

**CAMPARI
GROUP**

**SUSTAINABILITY
REPORT
2018**

Consolidated non-financial declaration
pursuant to Legislative Decree 254 of 30 December 2016,
implementing EU Directive 2014/95

TOASTING LIFE TOGETHER

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LETTER OF THE CHAIRMAN

BUILDING MORE VALUE TOGETHER

2018 was again a year of many developments for our Group; a year in which we were able to consolidate Campari's growth path for the next years.

Our performance objectives have been aligned with our global strategies, ensuring a long-term vision and defining the strategic pillars that must guide the priorities and initiatives of all Camparistas. We have included 'Sustainability' as the Group's eighth strategic pillar; this will help us build a programme to foster the sustainability topics that most characterise our business, within a clear, defined framework along the entire value chain. It will become increasingly necessary for all business structures to work together to implement cross-functional processes and projects that can create sustainable value - i.e. value that lasts over time - and to satisfy the expectations and needs of many different stakeholders.

Again this year, I would like to emphasise the importance of the values that underpin the Group's activities. 'Building more value together' is still the main aim that the Campari Group strives for and on which it wants to continue to build for future years. Drawing on our pragmatism, in 2018 we added 'Behaviours' to our 'Values'; these represent the types of conduct that inspire the work of Camparistas all over the world and constitute our way of being.

We have developed greater strategic coordination at global level to enable us to better define priorities and coordinate the initiatives of the Group's global functions, while at the same time also involving the regional operating units via collaboration that goes beyond the organisational boundaries. In this way, we have identified a roadmap with well-defined corporate priorities and global transformation projects. This will help us to improve the planning of our functions, align the scope and time-scales of the Group's initiatives in a consistent manner across business units and markets, and efficiently manage resource and cost allocation.

As confirmation that we have embarked on the right path, in 2018 we again achieved significant objectives, both financial and in terms of strengthening our brands. This result would not have been possible without the passion and commitment of all our Camparistas, who continued, with their entrepreneurial mindset, to develop and manage our brands. The 'cathedral', which is based on our people, our brands and our values, continues to grow, becoming taller and taller each day via sustainable business growth.

LUCA GARAVOGLIA



NOTE ON METHODOLOGY¹

This Sustainability Report contains the Campari Group's Consolidated non-financial declaration, pursuant to EU Directive 95/2014 and the resulting Legislative Decree 254 of 30 December 2016. It therefore contains non-financial information, specifically relating to environmental, social and employment matters, as well as respect for human rights, anti-corruption and bribery issues. For each of these issues, and based on the materiality principle, the strategies and key impacts produced by the Group are also described.

The declaration is drawn up every financial year, and like the financial statements, is approved by the Board of Directors, which is also responsible for its publication in the Companies Register. Meanwhile, the control body is responsible for ensuring compliance with the provisions of the Decree, while an external auditor checks the layout of the declaration and its compliance with applicable laws.

Although it started reporting socio-environmental information in 2013 on a voluntary basis, Campari Group has verified that the information produced so far complies with the recent regulatory provisions. For this reason, with the support of external advisers, a gap analysis was performed in 2017 with the involvement of the management of six corporate departments, which led to an action plan being drawn up indicating areas for improvement, in order to adapt the reporting system and the existing documentation to the provisions of Legislative Decree 254.

Also in 2017, the process of defining material issues was also reviewed and refined through a comprehensive benchmarking comparison with competitors in the sector, and on the basis of the results of a sustainability questionnaire distributed to the Group's entire management. In 2018, however, the materiality analysis was further updated via the involvement of one of the most important external categories of stakeholders for us: our customers and bartenders.

Campari Group's Sustainability Report was drawn up according to the GRI Sustainability Reporting Standards, the guidelines of the Global Reporting Initiative, as well as the most advanced framework for sustainability reporting used by companies around the world. The document complies with the core option of GRI, ensuring that at least one indicator for each material issue is disclosed. To incorporate the key performance indicators of the GRI Standard and those aspects of sustainability for which reporting is subject to clear legal obligations, as in previous years, Campari Group has reported some additional qualitative and quantitative indicators that are particularly important for a multinational operating in the spirits segment (e.g. marketing and responsible communication practices).

