



Slavery and Human Trafficking Statement

FOR THE YEAR ENDING 30 JUNE 2019

i OVERVIEW

Our success at Chivas Brothers Limited (“Chivas”) is intrinsically linked to the way we conduct our business in a responsible and ethical manner. These behaviours help to foster a culture of mutual trust and ethics both within the business and with our suppliers. Chivas adopts a zero-tolerance approach to slavery and human trafficking. We are committed to taking all reasonably practicable steps to ensure that slavery and human trafficking are not present either in our business or in our supply chains. In order to achieve this, we seek to identify and tackle slavery and human trafficking risks.

1. OUR COMMITMENT

1.1 About us

Chivas is the Scotch whisky and premium gin business of Pernod Ricard, the world’s co-leader in wines and spirits. Our parent company, Pernod Ricard, has its head office in France. Further information about our parent company, business and organisational structure can be found at:

- <https://www.pernod-ricard.com/en/media/publications-and-reports/publications/registration-document-20152016/>; and
- <http://www.chivasbrothers.com/about-us/>

1.2 Our standards

Since 2003, [Pernod Ricard has been a participating company](#) in the [United Nations Global Compact](#) - and is therefore committed to respecting and promoting the core principles.

- As part of the Pernod Ricard Group, Chivas is accordingly committed to eliminate forced labour and compulsory labour and to effectively abolish child labour.
- This includes [International Labour Organisation](#) conventions 138 & 182 on *the prohibition of child labour* and 29 & 105 on *the elimination of forced or mandatory labour*.

We expect the same standards from all those we work with, including business partners and suppliers. Chivas is committed to working closely with our suppliers to ensure that slavery and human trafficking risks are identified and managed proactively.

1.3 Our actions

Since the [Modern Slavery Act 2015](#) came into force, we have built on our existing commitment by:

- taking legal advice on the steps necessary to support compliance;
- identifying and monitoring key slavery and human trafficking risks in our business and in our supply chains;
- maintaining a Project Plan to help manage compliance effectively;
- adopting a specific Anti-slavery Policy (which has been approved by the *Chivas Board of Directors*) and continuing implementation within Chivas;
- continuing to operate our cross-functional team responsible for implementing this policy (which continues to meet on a quarterly basis to monitor and review the effectiveness of our Anti-slavery Policy);
- maintaining our existing training programme to directly support compliance with our Anti-slavery Policy;
- continuing to deliver tailored training to staff with responsibility for managing supplier contracts;
- continuing to review our supplier contract terms to identify compliance opportunities;
- ensuring that bespoke contracts continue to include a compliance clause;

- maintaining a website link for suppliers to easily access all our supplier CSR policies;
- ensuring that our existing supplier due diligence and audit processes continue to support compliance with our Anti-slavery Policy;
- setting *Key Performance Indicators* against which to assess our progress;
- adopting a new Code of Business Conduct and working towards implementation within Chivas; and
- implementing *Speak Up*, a global platform which enables all Pernod Ricard employees to raise their concerns confidentially and anonymously, where they see, know of or suspect any conduct that may be unsafe, unethical or unlawful.

2. OUR POLICY

2.1 About our Anti-slavery Policy

We are committed to ensuring that there is no slavery or human trafficking in our supply chains or in any part of our business. Our Anti-slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to prevent slavery and human trafficking in our supply chains. Our Anti-slavery Policy:

- applies to all staff and suppliers working for or on our behalf in any capacity;
- builds upon our existing policies (including our [Procurement Code of Ethics](#) and [Responsible Procurement Policy](#));
- aligns with our new Code of Business Conduct;
- includes guidance to our staff with examples of unusual behaviour displayed by workers which may be indicative of someone experiencing slavery or human trafficking;
- makes it clear that Chivas will support anyone who raises genuine concerns in good faith, even in circumstances where it transpires that those concerns are mistaken.

The Policy can be found at: <http://www.chivasbrothers.com/media/1175/slaveryandhumantraffickingpolicy.pdf>

2.2 Working with our suppliers

To identify and mitigate the risk of slavery and human trafficking being present in our product supply chains, we employ a number of sourcing strategies, including:

- informing our suppliers of the standards that we expect through our [Supplier CSR Commitment](#);
- identifying potentially at-risk suppliers by using the *CSR Risk Mapping Tool* to identify key risks (such as the presence of a supplier in an at-risk country, how critical the product is to our operations and the size of the supplier);
- communicating concerns to at-risk suppliers;
- assessing suppliers using tools such as [the EcoVadis platform](#) and our *Supplier-Audit Checklist* (which includes scoring based on factors such as health & safety, child labour, slavery, payment of the minimum wage, membership of *Sedex* and SA8000 certification);
- analysing the results of our assessments; and
- conducting on-site audits.

2.3 Training our people

Training on Chivas' Anti-slavery Policy and the risks of modern slavery and human trafficking in our business and in our supply chains is available:

- as part of the induction process for individuals who work for us; and
- as part of a tailored training program for those with responsibility for managing supplier contracts.

3. ENSURING EFFECTIVENESS

3.1 Measuring our success

We use the following *key performance indicators* to measure how effective we have been in combatting slavery and human trafficking:

- Training is incorporated in all staff inductions and made available to all relevant existing staff.
- Policy breaches are reported to Chivas Legal within three business days of occurring.
- Policy breaches are assessed within one week of being reported and further investigations concluded as soon as possible thereafter.

We will continue to monitor the effectiveness of our compliance regime and take necessary steps to address any identified instances of slavery and human trafficking.

3.2 Our next steps

Following a review of the effectiveness of the steps we have taken to manage the risks of slavery and human trafficking in our supply chains, we intend to take the following further steps to combat slavery and human trafficking:

- we will continue to provide upfront and ongoing training to staff on our Anti-slavery Policy, including tailored training to those with responsibility for managing supplier contracts;
- we will continue to implement and enforce effective systems and controls to prevent slavery and human trafficking in our supply chains, including working towards implementation of a new supplier due diligence tool;
- we will continue to conduct our business in accordance with our ethical sourcing standards across our supply chains through our Responsible Procurement Policy;
- we will continue to monitor and review the effectiveness of our wider compliance regime;
- as far as reasonably practicable, we will continue to use external risk management tools (such as the [Global Slavery Index](#) and the [International Labour Organization's Resources on Forced Labour, Human Trafficking and Slavery](#)) to assess and manage geographical and sector risks.

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 year ending 30 June 2019.


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Jean-Christophe Coutures

Chairman and CEO
Chivas Brothers Limited