



Modern Slavery Act Statement for financial year ending 31 December 2017

Introduction from our Chief Executive Officer

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour, child labour and human trafficking, all of which involve depriving a person of their liberty in order to exploit them for personal or commercial gain. For the sake of brevity, we refer to all of these practices as 'modern slavery' in this statement.

We have a zero tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships. We are confident that modern slavery is not taking place within our own direct businesses and we continue to implement and enforce effective controls to ensure it is not taking place anywhere in our supply chains.

Our risk assessment process to counter modern slavery in our supply chain

We believe the overall risk of modern slavery within our supply chain is relatively low compared to many other industries. However, we are not complacent about the risk and we recognise that there are higher risks in certain geographies and industries in which our suppliers are located. Therefore, in order to focus our efforts to identify and mitigate the risk of modern slavery upon the most likely risk areas, we apply the following approach:-

- **Step 1 – De Minimis** – we have a large number of suppliers across our group, so we set a de minimis level of €10,000 annual spend, below which we do not make detailed enquiries into modern slavery. Given that our total annual spend with suppliers is over €100 million, this represents less than 0.01%.
- **Step 2 – High Risk Countries** – using the Global Slavery Index published by the Walk Free Foundation, we then assess our remaining suppliers based on the country in which they have their main supply base for our business supplies. If that country is in the Top 50 (i.e. worst) countries in the Index, we score it as High risk; if it is in the next 50-100 places in the Index we score it as Medium risk; and below that level we score the country as Low Risk
- **Step 3 – High Risk Industries** – having identified suppliers in high risk countries, we also assess whether they are in high risk industries in those countries, by reference to the 'Understanding Industry Risk' tool that is also published by the Walk Free Foundation.
- **Step 4 – Total Score** – if we assess a supplier as high risk for both country and industry or one high and one medium, then we ask the supplier to complete a self-assessment questionnaire (see below). For all other suppliers, we continue to ask them to sign our Code of Business Conduct and Ethics ('Code of Conduct'). This expressly prohibits the use of slavery or human trafficking and requires that all persons involved in the sourcing, supply and production of our products, whether our employees or not, are treated with dignity and respect. Our suppliers are required to comply with our Code of Conduct as a condition of doing business with us.

Results of our risk assessment for 2017

Using this risk assessment methodology, we identified 11 higher risk suppliers in countries such as Belarus, Pakistan, China and Chile and industries such as sugar, rum production and some gift packaging. We then contacted each of those suppliers and requested that they complete a modern slavery self-assessment questionnaire. We reviewed the responses received and evidence provided and



concluded that there were no grounds for further investigation at this point in time. We will continue to perform this risk assessment and follow-up inquiries on an annual basis.

Whistle-blowing hotline

We have a well-established multi-lingual 'whistle-blowing hotline' operated by an independent third party, which provides both employees and suppliers with a confidential and anonymous channel to raise concerns and disclose information related to suspected wrongdoing or dangers at work. This is an added measure to ensure we identify and address any ethical concerns, including any issues related to modern slavery. The hotline is available via this web-link: <http://www.expolink.co.uk/stockspirits>.

Reviewing the effectiveness of our anti-modern slavery controls

We do not systematically audit our suppliers to verify the answers provided in the self-assessment questionnaire or compliance with our Code of Conduct. However, if we suspect, or become aware through credible information, that a supplier may be non-compliant then we would conduct a thorough investigation. Non-compliance by a supplier that is not swiftly remedied would be likely to result in termination of our business relationship.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2017.

A handwritten signature in black ink, appearing to read "Mirosław Stachowicz".

Mirosław Stachowicz
Chief Executive Officer

22 March 2018