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Jumbo
HREIA – Australia Wine

Workshop

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12th May 2025

Agenda

Item	Time
Introductions & Expectations	13:00 – 13:10
Overview of project, key findings Importance of the HREIA	13:10 – 13:30
Discussion: • SWA and how this fits with Jumbo's policies • Certification reliance	13:30 – 14:00
Break	14:05 – 14:10
Action planning: • Communicating expectations with suppliers • Purchasing practices • Developing environmental targets for wine	14:10 – 15:00

*Sections in green will be recorded for Jumbo to share internally.

Introductions & workshop expectations

HREIA objectives

The primary aims of the HREIA were to:

- Comprehensively assess how Jumbo's business activities impact human rights and the environment within its Australian wine supply chain.
- Establish actual and potential adverse human rights and environmental (focused on water) impact on workers and communities that Jumbo may cause, contribute to, or be directly linked to because of:
  - a. Their own business practices.
  - b. Jumbo suppliers' business practices.
- Present practical, change focused and realistic recommendations how to prevent and/or mitigate any adverse human rights and environmental issues.
- Advise on what impacts to prioritise over others, informed by the level of risks on rights-holders, on the principle of scale, scope and remedial nature.
- Highlight positive impacts on workers and communities so to provide a balanced overview.

Methodology overview

November 2024	March 2025	April 2025	April 2025	May 2025
Phase 1: Scoping	**Phase 2:** Impactt intelligence gathering (field assessments)	**Phase 3:** Analysis	**Phase 4:** Reporting	**Phase 5:** Workshop and action planning

Product journey

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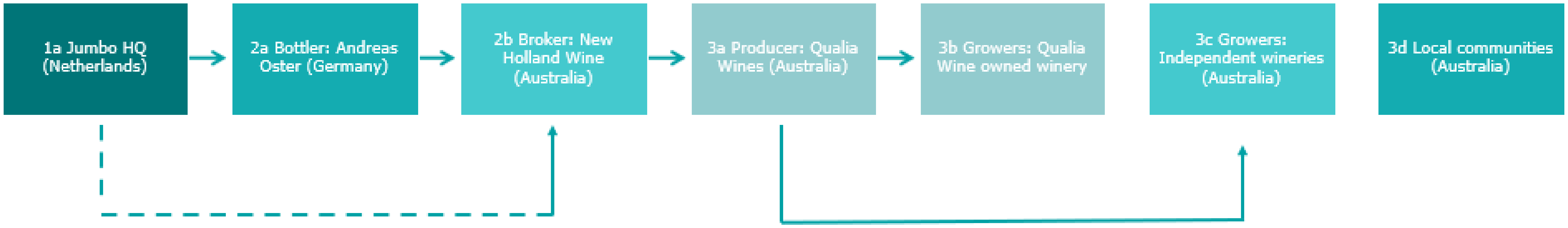
Jumbo supply chain in scope for the HREIA



- Jumbo's own label wine is **made from Australian grapes** and is **bottled in Germany**
- Wine is **sourced via a broker**, **bottled by a third-party facility**, and **sold to Jumbo**
- **The bottler's name appears on the label**, however they have **no control or oversight of the broker, producer or growers**
- **Jumbo's direct commercial relationships are limited to the bottler and broker**

Australian wine supply chain context

Oversupply

2 billion litres of unsold wine by mid-2023 due to falling consumption and China tariffs

Market structure

11 firms make up 70% of exports. Retail concentration pressures grower prices.

China tariffs

Imposed in 2020 (up to 218%), lifted in March 2024; exports rebounded (A$902M in 8 months).

Environmental strain

Irrigation risk rising with climate variability (2 droughts in the past 25 years). SWA certification promotes environmentally-conscious practices.

Price crash

Red grape prices halved (e.g., Griffith: A$659 → A$304/ton from 2020 to 2023).

Labour efficiency

Mechanised harvesting dominates; minimal manual labour in NSW & Victoria.

Labour profile in Australian wine-making

- **Bulk wine grape harvesting is highly mechanised**, especially among commercial producers.
- Vineyards of up to **600 hectares** may employ only **2–10 permanent workers** during the vintage.
- **A small number of temporary workers 'casuals'** (often fewer than 5) are hired during vintage.
- **Mechanisation reduces overall labour intensity**, but **heightens risks for a small, potentially vulnerable workforce**.

Summary of findings

Broker and bottler level

1. Absence of human rights and environmental policies, which undermines accountability and sustainability
2. Ineffective due diligence and oversight of key actors in the supply chain
3. Limited communication and engagement with suppliers

Producer level

1. No grievance mechanism in place
2. Limited due diligence on growers
3. Gaps in monitoring of health and safety risks

Grower level

1. Lack of responsibility and oversight for subcontracted workers
2. Additional risks identified included:
    1. Excessive working hours of grape transport drivers.
    2. Vietnamese vine workers covering their own equipment and PPE out of pocket.

