



CASELLA
FAMILY BRANDS

**MODERN SLAVERY &
HUMAN TRAFFICKING
STATEMENT 2021**

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2021

This statement covers the activities of Casella Wines Pty. Limited. ABN 96 060 745 315 to understand and implement actions to minimise the risk of modern slavery and human trafficking in our operations and supply chain.

Casella Family Brands (CFB) is the trading name of Casella Wines Pty. Limited and will be referred to throughout this statement.

CFB is committed to acting responsibly throughout the organisation and the supply chain. Our corporate values are integral to creating an ethical workplace culture, both internally and externally across our activities with all stakeholders.

INTRODUCTION

This is the first Modern Slavery statement for CFB (the "Statement"), prepared in response to the Australian Federal Government's Modern Slavery Act 2018.

This purpose of this statement is to provide information pertaining to the processes adopted by CFB to address modern slavery and human trafficking risks to our business and across our supply chain in accordance with The Act.

CFB operates with a 'continuous improvement' philosophy and we commit to an ongoing review of actions taken to mitigate risks associated with modern slavery to ensure the highest standards of integrity are upheld. We commit to strengthening our policies and performance in line with the requirements of the Australian Modern Slavery Act 2018.

ABOUT CASELLA FAMILY BRANDS

From humble beginnings making wine in the Riverina area of New South Wales in 1969, today Casella Family Brands is Australia's largest family owned wine company. With Headquarters in Yenda, New South Wales, the company is led by Managing Director John Casella.

Propelled to the forefront of the export arena in 2001 by the hugely successful [yellow tail] brand, CFB is committed to showcasing Australian regional and winemaking excellence across the globe with a portfolio of distinct and outstanding wines for every price point and occasion.

In addition to [yellow tail], CFB crafts fine wines including; Peter Lehmann Wines, Brand's Laira, Morris of Rutherglen, Baileys of Glenrowan, The Magic Box Wine Collection, Casella Family Wines and Atmata.

CFB is a multi-beverage business crushing over 170,000 tonnes of grapes during the 2020 vintage across 5 winery sites;

- Casella Family Brands Yenda NSW
- Peter Lehmann Wines Tanunda SA
- Brand's Laira Coonawarra SA
- Baileys of Glenrowan VIC
- Morris of Rutherglen VIC

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

CFB's global operational structure comprises 5 wineries, 3 corporate office sites and over 6,100 hectares (15,482 acres) of vineyards producing over 40 varieties.

- CFB produces approx. 15.9 million 9LE cases per year (December 2020 MAT)

- Exports to 57 countries
- Employs 900 people
- Works with 5,000 domestic and international suppliers
- Works with over 200 grower families

Main Operations

The main business operations includes the following activities across our global supply chain.

Grape Growing and Sourcing

- Growing grapes on company owned vineyards.
- Sourcing grapes from a network of growers across Australia.
- Receiving of Australian grapes, grape juice and bulk wine.
- Receiving of imported bulk wine.

Wine Production

- The production of still, sparkling and flavoured wine.
- The packaging of company owned still, sparkling, organic and flavoured wines under its own brand.
- Dispatch of packaged still, organic, sparkling & flavoured wines to domestic and export markets.
- The dispatch of grape juice and wine in bulk.
- The contract packaging of beverage products under customers' own brands.

Wine Distribution

- Export products are packed into shipping containers and transported by road and rail to the port for shipment by sea
- Domestic products are delivered to their destinations by road and rail.

Sales and Marketing

- A dedicated global sales and marketing team ensures our wines are distributed to importers, retailers and consumers across the globe.

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Procurement

- A centralised purchasing department for all winery operations with HQ in Yenda.

Supply Chain

Our supply chain is geographically diverse and encompasses small businesses through to global multi-nationals.

In any given year, CFB procures goods and services from approximately 5,000 direct and indirect suppliers based in regions including; Australia and New Zealand (ANZ), Americas, Asia and Europe, Middle East and Africa (EMEA).

Direct suppliers include those from whom the CFB buys grapes, bulk wine, glass, card, labels, packaging, and other dry goods, machinery. Indirect suppliers include those from whom the CFB procures services, including marketing, legal, consultancy and technology based services.

- Glass
- Packaging materials including
- Raw materials
- Machinery
- Technology (hardware, software and cloud services).
- Uniforms and work attire
- Office consumables and promotional merchandise
- Grower services across Riverina and Barossa

ASSESSING THE RISKS OF MODERN SLAVERY PRACTICES

In late 2020, the CFB Modern Day Slavery Committee undertook a review of potential risk of modern slavery practices across our operations and supply chain. As a result we have identified the

following areas as presenting the highest potential risks:

- Material suppliers where products are sourced domestically.
- Material suppliers that import all or part of their products.
- Labour hire companies who provide labour for the winery facilities and to some grape growers.
- Grape Growers, grape harvesting and cartage contractors.
- Recruitment of seasonal and migrant workers.
- Transport companies who transfer the finished product and deliver material inputs between the different facilities, suppliers and retailers.
- We were also able to identify areas with no or low risk, for example, all operational activities that are directly undertaken by CFB employees and covered by our internal processes.

