

Winc Ethical Sourcing Policy

Owner Social Procurement Manager

Date approved by Legal 7/6/2021

1. Purpose.

1.1 Introduction

At Winc Australia Pty Limited ('Winc'), we are committed to doing the right thing. Therefore we have based our code on a core set of values to ensure our high standards are maintained throughout our supply chain, and that our suppliers will work with us in sharing our values to have a positive impact on the world we all share.

Our Winc Ethical Sourcing Policy is guided by the UN Human Rights Declaration, the ILO Convention on labour standards and the Ethical Trading Initiative Base Code which sets out key requirements to be followed by our suppliers as a condition of doing business with Winc. The policy must be implemented in conjunction with local applicable laws and will be regularly audited during inspections.

This policy applies to all parties that manufacture, assemble, or distribute any product or package bearing a Winc or licensed brand, all National Brand product providers, and all organisations that provide overhead and operational products and services to Winc Australia Pty Limited or OfficeMax New Zealand Limited and its subsidiaries, affiliates, franchisees, joint venture partners, divisions and agents.

2. Responsibilities.

2.1 Labour Standards

Winc is dedicated to ensuring a fair and safe working environment as a fundamental right for all employees within our business and across our supply chain. Winc expects suppliers to adopt sound labour practices and to treat their employees fairly in accordance with local laws and regulations regarding labour and employment. Winc expects its suppliers to adhere to the following requirements:

Employment is freely chosen

Choice of employment is a basic human right, and as such Winc respects and supports the right for all employees to freely choose their employer. Suppliers will not use forced, bonded, or involuntary prison labour. Workers are not required to lodge "deposits" or their identity papers with the employer and are free to leave once their shift ends or after giving their employer reasonable notice. Before entering into employment, employers are to provide workers with understandable information about their rights, responsibilities, and employment conditions.

Involuntary or Bonded labour

We proudly support the legal right to work, and will not accept the use of any forms of forced labour in our supply chain. Under the ILO Convention No.29, forced labour is work that is not offered voluntarily by the worker and is demanded under the threat of a penalty. Examples of these threats of a penalty include, but are not limited to, violence, intimidation, retention of identity papers, threats of deportation, or accumulated debt.

Workers must be free to leave once their shift ends and free to leave their employment after reasonable notice. Workers should only be employed if they have a legal right to work.

Freedom of association

Suppliers shall respect the rights of workers to associate, organise and bargain collectively in a legal and peaceful manner. Suppliers shall ensure that employee representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, suppliers must not hinder the development of parallel means for independent and free association and bargaining.

Children, Young workers

At Winc, we value every child's right to education and safe and dignified childhood. International Labour Organisation ("ILO") Convention No.138 states that a child is a person under the age of 15. Following these conventions, no child under the age of 15 is permitted to work in the Winc supply chain, unless there is a concession in their local/national law. If there is a concession in the local/national law that permits a child to be employed below the age of 15, that age can be followed, and if the law states an age above the age of 15, that must be followed. Suppliers shall verify the age of their workers and maintain copies of their workers' proof of age. We expect our suppliers to ensure that young workers do not work at night or in conditions which compromise their health, safety or moral integrity.

Wages

At Winc, we acknowledge the significance of ensuring all employees are entitled to fair pay. Suppliers shall provide wages and benefits that comply with all local laws and regulations or match prevailing local manufacturing or industry rates, whichever is higher. Overtime pay shall be calculated at the legally required rate, regardless of whether workers are compensated hourly or by piece rate. Wages must be paid in full and on time.

Working hours

All working hours will comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime work should be voluntary, and overtime should not be requested on a regular basis. Suppliers shall guarantee workers breaks and days off in compliance with applicable law. Workers should be able to decline overtime hours without repercussions.

Non-Discrimination

We care deeply about creating a positive and respectful workforce and creating equal opportunities for everyone. Suppliers shall employ workers solely on the basis of their ability to do the job and shall not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, pregnancy, sexual orientation, disability, national, cultural, religious, or personal beliefs in relation to hiring, wages, benefits, termination or retirement. There shall be no inappropriate medical testing used in determining employment. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, and verbal abuse or other forms of intimidation shall be prohibited.

Regular Employment

To every extent possible, suppliers must ensure work performed must be on the basis of a recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the imposed use of labour-only contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive and prevalent use of fixed-term contracts of employment.

Violence

We are committed to creating an inclusive workforce that cares for the safety and wellbeing of everyone we do business with. This means that any form of violence including both physical and verbal is strictly forbidden. Suppliers must focus on eliminating harassment and abuse from the workplace. Verbal violence can include forms of harassment such as making inappropriate sexual comments, threatening comments, or comments that can be psychologically damaging. Physical violence can include but is not limited to; touching intended to cause harm, touching intending to have sexual implications, or requiring any form of sexual favour to secure or maintain employment.

