



## Supplier Code of Conduct

This Code applies to all suppliers of products and services to Distell Group and its operating legal entities. Suppliers, wherever they produce materials or perform services for Distell Ltd are required to adhere to the standards in this Code and comply with local, national and supranational laws and regulations – if both address the same provisions then the one which affords greater protection will apply.

## About Distell

The Distell Group (Distell) is Africa's leading producer and marketer of wines, spirits, ciders and other ready-to-drink beverages, sold across the world. With a diverse portfolio of brands with rich provenance and authenticity, our products are priced across the pricing continuum to cater to a broad spectrum of consumers. We enjoy a growing global reach and are building the presence of our brands through subsidiary companies, joint ventures, offices and agents on all continents. Distell employs about 5500 people worldwide.

Our mission is to craft distinctive alcoholic beverage brands, enhance memorable moments and inspire responsible enjoyment. The value we create enriches the lives of our people, shareholders and the communities within which we live and work.

Our vision is that we are a proud African alcoholic beverages company with heritage, global reach, world-class people and the ability to do extraordinary things!

Our purpose is that we exist to provide unique moments of social enjoyment through the responsible marketing of well-crafted wines, spirits and ciders.

## Our Supplier Code of Conduct

Distell has always been committed to doing business with integrity and proper regard for ethical business practices. Our commitment to doing business ethically is unwavering.

The general principles contained in this Supplier Code of Conduct (Code) sets out the way we do business. Distell not only expects its directors and employees to comply with these principles and to act in the best interest of Distell at all times, but also its agents, intermediaries, consultants, distributors, sub-contractors, customers, suppliers, and joint venture partners working on Distell's behalf anywhere in the world.

We herewith communicate Distell's Supplier Code of Conduct, setting out our principles and values to specify and supplement the continued implementation of the Distell Code of Conduct by establishing certain non-negotiable minimum standards as set out below. It is the Supplier's responsibility to educate its employees, agents and subcontractors accordingly. Likewise, the Supplier shall ensure that supplying farmers become fully aware of this Code, the provisions stated therein and their meaning and implications for their farming methods.

By acceptance of this Code, the Supplier commits that all existing and future agreements and business relationships with Distell will be subject to the provisions contained herein.

Values –

*We re-shaped our purpose, values and behaviors to align with and enable our growth ambitions*



## I. BUSINESS INTEGRITY

### Compliance with Applicable Laws and Regulations

Suppliers must comply with all applicable local, national and international laws and regulations and to act ethically in all matters.

### Anti-Bribery and Corruption

Distell has always been committed to doing business on an ethical and sound basis and Distell is committed to comply fully with local and global anti-bribery and corruption laws and to continuously conduct its business with integrity and with proper regard for ethical business practices.

Suppliers must not engage in corruption such as bribery or any form of improper or unlawful payment under any circumstances including financial fraud, money laundering, and extortion or facilitation payments.

No Supplier or associated person may directly or indirectly bribe a government official or any third party. Similarly, no Supplier or associated person may receive anything of value in exchange for performing their duties disloyally or illegally. Any demand for, or offer of, a bribe must be rejected immediately and reported to the Distell Compliance Department.

Further information can be found in the Distell Anti-Bribery and Corruption Policy available on our website (<https://www.distell.co.za/corporate-governance/>), which details how we require our suppliers to act to ensure that our high anti-corruption standards are continually achieved.

## Transparency and Gift-giving

Distell appreciates the important contribution its Suppliers and customers make to the success of its business and Distell is committed to fostering healthy, mutually beneficial relationships with them.

The giving and receiving of gifts and entertainment have a role to play in building business relationships, however the acceptance of gifts or the giving thereof should never create improper influence or obligate the recipient. The proposed gift or entertainment should be appropriate in value and nature considering local custom, the position of the recipient and the circumstances.

## Conflict of Interests

At Distell, we expect our Suppliers to disclose any present or past relationship between themselves and Distell employees that would be construed as a conflict.

## Communication and Whistleblowing

Distell Suppliers are encouraged to raise any queries, concerns and complaints regarding any illegal, non-compliant, fraudulent or unethical behaviour by reporting same through Distell's toll-free ethics line or other reporting mechanisms as set out in the table below:

Contact	Details
South Africa	Toll Free: 0800 00 48 22 Free Fax: 0800 00 77 88
United Kingdom	Toll Free: 0808 189 1196
Namibia	Toll Free: 0800 003 313
	Toll Free(MTC): 081 91847
International	+27 (0)31 571 5657
Web	<ul style="list-style-type: none"><li>distell@ethics-line.com</li><li>www.tips-offs.com</li></ul>
Free Post	<ul style="list-style-type: none"><li>KZN 138, Umhlanga Rocks, 4320</li></ul>

An independent party manages the Ethics Line twenty-four hours a day, ensuring anonymity and confidentiality.

