant should receive refresher training at least once every three years. The Group Compliance Director works with departmental heads and our Human Resources department to ensure that new starters who should receive training are identified, and that the training is appropriately tailored to take account of factors such as the individual's role, the specific risks which may be faced in that role, and any training that individual may have previously received.

This statement has been approved by the Board of Directors on 24 January 2024 and constitutes our slavery and human trafficking statement for the financial year ending 30 June 2023. This statement is available on the Direct Wines website at www.laithwaites.co.uk.

David Gates

Chief Executive Officer

24 January 2024