

CAMPARI

AUSTRALIA PTY LTD



MODERN SLAVERY STATEMENT

1 January - 31 December 2020

CAMPARI AUSTRALIA PTY LTD

(ABN 72 137 554 726) of Level 21, 141 Walker Street, North Sydney NSW 2060, has carried on business in Australia during the reporting period with a consolidated revenue greater than AU\$100 million and publishes this Modern Slavery Statement as the appropriate reporting entity for the purposes of the Modern Slavery Act 2018.

APEROL[®]
— 1919 —

APPLETON ESTATE

CAMPARI

Grand Marnier[®]

SKYY[®]
VODKA

WILD TURKEY[®]

STRUCTURE & OPERATIONS

Campari Australia is the local subsidiary of the Campari Group, ultimately owned and managed by Davide Campari-Milano N.V. a company incorporated under Dutch law and listed on the Italian stock exchange. The Campari Group is a leading company in the global branded spirits industry and was founded in Milan in 1860 where Gaspare Campari created his now world famous eponymous red aperitif.

Campari Group owns, markets, and distributes a portfolio of more than 50 premium and super premium brands in over 190 countries worldwide, and holds leadership positions in many of those brands in Europe and the Americas. The Group's major brands include Aperol, Appleton Estate, Grand Marnier, SKYY vodka, and Wild Turkey bourbon, in addition to Campari. As of 2020, Campari Group is the sixth largest spirits group in the world and employs approximately 4,000 people.



In addition, the Campari Group Behaviours guide the actions of Camparistas, including, “**Respect others and the planet**”