## Books and Records

Suppliers must be able to disclose to Distell sources of primary origin (including the country of origin) associated with the materials supplied to Distell. Likewise, we expect our Suppliers to keep accurate accounting records and maintain supporting documents to describe and reflect the true nature of underlying transactions.

## **II. HUMAN RIGHTS AND LABOUR STANDARDS**

### **Human Rights**

Distell embraces clear standards on employees' and human rights, such as zero tolerance for harassment, discrimination, human trafficking, child and forced labour and human rights violations.

The following human rights principles are those which Distell considers to be the most significant within our global value chain.

#### **a. Child Labour and Young People**

Suppliers must prohibit the employment and exploitation of children within their operations and must not engage in or support the use of child labour as defined by the International Labour Organization (ILO), which is work that is mentally, physically, socially or morally harmful to children; or work that interferes with their schooling. This includes depriving children of the opportunity to attend school, obliging children to leave education prematurely or requiring them to combine school attendance with excessively long working hours. Young people under 18 are not to be employed at night or in hazardous conditions and must not be involved in the manufacture, packaging, marketing, distribution or sale of alcohol products. We are aware that young people under 18 are entitled to work in certain defined and protected circumstances, such as government-approved apprenticeship programs. This is acceptable as long as it is conducted in line with the requirements of the ILO conventions and national law.

#### **b. Forced Labour and Freedom of Movement**

Suppliers must prohibit, and must not benefit from any forms of forced or compulsory labour; all work must be conducted on a voluntary basis. The use of prison labour or indentured or bonded labour is strictly forbidden, and workers must not be required to relinquish identity papers, passports, or work permits as a condition of employment. Workers must not be required to lodge recruitment fees (deposits) and are free to withdraw from the employment relationship with reasonable notice. Workers must be allowed to leave the work premises off-shift. Suppliers must also prohibit the trafficking of persons, including arranging or facilitating the travel of another person with a view to that person being exploited

#### **c. Freedom of Association**

Suppliers must support the right of all workers to choose whether to form or join lawful trade unions and other organizations of their choice, and to bargain collectively in support of their mutual interests. Suppliers must not discriminate in any way against workers that choose to form or join trade unions, or against those workers that choose not to form or join trade unions. In those countries and/or situations in which the legal system prohibits or severely restricts the right of freedom of association, Suppliers must support, within the framework of applicable laws and regulations, the establishment of alternative means to facilitate the effective representation of workers in those countries and/or situations in which the legal system

#### **d. Discrimination and Harassment**

Suppliers must prohibit all forms of discrimination based on, but not limited to, race, religion, culture, gender, age, political opinion, national extraction, social origin, pregnancy and maternity, sexual orientation, gender identity or expression, or any other arbitrary means. Hiring and employment decisions, including those related to compensation, benefits, promotion, training, discipline, and termination, are made solely on the basis of the skill, ability, and performance of workers. All forms of physical, verbal, and written harassment are prohibited. Suppliers must not engage in corporal punishment or take disciplinary-related deductions from workers' pay.

**e. Working hours and Compensation/Adequate Standard of Living**

Suppliers must respect the need for workers to have a balance between work and leisure. Working hours and overtime shall comply with applicable wage, work hours, overtime and benefits laws and regulations. All workers will receive at least one continuous 24-hour rest period during a seven day work period. Suppliers should strive to provide workers with a pay and benefits package that supports an adequate standard of living. Wages and benefits shall be equal or superior to the applicable minimum legal and regulatory requirements. Suppliers are encouraged to provide workers with opportunities to develop their skills and capabilities and, where possible, provide opportunities for advancement.

### **III. WORKPLACE SAFETY AND HEALTH**

Suppliers must ensure high standards of occupational health and safety throughout their organization and strive to prevent all accidents, injuries and occupational illnesses within their operations through management leadership and employee involvement. Health and safety practices must, at minimum, comply with national and local laws. If such laws do not meet minimum standards then international best practice must be applied. Suppliers should at a minimum:

- Provide protective equipment to workers in accordance with their job requirements and the goal of safe working conditions;
- Establish safety procedures and training programs for workers to ensure they are aware of workplace hazards;
- Assess, identify and control potential hazards and risks associated with equipment and processes;
- Identify hazardous chemicals and ensure proper provisions are in place for handling and disposal according to applicable laws and best practices;
- Ensure policies and procedures are in place to deal with any emergency situations which must include evacuation plans, training, fire detection systems and emergency exit doors; and,
- Ensure worker accommodation is clean, safe and meet the basic needs of workers. Facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations and must be separated from any production area.