Migrant Workers

Suppliers shall only employ workers with a legal right to work, including workers obtained through an employment agency. Workers' legal right to work must be validated by reviewing original documentation before the commencement of work. Migrant workers must not be subject to violence, intimidation, retention of identity papers, threats of deportation, or accumulated debt bondage. Debt bondage is when a person guarantees their services as security for a debt, but those services are not applied to repay the debt, or if the length and nature of the services are not defined at the time of creating the debt. Debt bondage can include the use of recruitment fees to hiring workers, in particular migrant workers.

Health and Safety

The health and safety of all employees is a fundamental right throughout Winc's supply chain, and everyone is entitled to a safe and clean workplace. Suppliers shall provide a safe and hygienic working environment, including monitoring compliance with applicable legislation, regulations, and ILO standards. Suppliers should provide work health and safety training to workers and keep records. Suppliers shall ensure that personal protective safety equipment is available and workers are adequately trained in its use. Safeguards on machinery must meet or exceed local laws, and workers shall be provided with all appropriate protective equipment.

Business Ethics

Anti-corruption

We demonstrate our honesty by refusal to participating in corrupt practices and have a strong expectation of ethical practice from our suppliers.

The offering, paying, soliciting, or accepting of bribes or kick-backs, including facilitation payments, is strictly prohibited. We expect our Suppliers to comply with all applicable laws regarding bribery and corruption including, but not limited to, the Australian Criminal Code Act, the US Foreign Corrupt Practices Act, and the UK Bribery Act.

We expect all parties that we work with to have a written anti-corruption and bribery policy and procedure in place to prevent employees or persons associated with its business from committing these offences.

Business license

The company must hold a valid business license and comply with all local and national laws, for operating a business.

Arms

Suppliers shall not be engaged in:

- The manufacture of arms; or

- The sale of arms to governments that systematically violate the human rights of their citizens; or where there is internal armed conflict or major tensions; or where the sale of arms may jeopardise regional peace and security.

Environment

At Winc, we acknowledge that being a large organisation it is our responsibility to make a positive impact on the environment and we must take appropriate measures to minimise the impact our business has on the environment.

Suppliers shall as a minimum comply with all applicable laws and regulations relating to the environmental impacts of their business – specifically environment, waste, water, and pollution. Suppliers must maintain procedures for notifying local authorities in the event of an environmental accident resulting from the supplier's operation.

3. Additional considerations

Supplier Termination Policy

The following events are cause for termination of the Supplier's relationship with Winc:

- Late Audits: Refusal to complete or unreasonable delay of the required Social Compliance audit. Exceptions are reviewed on a case-by-case basis by Social Compliance Team.
- Zero Tolerance: Any finding of zero tolerance issues will be cause for termination.
- Legal, supplier, or Merchant request: Request to terminate the relationship with the supplier.

Suspension

A Supplier's relationship with Winc may be suspended in the event of the following:

- Bribery of an Inspector or Auditor
- Forged records
- Zero Tolerance finding or unresolved/consistent Major Findings

For minor breaches of the Ethical Sourcing Policy, suppliers will be issued with a written warning. Two written warnings will result in a suspension. A supplier suspended under Winc's Social Compliance and Ethical Sourcing Policy may remain inactive for a twelve (12)-month period. Suppliers that are critical to the business may be reviewed for a conditional evaluation of the 12-month policy on a case-by-case basis.

Auditing inspections

Suppliers are required to complete a social compliance audit on a yearly basis. The preferred standard is a Sedex 4 pillar audit. The following audits can be accepted on a case-by-case basis after review by the Social Compliance team.

- Sedex 2 pillar
- BSCI
- WRAP
- SA8000
- Office Depot social compliance audit

Factories must ensure that all major and critical non-compliances are actioned through a CAP (Corrective Action Plan) in the timeframe recommended by the auditor. The CAP must be submitted to

the auditor or Social Compliance team for review. The root cause, corrective action, implementation date, and supporting evidence for each finding must be provided.

Reporting of Potential Violations

If there is a situation that is inconsistent with our code, it will be handled professionally and discretely. All Suppliers are expected to adhere to these Ethical Sourcing Policy and report any violations to Winc's Hotline via the local number below or on the web at winc.com.au/hotline. All reports are kept confidential, and callers may choose to remain anonymous in their reporting.

Direct Lines:

- Australia: 1800 068 108
- New Zealand: 0800 784 241

International Toll-Free Access Lines:

- Australia +61 800 068 108