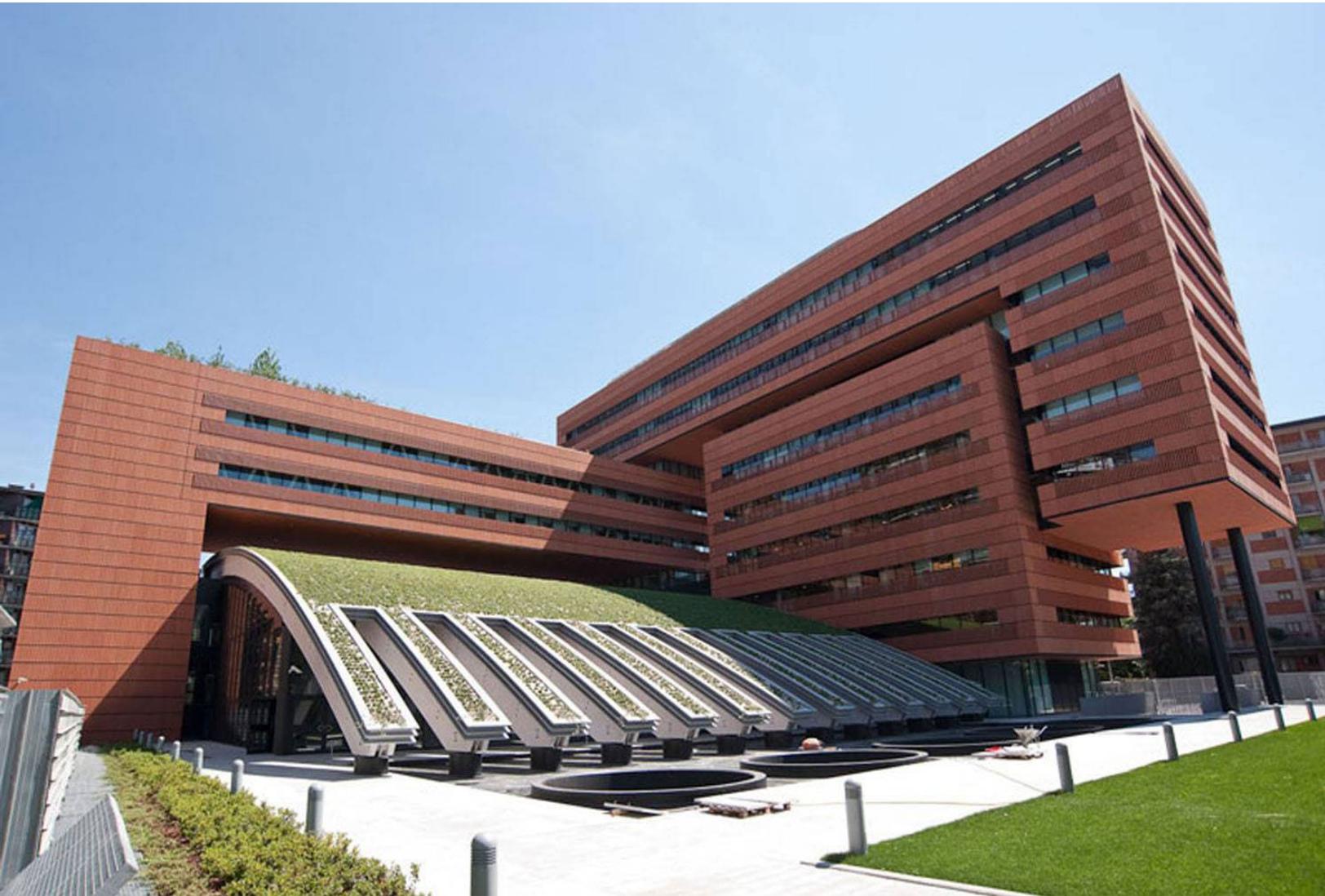


Respect others and the planet: Campari Group has always supported responsible and sustainable behavior, which it considers to be of paramount importance for the Group’s growth. Sustainability, which runs through all our business activities, is part of our DNA. The path we have followed over the last few years has allowed us to achieve a greater level of maturity and awareness of the fundamental role that the business world can, and must, play in society.

These values are at the heart of the Campari Group’s commitment to all forms of corporate social responsibility, including not knowingly participating in, causing, contributing to, or being linked to modern slavery practices in any of its operations and supply chains, and a further commitment that it will make efforts to mitigate the risks of modern slavery within those operations and supply chains.

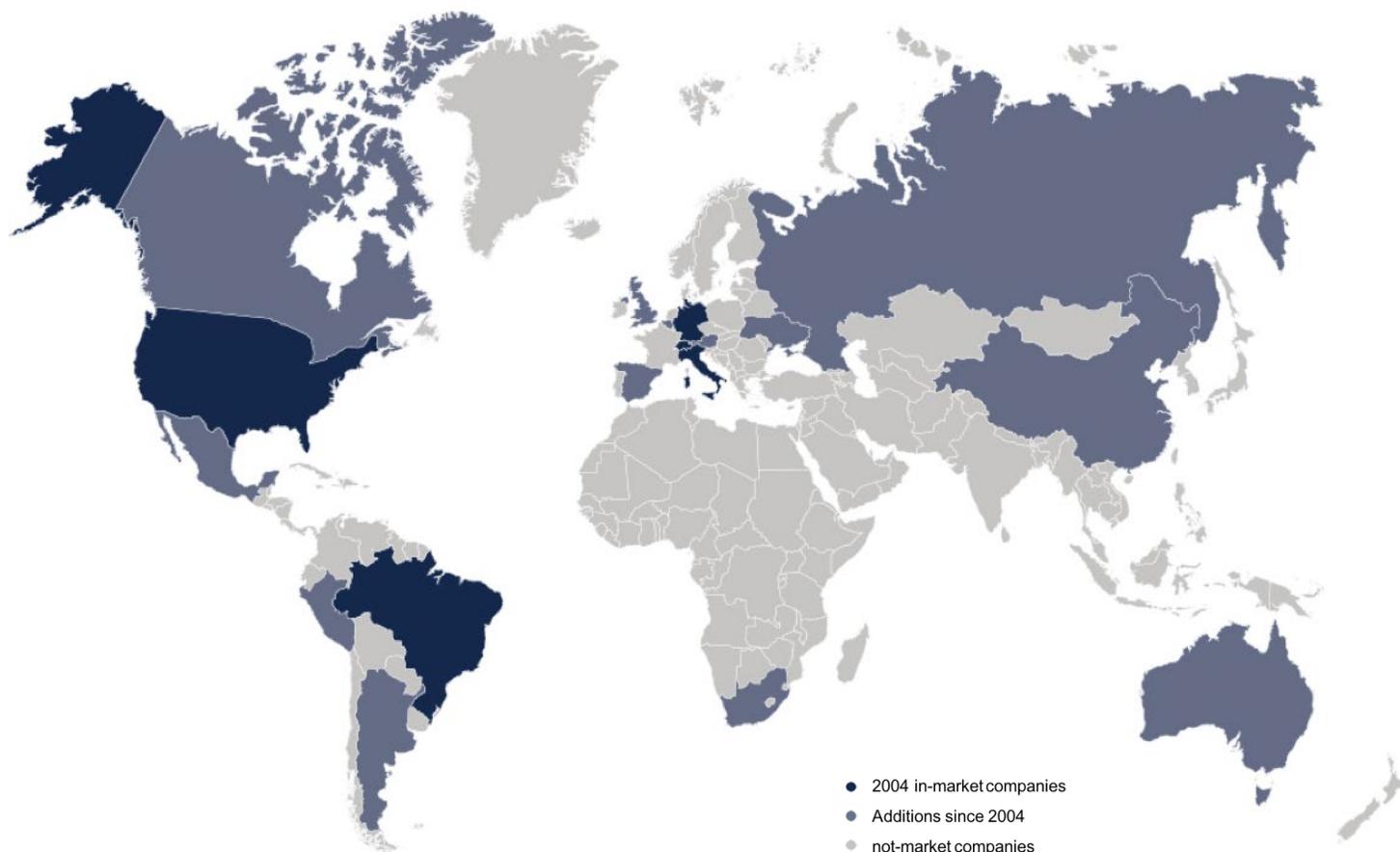
Campari Group supports the United Nations Universal Declaration of Human Rights and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

