

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 670 people across Direct Wines Limited and Averys of Bristol Limited. 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. Direct Wines Production also operates a small wholesale business, selling to third party retailers in a range of countries in which we do not have a local presence.
- **Marketing and distribution:** We market and distribute wines to customers and businesses. 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.

- **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 has completed anti-slavery training. Training is also 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. Day to day responsibility for our Modern Slavery compliance sits with our Group Compliance Manager, 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.

- **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. Consideration of our Ethical Policy and Modern Slavery Policy are documented in our Supplier Take On process. This process was subject to a compliance-focussed review during the 2019-20 financial year in order to ensure that these compliance elements are being completed in practice. No Modern Slavery concerns were identified. The review will be repeated periodically.

- **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, as described below. The Group Compliance Manager is responsible for Modern Slavery Risk Assessment.
- Where practical, we mitigate the risk of slavery and human trafficking occurring in our supply chains.
- 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.
- When incidents of Modern Slavery are identified in regions from which we purchase wine, we make specific enquiries of our suppliers in those regions.

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.

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, all of our wine buyers have undertaken targeted training in Modern Slavery 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 Manager.

As an example of how that relationship allows us to have confidence that we are dealing with suppliers who share our values, we became aware that a vineyard labour contractor in New Zealand was fined for failing to pay vineyard workers the minimum wage. We contacted all of our New Zealand suppliers to confirm that they had not dealt with the contractor in question. All of our suppliers confirmed they had not used the contractor, and explained their own arrangements.

Agency staff in warehouse

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 also completed Modern Slavery training.

International Wholesale Sales (operated by Direct Wines Production)

In addition to our core business of retail sales in our British, American and Australian markets, our Production 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 Production team has a process to escalate any compliance concerns (including but not restricted to Modern Slavery) for discussion with the Group Compliance Manager 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.

Mitigation of risks:

Training Provision:

For staff requiring training, to date we have used an online package delivered by a leading professional training provider. Successful completion of this training requires delegates to demonstrate their understanding of possible Modern Slavery risks and achieve a target score. Completion is monitored by the Group Compliance Manager. Each employee for whom the training is relevant is expected to complete training at least once every three years. We are currently reviewing our training methodology to ensure that it remains appropriate, relevant, cost-effective and comprehensive.

This statement has been approved by the Board of Directors on 22 July 2020 and constitutes our slavery and human trafficking statement for the financial year ending 3 July 2020. This statement is available on the Direct Wines website at www.laithwaites.co.uk. This statement will be reviewed on an annual basis and will be updated if required.

David Thatcher

Chief Executive Officer