

Modern Slavery Act 2015 - Transparency Statement - 2018

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 1900 people in approximately 30 locations 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, which applies to all of our group companies, is an update to our first statement published in 2017. 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. 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 ensures our employees are well-treated 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.

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 and new supplier tender processes 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 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 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.
- During 2016, we developed and delivered training for our Legal, Procurement, Compliance and Internal Audit Teams, so that they are better informed about identifying and reporting those risks as part of their work on overseas visits and with our suppliers.

What we have done in the last 12 months

Since the publication of our last statement, we have:

- *Ethical Sourcing Code* – developed a new Ethical Sourcing Code (**ESC**) which will be rolled out during 2018. The ESC will further enhance WG&S' MSA Compliance Programme by setting minimum standards that we expect of our suppliers on issues such as forced and child labour.
- *MSA compliance clause to be included in packaging and supply contracts* – we have developed a standard MSA compliance clause and are working to incorporate this into our packaging and supply contracts. We are also looking at opportunities to use this clause in other contracts across our global business.
- *Reporting incidents of modern slavery* – a high level policy for the business is being developed to inform stakeholders of the steps to be taken if an example of modern slavery is discovered in our supply chain. This policy will be rolled out during the course of 2018/2019.
- *Responding to questions about modern slavery* – we have developed a process for responding to requests from customers about our stance on modern slavery. This response reiterates WG&S' commitment to MSA compliance.
- *Development of a longer term project plan* – we have established an MSA working group comprised of HR, Procurement and Legal to develop a long term plan for WG&S' MSA compliance programme. This plan assesses ways in which the business can identify key areas of risk and implement systems, ways of working and training which will make WG&S' MSA compliance programme far more robust over the coming years. Whilst this is in its very early stages, it demonstrates our aspiration to proactively embed MSA compliance into the fabric of our business.

Simon Hunt, Chief Executive Officer, March 2018

A handwritten signature in black ink, appearing to read 'Simon Hunt', is positioned below the text of the Chief Executive Officer. The signature is fluid and cursive.