The Group's corporate headquarters are in Sesto San Giovanni in Milan, Italy, and as at 31 December 2020, the Group owned 22 manufacturing plants and had a proprietary distribution network in 22 countries. Campari has a deep belief in strong corporate values including working **"Together"**, as summarised by Giorgio Pivetta, the Head of Group HR, to mean:



*"**Together**' we embrace our responsibilities and share our knowledge and best practices, accepting challenges and helping others to do the same with honesty and courage. **Together**' we break all cultural, organisational, and geographic barriers, working across countries, businesses, and functions, with mutual trust based on our common values and goals".*

Another of the key values of the Group is, "Integrity". We believe in doing the right thing, living responsibly and working transparently as part of the organisation, and treating others with the utmost respect.



Campari Australia was established in Sydney in 2009 as the headquarters of the Asia Pacific business for the Campari Group. Over time, the Asia Pacific business saw the introduction of a Campari presence in many Asian markets from Singapore and Malaysia to Korea and Japan. The Asia Pacific business grew substantially over 10 years and on 1 May 2020, the Campari Group moved its Asia Pacific head office to Singapore. As a result, the management of the Asia Pacific businesses was moved from Campari Australia’s remit to that of Campari Singapore, and Campari Australia became responsible for the distribution of its products in Australia, New Zealand, and the Pacific Islands.

Campari Australia runs its business from its headquarters in North Sydney, with three small state offices, one each in Brisbane, Melbourne, and Perth, and a beverage manufacturing plant in Derrimut in the west of Melbourne. It employs 190 people in marketing, sales, administrative and professional, technical, and manufacturing roles in both casual and part-time capacities in addition to full-time permanent employment.

The local Campari business is quite complex comprising a range of activities in the alcoholic beverage business from importation, manufacturing, and marketing, to distribution to Australian wholesalers and New Zealand distributors and to retailers in Pacific Islands territories. Campari Australia contract packs and manufactures finished goods, referred to as ready-to-drink and ready-to-serve beverages for Campari Australia and Campari New Zealand, as well as manufacturing finished goods for a number of third party beverage companies. The bulk of this manufacture occurs at the Derrimut manufacturing plant. Ingredients and other inputs are sourced from a range of suppliers: some are Campari's own preferred suppliers, and some supplies are sourced at the instruction and selection of the relevant third party beverage owner.