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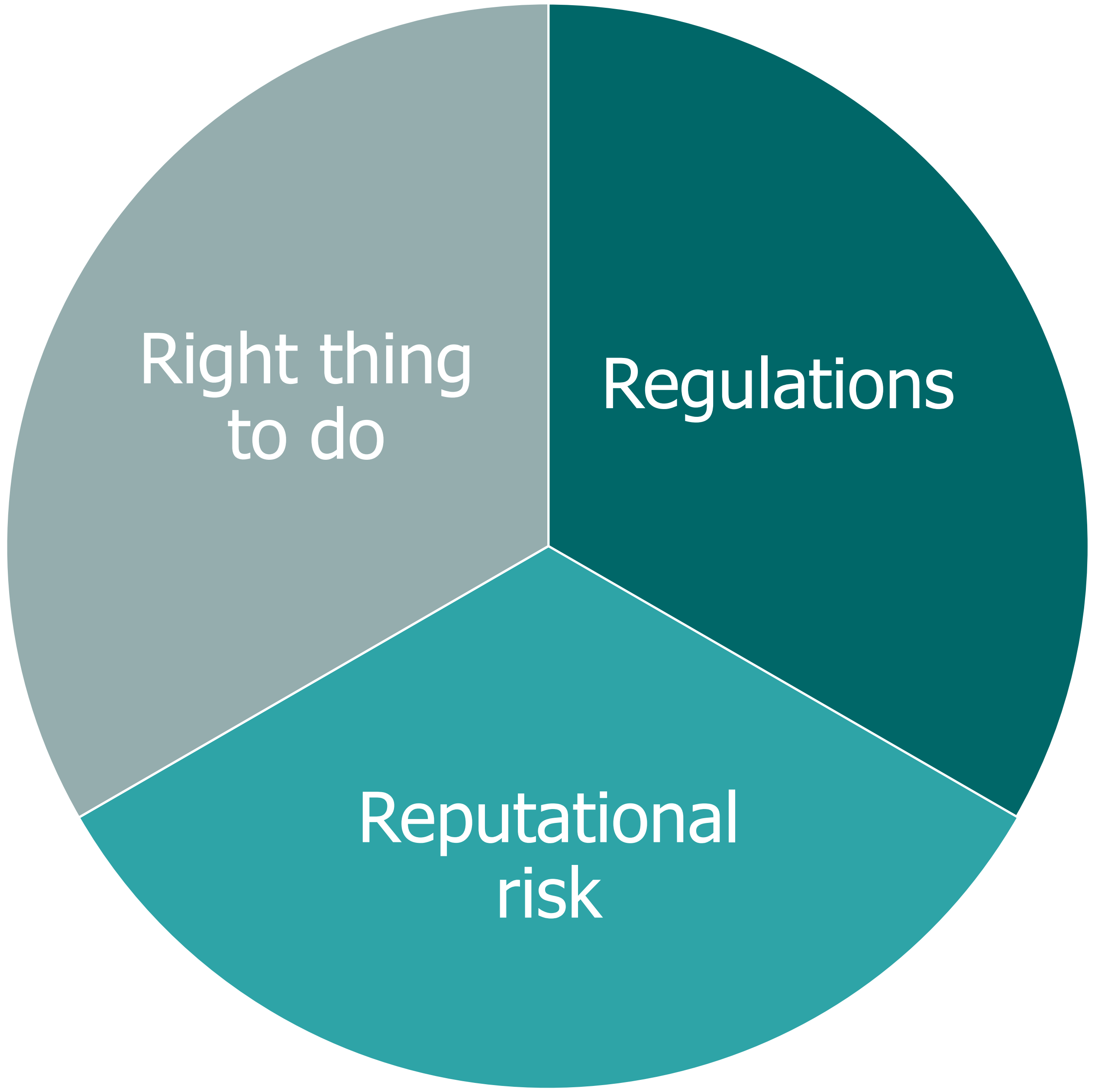
Why is this important?

Despite limited direct control, Jumbo has a responsibility to identify and manage human rights and environmental risks throughout its supply chain.

- International standards call for **accountability across all tiers** of a company's value chain.
- Upholding ethical practices at every level protects Jumbo's reputation, mitigates risk, and reinforces its commitment to responsible business.



Discussion: Sustainable Winegrowing Australia (SWA)

To discuss: What extent the SWA certification covers Jumbo's CSR- and quality conditions and/or Due Diligence policy

What is the SWA certification: Sustainable Winegrowing Australia is Australia's national program for grape growers and winemakers to demonstrate and continuously improve their sustainability credentials in the vineyard and winery through the environmental, social and economic aspects of their businesses.