ADDRESSING THE RISK OF MODERN SLAVERY PRACTICES

CFB has not yet fully assessed the risk of modern slavery, therefore the business is not able to provide robust risk mitigation actions that address modern slavery and human trafficking specifically.

CFB is committed to operating responsibly will not tolerate any known forms of slavery including but not limited to; human trafficking, forced labour, debt bondage, child labour, deceptive recruiting for labour or services in our business.

Under our Corporate Social Responsibility efforts, CFB supports the United Nations Sustainable Development Goals, including Goal 8: decent work and economic growth. We strongly support this goal with an ongoing commitment to help eradicate forms of modern slavery.

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Casella Family Brands is vehemently opposed to the use of slave or child labour in all forms, cruel, subhuman or degrading punishments, and any attempt to control or reduce freedom of thought, consciences and religion.

In compliance with international standards, CFB will not knowingly employ underage children and does not permit child labour exploitation under any circumstances.

All forms of human trafficking and forced labour, such as withholding deposits, salary and benefits or the retention of identity documents from workers, are not knowingly undertaken.

Workers shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their employer.

CFB does not knowingly enter into any business arrangement with any person, company or organisation which fails to uphold the human rights of its employees or who breaches the human rights of those affected by the organisation's activities.

CFB POLICIES AND PROCEDURES

Outlined below are the existing policies and procedures working towards the mitigation of human rights and modern slavery risks for our employees.

CFB has a process where employees report any concerns regarding unethical or illegal conduct in relation to modern slavery or human trafficking. Employees can report to their manager, or report through a dedicated CFB feedback system via email or phone.

Established a cross functional working group (Modern Day Slavery Committee) responsible for

identifying and implementing process improvements and compliance. The Committee is responsible for leading our ongoing commitment to prevent violations of human rights including modern forms of slavery. The Committee's remit includes reviewing and assessing policies and procedures and updating Company's Modern Slavery and Human Tracking Statement on an annual basis.

CFB's policies and procedures reflect our values, and set the expectations of our employees to ensure a fair and ethical workplace. These include:

- Anti-discrimination, harassment or bullying - No employee shall be unduly harassed, discriminated or bullied due to their race, gender, religious beliefs, sexual persuasion or personal activities.
- Equal Employment Opportunity - CFB is committed to ensuring that all employees enjoy equal employment opportunity (EEO). This means that employees are treated fairly and equally when employment decisions are made and that unlawful discrimination does not take place
- Procurement Policy – CFB aims to work with suppliers that have similar values and operate with integrity. CFB is in the process of formalising a Supplier Standards agreement for all suppliers to commit to.
- Code of Conduct – expectation of employees to observe the highest standards of ethics, integrity and behaviour during their time with the company.
- Workplace Health & Safety - commitment to achieving an incident and injury free workplace.
- Employee Assistance Program - EAP provides consultation services for referrals to local community treatment sources for all employees.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We will continue to develop and modify its approach as required to ensure that it meets our commitments and uphold the highest ethical standards.

Once actions are put into place, we will ensure there is a coherent assessment process to ensure we can measure the effectiveness of our actions and continue to improve our efforts in this space.

FUTURE ACTIONS TO MITIGATE RISKS OF MODERN SLAVERY

Based on our initial risk assessment, the following actions have been decided to ensure our continued efforts in detecting and addressing the risks of modern slavery and human trafficking across our business and supply chain. We are committed to partnering with our suppliers and external stakeholders to detect and prevent modern slavery.

- ✓ Auditing tools are being drafted to gather data and information from supply chain stakeholders concerning their current practices. These tools are currently being reviewed by internal stakeholders and should be ready to implement in early 2021
- ✓ CFB's supplier management system has been rebuilt with additional features to record and collate stakeholder data collected
- ✓ CFB supply chain stakeholders will be contacted to determine their positions with respect to Modern Day Slavery. CFB's Modern Day Slavery Committee will review these responses and assess whether further enquiries are necessary to better understand that entity's position.
- ✓ Stakeholder assessments will be integrated into

CFB's purchasing & procurement decision making processes.

- ✓ Future supply agreements/contracts will include additional clauses to facilitate compliance with CFB MDS policies. These clauses will emphasise CFB's position on Modern Day Slavery Committee and the standards expected of all suppliers that CFB does business with. Once these changes are in place, the CFB Modern Day Slavery Committee will review and formulate any appropriate risk mitigation and remediation strategies.
- ✓ Supply Chain Assurance, all new suppliers, as well as renewing suppliers, will be subjected to a due diligence process, prior to contract award or renewal. This includes adhering to a Supplier Standards Agreement.
- ✓ Continue to update core policies and processes to reflect our commitment to upholding human rights.

PROCESS OF CONSULTATION WITH ENTITIES CASELLA WINES PTY. LIMITED OWNS OR CONTROLS

Casella Family Brands Europe Ltd. (CFBE)

CFB will work closely with CFBE to ensure we are sharing best practice and strengthening our policies and performance in line with the requirements of the UK Modern Slavery Act.

This statement has been approved by the Board of Directors of Casella Family Wines Pty Ltd.



John Casella
17 March 2021



Joe Casella