Campari Australia is also the holding company of Campari New Zealand Ltd (NZ Company no. 942 903 876 2680), and this Modern Slavery Statement is also made on its behalf. Campari New Zealand is based in Auckland with 4 employees working in marketing, sales, and managerial roles.

GOVERNANCE & VALUES

Campari Group is organised according to the Dutch corporate governance model. It has both a Board, and a supervisory body which has been in place since 2001. One of the supervisory body's main roles is to ensure compliance with the Group's governance model and the law, focusing on prevention of offences against administrative and corporate controls, as well as breaches of health and safety regulation. This ensures that matters relating to Modern Slavery are overseen and reported at the highest levels.

Employees, associates, suppliers, and customers, as well as anyone who has had dealings with the Group is able to report violations of the Code of Ethics or any other Campari Group policy or applicable law through the Campari Safe Line which enables a confidential report to be sent directly to the Chairman of the Group's Board and to the head of the Group's internal audit function. The whistleblower is also protected against retaliation or any other consequences arising from the report.

Campari Group Governance Standards and Policies relating to dealing with suppliers:



Code Of Ethics



Corporate Social Responsibility and Supplier Code



Campari Group Global Procurement Policy



Quality, Health, Safety & Environment Policy



Employees & Human Rights Policy

Code Of Ethics

Sets out the Group's values and its fundamental expectations of conduct and dealing with shareholders, colleagues and associates, consumers and the community, as well as enforcement of its provisions.

Corporate Social Responsibility and Supplier Code

Includes the Campari Group Supplier Code which was issued in 2012 and sets out the Group's ethical values which suppliers and their employees undertake to sign, adhere to, and ensure compliance throughout their respective supply chains. These ethical values are:

- Integrity, loyalty, and honesty;
- Objectivity and immediate communication of real or potential conflicts of interest;
- Confidentiality;
- Transparency and completeness of information;
- Rejection and condemnation of any type of discrimination;
- Ban on forced and child labour;
- Health and safety in the workplace;

- Compliance with environmental law and ecological standards;
- Prevention and reduction of environmental pollution;
- Ban on unfair competition; and
- Compliance with the Group's Code of Ethics, and its Quality, Health, Safety & Environmental Policy.

Campari Group Global Procurement Policy

The objective of the Procurement Policy is to standardise and define the roles, responsibilities, and rules of conduct for the management of Procurement processes, in keeping with the fundamental principles of the decision-making process, including transparency, impartiality, fairness and traceability.



Quality, Health, Safety & Environment Policy

Since 2013, this Policy has governed and protected the environment, health and safety of the Group's employees and consumers as well as the quality and food safety of products. The Policy applies to all Group locations and divisions and is regularly reviewed to ensure it remains appropriate for the nature and size of the Group and its corporate objectives. The Policy is also shared with all suppliers, investors and employees.

Employees & Human Rights Policy

Issued in 2017, this Policy supports the UN Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work and requires legal compliance with national human rights legislation in every country in which the Group operates. Where differences arise between Group policies and national regulations, the Group applies the most stringent of the requirements. The Policy covers: non-discrimination, forced labour, child labour, harassment, diversity, working conditions (including hours and remuneration), freedom of association and the right to collective bargaining, training and personal development, community involvement and quality, health, safety & environment.



CAMPARI GROUP & SUPPLY CHAINS

Campari Group has a specialist Procurement Team which managed approximately 15,000 suppliers globally in the last 12 months. The Procurement Team manages suppliers classified according to the following categories:

 <p>(PR)</p>	Materials that go into the final product, they are part of the Bill of Materials (BOM), such as packaging materials (e.g. glass bottles), raw materials (e.g. sugar) and semi-finished materials (e.g. distillates).	 <p>(NPR)</p>	Goods and services that do not go into the final product; they are purchased to enable or support the business and its operations, such as: Media & Marketing, Logistics, Capital Expenditure, etc.
Product Related		Non-Product Related	

Categories are mapped in a Portfolio Matrix, managed by Procurement, based on their supply risk and business impact. The Category Portfolio Matrix is updated from time to time, to reflect changes in external and internal environments.

