

CAMPARI

AUSTRALIA PTY LTD



MODERN SLAVERY STATEMENT 2021

Campari Australia Pty Ltd
1st January - 31st December 2021 reporting period

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. _____

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. Davide Campari-Milano N.V. became the parent company of Campari Australia in December 2021.

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 2021, Campari Group is the sixth largest spirits group in the world and employs approximately 4,000 people.

APEROL
— 1919 —

APPLETON ESTATE

CAMPARI

Grand Marnier®

SKYY
VODKA

WILD TURKEY



The Group's corporate headquarters are in Sesto San Giovanni in Milan, Italy, and as at 31 December 2021, the Group owned 22 manufacturing plants and had a proprietary distribution network in 21 countries. Campari Group has a deep belief in strong corporate values, including, working **“Together”**, as summarised by Giorgio Pivetta, former Head of HR for Campari Group, 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, being a responsible corporate citizen, working transparently as part of the organisation, and treating others with the utmost respect. As noted on our corporate website, “We recruit, develop and reward employees that work with utmost integrity and transparency. Integrity means being a responsible corporate citizen and treating all of our stakeholders correctly and with respect.”

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

“*Campari Group has always supported responsible and sustainable behaviour, 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.

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, 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. Campari Australia 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 5 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 preventing offences against administrative and corporate controls, as well as breaches of health and safety regulations. This ensures that matters relating to Modern Slavery are overseen and reported at the highest levels.

As noted by Campari Group's CEO in the Group's Code of Ethics, "Compliance goes beyond simply adhering to local laws, it is about acting ethically, responsibly and with integrity towards customers, partners, stakeholders, the environment, our community and, ultimately, each other."

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.

Below is a summary of Campari Group's governance standards and policies which relate to dealing with suppliers:



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 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:

- o Integrity, loyalty, and honesty;
- o Objectivity and immediate communication of real or potential conflicts of interest;
- o Confidentiality;
- o Transparency and completeness of information;
- o Rejection and condemnation of any type of discrimination;
- o Ban on forced and child labour;
- o Health and safety in the workplace;
- o Compliance with environmental law and ecological standards;
- o Prevention and reduction of environmental pollution;
- o Ban on unfair competition; and
- o 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 CHAIN

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:

(PR) Product Related

Materials that go into the final product, which 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).

(NPR) Non Product Related

Goods and services that do not go into the final product, which are purchased to enable or support the business and its operations, such as: Media & Marketing, Logistics, Capital Expenditure, etc.

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. In 2021, the Derrimut plant began manufacturing Truly hard seltzer products which are distributed by Campari Australia for Boston Beer Company. 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 arrangement with a third party.

COMPLIANCE & RISK MITIGATION

“Campari Group is committed to developing good business practices for its suppliers and distributors as well as its own activities and business units. Responsible and transparent sourcing from commercial partners with similar values is, in fact, a prerequisite for ensuring high-quality and safe products.”

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 managed by the Internal Audit function and 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. Campari Group reserves the right to verify suppliers' compliance with this Code, to monitor their performance and operations in this regard, and to terminate any agreements in the event of violations of the Supplier Code, if considered necessary.

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.

RISK 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:

- o Slavery
- o Servitude
- o Forced labour
- o Debt bondage; and
- o The worst forms of child labour
- o Prevention



Certain industries have a higher perceived risk of modern slavery than others. As noted in Campari Australia's previous Modern Slavery Statement, these risks are more material where products and services are sourced from countries with weaker legal protections of human rights.

Campari Australia previously identified the agricultural and merchandising sectors as potentially conveying the greatest risks of modern slavery practices in its supply chain. Accordingly, in preparing for this Modern Slavery Statement, Campari Australia undertook further due diligence on its suppliers in the agricultural and merchandising industry, as detailed below. Through this work, it became apparent that our key suppliers in these industries already have a strong modern slavery compliance framework in place, and that the risk is likely very low.