What does it cover? Separate vineyard and winery standards. Participants make commitment on a number of issues including energy, water use, biodiversity, land /soil, waste, biosecurity, air quality, wastewater management, chemical response and emergency response.

How is it enforced? Make commitment and develop an initial 3-year plan. Annual reporting to the third party and an independent audit every three years.

Key gaps:

- Social element is not adequately covered by the certification
- Like many environmental system approaches it does not give specific performance targets that should be met
- No forward-looking climate risk elements or specific climate change goals.

Discussion: Sustainable Winegrowing Australia (SWA)

To discuss: What extent the SWA certification covers Jumbo's CSR- and quality conditions and/or Due Diligence policy

Does it cover Jumbo's commitments:

- The standard is not in the current CSR conditions, but you do reference South African equivalent. It is probably worth change wording to include this for Australia.
- It is not an equivalent for SA8000 or other similar social standards, so does not meet this requirement of Jumbo's CSR conditions.
- The standard does not require a specific reduction in climate change emissions. So having this standard does not mean the supplier will meet Jumbo's 2030 CO2 emissions goal.

Discussion: Certification reliance

Discussion points:
The risks and limitations of relying on certifications for HRDD:

- Different certifications have varying standards and focus, with some prioritising specific issues over others.
- Certifications often assess policies and procedures rather than actual conditions and impacts on workers.
- Certification can lead to a superficial, compliance-driven (tick-box) mentality rather than a genuine commitment to human rights.
- New and emerging legislation is increasingly holding companies accountable for human rights violations in their supply chains, regardless of certifications.

Break (5 mins)

Action planning: **Communicating expectations**

Recommendation: Communicate clear expectations on transparency and traceability throughout supply chain down to the grower level.

Implementation steps: This could be through regular meetings, detailed guidelines, and contractual obligations that outline the requirements of relevant EU regulations.

Discussion points:

- How feasible do you see regular meetings with suppliers to discuss transparency and traceability requirements? What would be the key topics and frequency of these meetings? Who from your team would ideally be involved?
- How can Jumbo make a first step on meeting with the bottler and broker to inform them of Jumbo's expectations and understand any support needs? In particular given Andreas Oster's position in the supply chain and the expectations Jumbo has of them.
- What kind of information should be included in detailed guidelines for your suppliers regarding transparency and traceability? How can we ensure these guidelines are clear, accessible, and practical for growers to implement?
- How can Jumbo policies be more action orientated?
- How can we ensure that the requirements for transparency and traceability are effectively communicated to and understood by the growers themselves? What support or resources might they need to meet these expectations?
- Who will 'own' this improvement action (i.e. is accountable for the successful completion of this work)?
- Who will need to be consulted?
- Who will need to be informed?

Action planning: **Purchasing practices**

Recommendation: Further integrate ethical sourcing principles into purchasing practices, enabling Jumbo to have more transparency and oversight over commercial relationships within their supply chain.

Implementation steps: This could involve closer collaboration with suppliers like New Holland Wine regarding producers and growers, formalising ethical buying guidelines for procurement teams, improving visibility and data gathering beyond direct suppliers, considering living wage impacts, and establishing stronger contracts and monitoring systems.

Discussion points:

- What are Jumbo's expectations of the different supply chain actors on this? E.g. expectations of bottler and broker in conducting due diligence.
- How can Jumbo's contracts with producers be leveraged to ensure they are actively conducting due diligence on their subcontractors? What specific clauses could be included?
- What will be the process for addressing instances of non-compliance identified through verification and auditing? What range of responses (e.g., corrective action plans, warnings, termination of contracts) would be considered?
- Any plans to conduct formalised training or produce guidelines on ethical buying practices at Jumbo HQ level? This could include themes such as living wage impacts, responsible exit of suppliers, integrating ethical considerations into sourcing strategies.
- Data gathering beyond direct suppliers – is this possible with Jumbo's current systems? Is this something Jumbo could look to do in future?
- Who should be consulted?
- Who should be informed?

Action planning: **Developing environmental targets for wine**

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Recommendation: Include greenhouse gas emission targets for wine to support delivery for 2030 carbon target.

Implementation steps: This data is being collected at the winery and the bottler, so this is already available in the supply chain. The next step is to request that they report these emissions to Jumbo. Jumbo can then propose future targets for per litre of wine produced.

Discussion points:

- Should probably baseline back to when the wine was shipped in bottles to predict the future reduction from that baseline – (we are not certain which year is the baseline year)
- What frequency is needed – presumably every 2 or 3 years would be enough to track to 2030?
- How is this being done in other categories?
- May want to consider a water target for water stressed areas in addition to greenhouse gases for vineyard stage only.
- How would this impact the negotiations on cost or quality across the supply chain?
- Who is accountable for addressing this recommendation?
- Who should be consulted?
- Who should be informed?
- When should this action be completed/timeframe?

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