Campari Group looks for local sourcing options to fulfil its aim of reducing its environmental impact along the supply chain, and continues to do so, all other commercial parameters being equal (such as competitiveness, quality, and availability of materials).

MANUFACTURING PLANTS

Campari Group owns 22 plants worldwide, of which the Derrimut plant in Victoria is the only local supplier. The Derrimut plant manufactures Wild Turkey, American Honey, and Skyy vodka ready-to-drink products for sale and distribution in Australia and New Zealand. As explained above, Derrimut also manufactures products for third parties under contract for distribution in Australia, New Zealand, and some other parts of Asia.

Campari Australia purchases many of its products as finished goods from the international plants in Italy, Jamaica, Mexico, United States of America, Brazil, Canada, United Kingdom and France. Some of these products may be manufactured in Australia using local and imported ingredients.

The situation is similar for Campari New Zealand, except that Campari New Zealand lacks a local Campari-owned manufacturing facility like the Derrimut plant. Coruba rum is shipped in bulk from Jamaica to New Zealand where it is made into ready-to-drink beverages and distributed there under a contract packing arrangement and distribution arrangements with third parties.

COMPLIANCE & RISK MITIGATION

Campari Group drives sustainability compliance through its implementation of the Group's Supplier Code in all geographies. The Group sees responsible and transparent sourcing from commercial partners with similar values as a prerequisite for ensuring high-quality and safe products that create value in local economies.

Campari Group has a risk management system in place which is aimed at identifying, assessing, managing and monitoring potential events or situations that could impact Campari Group's activities and the achievement of its objectives. The risk management system also captures and monitors compliance, and personnel management, in terms of both health and safety, guaranteeing workers' rights and identifying environmental risk.

In addition, the Group became a member of Sedex (Supplier Ethical Data Exchange) in 2016 which provides further evidence of its commitment to managing its supply chain responsibly and transparently. Sedex is the world's largest shared platform through which member users can report and share their commercial practices in the key areas of labour law, health and safety, environment, and business ethics.

Campari Group uses Sedex to inform its risk assessments and mitigation. Campari Group encourages its suppliers to join Sedex to assist with due diligence assessment.

RISKS OF MODERN SLAVERY PRACTICES

Modern slavery describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:

- slavery
- servitude
- forced labour
- debt bondage and
- the worst forms of child labour

SLAVERY

- Inability to refuse work
- Deprivation of personal freedom

UNSAFE

- Refusal of work causes detriment
- Underpaid, incl. entitlements
- Unsafe workplace
- Excessive hours

GOAL

- Rights respected
 - Free to refuse or cease work
 - Paid at least min. wage
 - Safe workplace
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Campari Australia has begun with a risk assessment of its direct, local suppliers to identify the areas of greatest risk of modern slavery in its own operations and supply chain. For the purposes of this initial review, Campari Australia has excluded the Group's manufacturing plants in other locations as it will work with Campari Group Category Managers to review and assess these risks. Suppliers selected and managed by the Campari Group Procurement Team, suppliers of Campari Asia Pacific products that are not used or sold by Campari Australia, Campari New Zealand or in the Pacific Islands, and suppliers who are mandated by the third party beverage owners for whom the Campari Australia plant in Derrimut contract packs were excluded from the initial assessments, as Campari Australia and Campari New Zealand are not in control of these suppliers.

Campari Australia notes that certain industries have a high perceived risk of modern slavery. In line with those perceived risks, Campari Australia recognises that the greatest risks of modern slavery practices in its suppliers relate to the agricultural and merchandising sectors.

The risk of modern slavery practices in the abovementioned areas increases proportionately with the annual spend with a single, given supplier, the size of the workforce, the culture of the workplace, and the ability to influence change in the supplier's business.

In addition, Campari Australia recognises that these risks are more material where products and services are being sourced from countries with weaker legal protections of human rights. Campari Australia continuously monitors and assesses these risks, looking for ways to mitigate them.