ACTIONS TAKEN BY CAMPARI AUSTRALIA & CAMPARI NEW ZEALAND DURING 2021 TO REDUCE MODERN SLAVERY RISKS

Building on the work done as set out in Campari Australia's first Modern Slavery Statement, Campari Australia and Campari New Zealand have taken the following further steps to analyse risk and implement a mitigation program:

1. CONSULTATION

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

2. COMPLAINTS

The Campari Safe Line and the Australia and New Zealand Whistleblower Policy, as well as the Campari Group Whistleblower policy continued to provide avenues for whistleblower claims, including those relating to concerns over Modern Slavery and other compliance issues. These avenues are open not only to employees but also to suppliers and their dependants to raise concerns, including on an anonymous basis, where desired.

3. CONTRACTUAL OBLIGATIONS

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

4. REVIEW

Adequacy of internal policies have been reviewed regarding addressing all identified risks.

5. GOVERNANCE

Campari Group has launched training which is available to all employees on the Code of Ethics, which has a section dedicated to Human Rights.

6. DUE DILIGENCE

Campari Australia undertook detailed due diligence on specific suppliers, selected due to prior perceived risks of modern slavery, falling into the following categories:

A. MERCHANDISING SECTOR:

Analysis undertaken on Campari Australia and Campari New Zealand's suppliers of theming for activations, merchandise and other promotional materials.

SUPPLIER 1:

We consulted with our current main supplier to understand what steps it has taken in relation to addressing risks of modern slavery. We subsequently undertook a desktop review of the supplier's website, modern slavery statement, policies and governance mitigating modern slavery risks. This research provided the following insights about our supplier:

- i.** Rigorous due diligence is undertaken on its suppliers by way of compliance audits, both at the point of onboarding a new supplier and ongoing.
- ii.** Whilst our supplier works with its suppliers to address and resolve compliance concerns, it takes a zero tolerance approach to all forms of modern slavery, forced labour and human trafficking.
- iii.** It has in place a Supplier Code of Conduct which covers child labour, forced labour and human trafficking, working conditions and standards, transparency and required accreditation.
- iv.** It is a member of Sedex and administers Sedex Ethical Trade Audits.

v. It has an online global compliance training program with a specific module on modern slavery which is mandatory for all employees to complete, annually.

vi. In 2021, it ranked in the top 1% of over 50,000 companies assessed for CSR by EcoVadis, the leading platform for environmental, social and ethical performance ratings for global supply chains.

vii. It was selected to be a member of AIM-PROGRESS, a forum of FMCG manufacturers and common suppliers, which resolves to eradicate forced labour and counter problematic and common employment practices which can lead to cases of forced labour.

SUPPLIER 2:

We consulted with our second biggest supplier, who will provide increased theming, merchandise and promotional goods in the future. Through such consultation, it became apparent that the supplier conducts in person audits on its suppliers and if there is a risk of its suppliers engaging in modern slavery practices, their services will be terminated. We are working closely with this supplier to ensure that it has appropriate avenues to report on modern slavery concerns.

B. AGRICULTURAL SECTOR:

Analysis of the steps undertaken by our largest ingredient supplier, by way of desktop research of its website and analysis of its modern slavery statement, elucidated the following:

i. It has implemented a modern slavery framework which includes, management of policies, procedures, contracts, supplier risk assessments, risk mitigation, collaboration and evaluation.

- ii. Modern slavery policy and supplier code of conduct and associated procedures were implemented, and relevant company standards were updated;
- iii. Its suppliers are required to comply with its supplier code of conduct which prohibits exploitation of people's rights within its suppliers' operations, including modern slavery. Failure to comply with the code, entitles the supplier to disengage offending suppliers.
- iv. Modern slavery training undertaken by employees in Procurement and those employees interacting with suppliers, to help them identify risks of modern slavery.
- v. Whistleblower policy is available to report modern slavery concerns.

c. LARGEST SUPPLIERS:

Suppliers attributable with our highest spend were also examined in more detail, as these suppliers could represent a high potential risk for our business.

SUPPLIER 1:

This supplier took the following steps:

- i. Introduced a Supplier Code of Conduct;
- ii. Conducted training on modern slavery for Procurement and an online, broader modern slavery training program was developed for other employees, which will be rolled out;
- iii. Extended whistleblower reporting to cover modern slavery concerns;
- iv. Mapped supply chain and supplier risk assessment and created a remediation framework for its suppliers with compliance concerns;

v. Implemented contractual clauses to address lack of cooperation from its suppliers requested to undertake a Sedex SMETA audit.

