

Modern Slavery Act 2015 - Transparency Statement, 2020

This transparency statement covers the period of our financial year 2019/2020 which runs from 1 April 2019 to 31 March 2020.

It was approved by our Executive Board on 18 March 2020.

It is a group statement applying to the following companies in our global group: William Grant & Sons Distillers Limited, William Grant & Sons Brands Limited, William Grant & Sons UK Limited, William Grant & Sons Irish Brands Limited, William Grant & Sons Irish Manufacturing Limited and Quality Spirits International Limited.

Our organisational structure, business and supply chain

Established in 1887, William Grant & Sons is a luxury spirits company with a portfolio of award-winning brands enjoyed globally. We employ over 2,600 people in approximately 30 countries worldwide. We are a family business, guided by a strong belief in morals and business ethics. Our Corporate Values shape the way we work and give all our employees a common framework about how we act, do business and make decisions.

We believe that any form of slavery is unacceptable in our business dealings anywhere in the world. This statement, is an update to our third statement published in 2019. It sets out our efforts to ensure that slavery does not take place in our business or in our supply chain.

We operate within a global supply chain, sourcing raw materials for the manufacture of our products and marketing, distributing and selling them to our customers and consumers all over the world. In doing so, we operate and comply with local laws. We expect our suppliers to do so too.

Our HR policies

We will always comply with local employment laws. In a number of countries, we go beyond the locally mandated minimum requirements. The range of benefits is broadly similar across the company, but specific benefits take account of local practice.

Our range of HR policies and ways of working ensure that our employees are treated fairly in terms of:

- Pay and benefits
- Health & safety, working environment and conditions
- Treatment in the workplace
- Diversity, inclusion and engagement
- The ability to speak up confidentially if issues arise
- Access to clear written terms of employment
- Clear expectations of and ways of working with our partner recruitment agencies for temporary staff.

We continue to review all of our employment policies globally on a regular basis to ensure we are compliant with any legislative changes.

Our due diligence processes

Given the nature of the products we make and sell globally, we set high standards for our business and supply chain. We always comply with standards and rules set by regulatory authorities and by national and international standards authorities. Our processes include:

- Anti-bribery policy and processes, including engagement and assurances from medium and high risk service providers
- Cross-functional "Know Your Customer" checks before we work with new customers and distributors
- Full compliance with the UK's HMRC and Irish Revenue Department requirements, including supply chain due diligence
- Site visits by our commercial teams to key distribution partners to understand their supply chains
- Supplier audit process which includes a review of social and ethical standards of all of our packaging suppliers
- Regular successful completion of audits by the ISO, the British Retail Consortium and large retail customers
- Membership of Supplier Ethical Data Exchange (SEDEX)
- A procurement process and approach to ensure we work with the right partners.

Assessing and managing the risk

- Given the HR policies and procedures we have in place, we do not consider that there is a significant risk of slavery and human trafficking within our own business. But we are committed to responding to it appropriately if reported.
- As part of a complex supply chain, we continue to consider a range of options to better understand, identify and assess possible risks of slavery and human trafficking. We are also exploring opportunities to work closely with experts in this area, in order to better understand the issues and best practice.

What we have done in the last 12 months

Since the publication of our last statement, we have:

- *Modern Slavery Compliance Programme* – we have set up a modern slavery project team, following the Executive Board’s recommendation. The modern slavery project team (comprised of representatives from the Global Legal Team, Group Procurement, Group Health and Safety, Group HR and Group Quality) coordinates the steps the business will take, year on year, to improve our response to modern slavery and human trafficking.
- *SEDEX membership* – SEDEX offers detailed visibility of the supply chain, including supplier engagement and a self-assessment questionnaire for suppliers. William Grant & Sons has held a basic ‘Buyer’ membership of SEDEX since 2015, before upgrading in 2019 to a ‘Buyer/Supplier (AB)’ membership. We have established which of our suppliers are already SEDEX members and continue to invite other suppliers to join SEDEX. We are working with suppliers that are already SEDEX members, to assess the risk presented by each supplier, and take appropriate steps to manage these risks going forwards. SEDEX provides a platform that allows us to upload and store our own data on responsible practice, including audits, certificates and corrective action plans, as well as run reports on data relating to our suppliers’ ethical status.
- *Ethical Procurement Code (EPC)* – Our EPC enhances William Grant & Sons’ Modern Slavery Compliance Programme by setting minimum standards that we expect of our suppliers on issues such as forced and child labour. During 2019, we reviewed and updated our EPC in the context of the important work that William Grant & Sons is doing on Corporate Social Responsibility (CSR). The updated EPC sets out the minimum requirements of suppliers to William Grant & Sons in areas such as Business Ethics, Labour and Human Rights, Health, Safety, Environment and Quality. A plan for the roll out of the updated EPC has been developed and is now being implemented. We are asking existing and new suppliers to commit to the EPC in writing.
- *Corporate social responsibility (CSR) programme* – our CSR programme is evolving to meet the needs of the diverse interests of all our internal and external stakeholders. A crucial part of the programme is our approach to tackling modern slavery and human trafficking. The modern slavery project team is incorporating the long term goals of the William Grant & Sons’ Modern Slavery Compliance Programme into the work done on the EPC and CSR programme. This demonstrates our aspiration to proactively embed the Modern Slavery Compliance Programme into the core functioning of the business.

What we plan to do in the next twelve months

In the next twelve months, we intend to take the following steps: -

- *Ethical Procurement Code (EPC)* – we will continue to contact the remainder of our global suppliers, ask them to agree to our updated EPC and invite them to join SEDEX. We will assess the ethical risks presented by our suppliers using the SEDEX risk assessment tools processes. We will assess these risks, review supplier ethical data on the SEDEX database and conduct supplier audits where appropriate, to ensure that the ethical risks are well managed.
- *Single Entry Assessment Centre (SEAC)* – we are developing a new web-based platform that will streamline and improve the range of assessments and compliance checks carried out by us for on-boarding new suppliers and customers.

- Global Recruitment Review – all recruitment practices have been reviewed, analysed and recommendations made to ensure a robust and consistent approach to hiring globally. Agreed changes to be implemented in 2020 include a more comprehensive framework for pre-employment checks, including electronic identification verification checks which will further protect the business from the risks of modern slavery and human trafficking.

Simon Hunt, Chief Executive Officer

April 2020

A handwritten signature in black ink, appearing to read 'Simon Hunt', written in a cursive style.