

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 19 March 2019.

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 2,400 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 second statement published in 2018. 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.

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 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.
- We deliver modern slavery 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 Procurement Code (EPC) – Our EPC enhances WG&S’ MSA Compliance Programme by setting minimum standards that we expect of our suppliers on issues such as forced and child labour. During 2018, we have reviewed and updated our EPC in the context of the important work that WG&S is doing on Corporate Social Responsibility (CSR). A plan for the roll out of the updated EPC is being developed. Suppliers will be asked to agree to the EPC in writing.
- SEDEX membership – SEDEX offers detailed visibility of the supply chain, including supplier engagement and a self-assessment questionnaire for suppliers. We are already members of SEDEX which gives WG&S access to risk assessments and risk reporting tools, ethical audit tools, benchmarking, training and other resources. We have recently upgraded our membership to take advantage of SEDEX’s service to formally assess our suppliers against its assessment criteria and our EPC. We are also asking our suppliers to become members of SEDEX.
- Temporary worker agency – We have audited our main temporary worker agency to ensure adherence to SEDEX’s standards.
- Right to work – The HR Team carried out a Company wide right to work audit of our employees.
- MSA compliance clause – The Legal Team incorporated a standard clause regarding modern slavery into WG&S’ standard template for future packaging and supply contracts.
- Corporate social responsibility (CSR) programme – our MSA working group, comprised of HR, Procurement and Legal, is incorporating longer term goals for WG&S’ MSA compliance programme into its work on the EPC and our CSR programme. This demonstrates our aspiration to proactively embed MSA compliance into the fabric of our business.

Simon Hunt, Chief Executive Officer - April 2019

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