ACTIONS TAKEN

BY CAMPARI AUSTRALIA AND CAMPARI NEW ZEALAND TO REDUCE MODERN SLAVERY RISKS

Campari Australia and Campari New Zealand have commenced their Modern Slavery risk analysis and mitigation program by taking the following steps:

1. Education:

Campari Australia began by training its board of directors and employees in Australia and New Zealand on its obligations under the Modern Slavery Act and setting out initial plans to begin to address these obligations. The team responsible for implementing these plans has updated the boards of Campari Australia and Campari New Zealand as the plans have progressed.

2. Corporate Statement:

Campari Australia prepared a corporate statement noting its commitment

3. Consultation:

Campari Australia has liaised with key internal stakeholders to identify areas of perceived and potential risks. These stakeholders have included other Campari Group associates who have been involved in supply chain assessment and mitigation such as the Campari Group Procurement Team.

4. Complaints:

In addition to the Campari Safe Line, Campari Australia has established an avenue for whistleblower claims including those relating to concerns over Modern Slavery and addressing other local compliance issues. This ANZ Whistleblower Policy was implemented in 2020 and is open to suppliers and their dependants to raise concerns, including on an anonymous basis, where desired.

5. Contractual obligations:

Supplier contracts have been updated with clauses designed to address risks in the suppliers' supply chain and operations.

6. Review:

Campari Australia and Campari New Zealand have reviewed the adequacy of their internal policies to address all identified risks.

7. Governance:

Campari Group has recently launched a new Code of Ethics, which has a section dedicated to Human Rights.

8. Supplier Assessment and Review:

Campari Australia began by collating a list of its suppliers and reviewing them and categorising them according to their 'ownership' within the Campari business. Campari Australia's direct suppliers were prioritised over suppliers managed by Campari Group, Campari Asia Pacific, and those required by third party beverage owners. Campari Australia then prepared a questionnaire for its suppliers designed to

enable risk assessment and has engaged a third party platform, ethiXbase, to send the questionnaires to suppliers.

The suppliers' responses to the questionnaire are used to assign an overall perceived risk indicator and highlight areas of risk. This assessment has allowed Campari Australia to create a shortlist of 'key' suppliers who are the priority to be assessed and worked with to ensure compliance.

The further steps we have identified to be undertaken over the next 12 months are:

1. Completing the assessment and remediation (where necessary) of the key suppliers identified as high risk through the assessment processes already completed by Campari Australia and Campari New Zealand;
2. Working with Campari Group Sustainability team and global Procurement team to understand ways in which Campari Group as a whole, can address modern slavery risks;
3. Considering the need for modern slavery training programmes for relevant staff, suppliers, contractors, and other third parties;
4. Ensuring that modern slavery risks are included, as appropriate, in any new local policies issued;
5. Reviewing the Campari Group Supplier Code of Conduct to assess whether further amendment of the code is required;
6. During the new supplier selection process:
 - a. Considering any risks of modern slavery prior to selecting new suppliers, including identifying any factors which address the risks, such as dedicated policies or processes; and

- b. Including a component dealing with modern slavery during the onboarding process of new suppliers;
 - 7. Integrating a modern slavery risk assessment in the audits of contractors, and suppliers, and;
 - 8. Where possible, harmonising Campari Australia's business review with Campari Group processes including using the Sedex system.
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IMPACT OF COVID-19 **PANDEMIC ISSUES**

Like many during this extreme event over the last year, Campari Australia's main focus during the height of the Covid-19 pandemic has been on the immediate and particular, that is, on the welfare of its employees in each of its locations. Naturally, much of the early work on Modern Slavery compliance was disrupted by workplace changes created by the various public health orders.

CONSULTATIONS **WITH SUBSIDIARY**

This first Modern Slavery Statement is the beginning of an extensive local commitment to ensuring Modern Slavery risks are identified in the supply chain and operations and mitigated or eradicated. We have commenced by reviewing our internal processes and the framework for compliance and strengthening those areas where deficiencies have been identified. This process of identification, action, and review is a continuous and ongoing process, as set out on the following page.