### **IV. SECURITY**

Suppliers should have in place measures to ensure workers, premises and equipment are secure. Any security measures in place must not harm the safety or security of local community members and other third parties, or undermine respect for the human rights of workers and third parties.

### **V. PRIVACY AND PROTECTION OF PERSONAL INFORMATION**

Distell respects the privacy of data subjects and takes the protection of their personal information very seriously. This is a formal declaration of Distell's privacy goals and is necessary because failing to protect personal information results in actual people suffering real harm when incidents happen.

Suppliers should strive for the same goals and Distell requires them to implement the principles of relevant data protection laws, including by having reasonable and appropriate technical and organisational measures in place to prevent unauthorised access to personal information. You can read more about Distell's approach to privacy in the Privacy Policy available at: <https://www.distell.co.za/home/privacy-policy/>.

## **VI. PRODUCT QUALITY AND SAFETY**

All products and services delivered by the Supplier must meet the statutory and regulatory quality and food safety requirements required by applicable laws. When conducting business with or on behalf of Distell, the Supplier must comply with the Distell quality and food safety requirements.

A Supplier Quality Service Level Agreement, an appendix to the commercial terms and conditions is signed between Distell Supplier Quality Management and the Supplier and aims to be an integrated systematic approach to ensure that Distell and suppliers alike have an effective and sound quality and communication system in place. It outlines the responsibilities of the supplier and Distell with respect to the communication channels and stipulates the quality assurance requirements for the manufactured materials in terms of:

- Quality and Food Safety systems
- Supplier Screening and Registration
- Supplier Performance & Capability Improvement Reviews
- Supplier Compliance
- Supplier Development
- Supplier Approval

## **VII. SUSTAINABILITY**

### **Environment**

Suppliers must observe all applicable laws and regulations concerning the environment and ensure the protection of the natural environment.

Distell requires Suppliers to have a focus on the following areas:

- Energy: Measure energy usage and commit to reducing it both in manufacturing operations and when transporting products;
- Water and waste water: Measure and commit to reduce water usage and waste water discharges; and
- Waste: Measure and commit to reduce the production of non-hazardous solid waste. Maintain a list of hazardous and non-hazardous substances, and establish procedures for the safe handling, transporting, and disposing of waste with international, national or local regulations.

### **Environmental management practices on Farms**

Suitable environmental management practices are critical for ensuring farmers have a sustainable operation that will continue well into the future. In markets where we source directly from farmers and farmers' organisations, our agriculturists/viticulturists work with farmers to help them improve their agronomic and environmental performance through sharing advice on management practices, appropriate technologies and data analytics to support improved decision-making. We expect farmers to comply with local environmental laws and to implement changes to farming systems that promote sustainability in agriculture. Distell requires South African grape and wine suppliers to comply with the requirements of the Scheme for the Integrated Production of Wine (IPW).

## VIII. AUDIT AND TERMINATION OF THE SUPPLY AGREEMENT

Distell reserves the right to verify the Supplier's compliance with the Code. We will engage with our Suppliers at an early stage in our procurement activities assessing their practices against this code using self-assessment questionnaires and third party on-site audits. Where possible, Distell seeks to provide guidance for Suppliers to support the effective implementation of this Code.

We expect our Business Partners to undertake the following steps:

- Communicate the Code to their employees and, cascade throughout their supply chain;
- Report any gaps or breaches of the Code to Distell either via your Distell contact or our whistleblowing lines

In case Distell becomes aware of any actions or conditions not in compliance with the Code, Distell reserves the right to demand corrective actions or measures. Distell reserves the right to terminate an agreement with any supplier who does not comply with the Code.

Acknowledgement of this Code and an agreement to abide by the standards set forth herein is a pre-requisite in every Distell contract for supply. This code will be made available to the Suppliers during the sourcing process and can be accessed on our website <https://www.distell.co.za/corporate-governance/>

I read every page of this Code addressed to Suppliers. In order to commit myself and to bind my company (which I declare to represent), to its fulfilment and to apply the principles contained herein, as well as to adhere to Distell's values, during all the time my/our relationship with Distell is in force.

Supplier name (entity name): \_\_\_\_\_

\_\_\_\_\_  
Signature and designation of authorised signatory of Supplier