SUPPLIER 2:

This supplier took the following steps:

i. Undertook a risk assessment on its suppliers through third party software and publicly available indexes;

ii. Implemented training for Procurement on modern slavery, and anti-bribery and anti-corruption.

Whistleblower and fraud training was created for all group employees;

iii. Virtual compliance audits on suppliers and subcontractors undertaken by local Procurement team;

iv. Underwent Ecovadis assessment, resulting in a silver rating;

v. Supplier Code of Conduct required to be signed by new suppliers, together with various policies covering human rights protections; and

vi. Internal due diligence undertaken on labour hire and recruitment, monitoring overtime and rest, verification of minimum ages and verifying work rights, payroll and compliance.

The further steps which Campari Australia has identified to be undertaken over the next 12 months are:

1. Continue working with Campari Group Sustainability team and Procurement team, and other Campari Group entities with modern slavery reporting obligations, to understand how the Group can establish reporting and risk mitigation in a coordinated and comprehensive manner;

2. Raising further awareness of modern slavery risks within the Campari Australia and Campari New Zealand businesses through communication, with a view to introduce an improved, coordinated and proactive process of identifying modern slavery risks and mitigation options at a local level.
3. Ensuring that modern slavery risks are addressed, where relevant, in any new local policies issued; and
4. Developing an anti-bribery and anti-corruption policy to supplement training previously undertaken by Campari Australia and Campari New Zealand.

IMPACT OF COVID-19 PANDEMIC ISSUES

Covid-19 and the resulting impact on business-related travel has impacted Campari Australia's ability to conduct many physical audits on suppliers. At times we have been required to rely on third parties to undertake these audits, particularly in relation to our suppliers in Asia.

EFFECTIVENESS ASSESSMENT

In this second Modern Slavery Statement we are building on the work previously undertaken to ensure modern slavery risks are identified in the supply chain and operations are mitigated or eradicated. The process of identification, action, and review is a continuous and ongoing process, as set out below.

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 people
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. Risk assessment when onboarding and then repeated according to level of risk assessed (High risk more frequently) b. Identify areas of high risk within supplier categories c. Update following review of assessments d. 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 Whistleblower 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 b. Regular check and report to Board c. Review and revise in context of Risk Management

CONSULTATIONS WITH SUBSIDIARIES

Campari Australia and Campari New Zealand have discussed Campari Australia's approach and actions to date. Campari Australia has identified the items sourced for Campari New Zealand and has included those suppliers in its risk assessment and due diligence. Campari New Zealand has also implemented the actions taken in the reporting period as identified above in this Modern Slavery Statement.

As noted above, product supply to Campari New Zealand is either obtained through importation or through manufacture by a third party in New Zealand. Campari New Zealand has undertaken risk assessment on imported products. In addition, it has undertaken further due diligence on the third party locally manufacturing products in New Zealand.

Campari New Zealand has also implemented the actions taken in the reporting period as identified above in this Modern Slavery Statement.

As noted above, product supply to Campari New Zealand is either obtained through importation or through manufacture by a third party in New Zealand. Campari New Zealand has undertaken a risk assessment on imported products. In addition, it has undertaken further due diligence on the third party locally manufacturing products in New Zealand.

A desktop review of the third party's website, modern slavery statement and policies reveals the following about the supplier:

- Sourcing occurs almost entirely from trusted suppliers with mature systems and processes to reduce the risk of modern slavery and human rights violations within their supply chain;
- Operations are based primarily in countries with high standards of human rights and low risk geographies according to the Global Slavery Index;
- With riskier industries, a process of identifying risks and violations has been established within supplier sites.
- No incidences of modern slavery or human rights violations were identified in suppliers during the last reporting period;
- Risk and Audit team conducted multiple reviews, including modern slavery and responsible sourcing gap analyses; and
- It has robust governance and reporting mechanisms in place to receive reports on modern slavery risks.

APPROVAL & SIGNATURE

This **Modern Slavery Statement** has been approved by the board of **Campari Australia Pty Ltd** (ABN 72 137 554 726, the reporting entity) on 16 June 2022 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
22.06.2022

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 6 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 2022, 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 2021 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