Practice	Actions	Review
1. Governance	<ul style="list-style-type: none"> a. Board management b. Framework (Policy, contracts) c. Coordination with Campari Group d. Benchmarking against industry e. Education and training 	<ul style="list-style-type: none"> a. Regular updates on activities and compliance requirements b. Review policies and statements at least annually c. Liaise with Group Procurement Team and other stakeholders to align policies and processes d. Review against industry performance e. Train relevant employees, Board members, suppliers
2. Risk Management	<ul style="list-style-type: none"> a. Review Supplier lists b. Perform regular risk assessments c. Analyse risk data d. Review risk segmentation e. Review and update Supplier on boarding - use Sedex where possible 	<ul style="list-style-type: none"> a. Min. annual review and update b. Risk assessment when onboarding and then repeated according to level of risk assessed (High risk more frequently) c. Identify areas of high risk within supplier categories d. Update following review of assessments e. Conduct updates at least annually based on risk management output
3. Monitoring	<ul style="list-style-type: none"> a. Audits b. Onsite visits c. Supplier self-assessment and reporting 	<ul style="list-style-type: none"> a. Conduct according to risk assessments and review according to risk profile b. Review action plans, liaise with suppliers; c. Review efficacy against other risk tools
4. Complaints Processes	<ul style="list-style-type: none"> a. Campari Safe Line and Whistle blower mechanism b. Consumer enquiry line c. Analyse reports for common problems and issues 	<ul style="list-style-type: none"> a. Check and coordinate with Campari Group, formal regular report to Board b. Regular check and report to Board c. Review and revise in context of Risk Management

EFFECTIVENESS ASSESSMENT

Campari Australia and Campari New Zealand have discussed the Campari Australia approach and actions to date. Campari Australia has identified and segmented the items sourced specifically for Campari New Zealand and has included those suppliers in its assessment and due diligence process. Campari New Zealand has also been included in the policy and contract amendments undertaken by Campari Australia.

As noted above, product supply to Campari New Zealand is either obtained through importation or through manufacture locally by Lion N.Z. Limited. Campari New Zealand notes, that Lion N.Z. Limited is subject to

the Modern Slavery Act through its ownership by the Australian subsidiary, in a similar manner to Campari New Zealand. Campari New Zealand has begun its risk assessment and issued its Due Diligence Questionnaire, but also expects that Lion N.Z. Limited will engage and give detail in more depth once it has provided its own Modern Slavery Statement to Campari.

APPROVAL & ASSESSMENT

This **Modern Slavery Statement** has been approved by the directors of Campari Australia Pty Ltd (ABN 72 137 554 726, the reporting entity) and is signed below for and on behalf of both **Campari Australia Pty Ltd**, and **Campari New Zealand Ltd** to indicate that approval:



Simon Durrant

Managing Director - Australia and New Zealand

29.06.2021

APPENDIX:

MANDATORY

REPORTING CRITERIA

Criterion	Disclosure Reference
1. Identify the reporting entity	Campari Australia Pty Ltd (ABN 72 137 554 726), per the first paragraph of the Statement Campari New Zealand Ltd (NZ Company no. 942 903 876 2680), on page 7, under the section Structure and Operations
2. Describe the reporting entity's structure operations and supply chains	Structure and Operations section, and Campari Group Supply Chain section
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Risks of Modern Slavery practices section
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks including due diligence and remediation processes	Actions taken by Campari Australia and Campari New Zealand to reduce Modern Slavery risks section
5. Describe how the reporting entity assesses the effectiveness of these actions	Effectiveness Assessment section
6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Consultations with Subsidiary section
7. Provide any other relevant information	None required



Note:

Please note that this Modern Slavery Statement has been prepared and published in compliance with the requirements of the Modern Slavery Act 2018 and is accurate and correct as at 30 June 2021, the date of publication. The purpose of the statement is to provide general non-financial information only with the aim to illustrate to Campari Australia's stakeholders its steps taken in the 2020 calendar year to address Modern Slavery concerns. Interested stakeholders may choose to review the Campari Group's Sustainability Report, available on the Campari.com website, to review the Campari Group's global strategy and direction in this and other sustainability matters.

LOWDOWN

CAMPARI