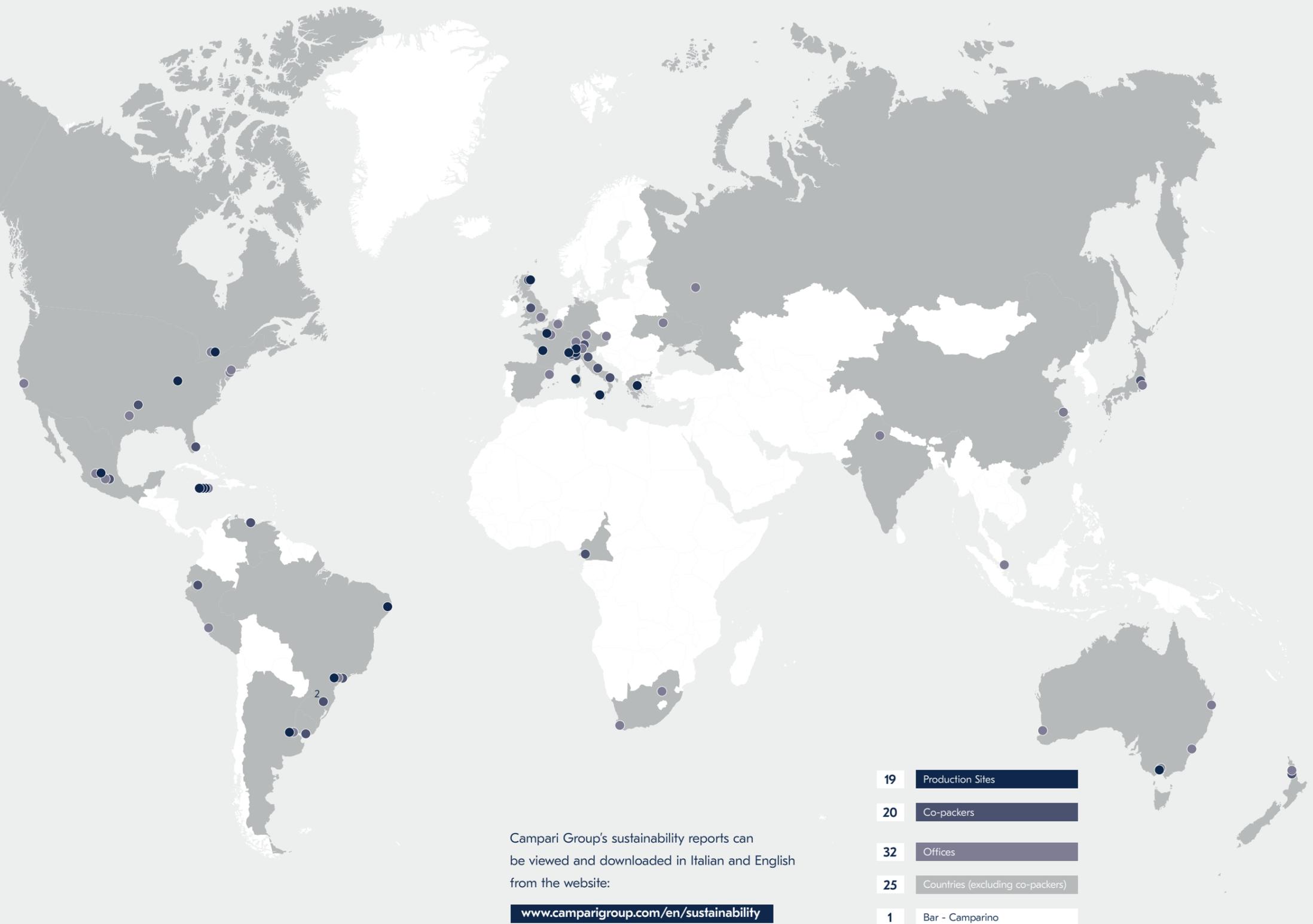
The reporting perimeter corresponds to that of the Consolidated Financial Statements and, therefore, according to the requirements of Legislative Decree 254/16, includes data of all the Campari Group's companies consolidated using the full consolidation method with reference to the period from 1 January 2018 to December 31, 2018.

NOTE ON METHODOLOGY

In 2018, there was a perimeter variation compared with the previous year due to the sale of the Crodo facility (agreement closed on 2 January 2018) and the production activities of the Sorocaba plant in July, together with the inclusion, always in July, of the production activities of the Caltanissetta and Cognac plants. For the purposes of this report, the figures relating to the Sorocaba plant, although it was sold in July 2018, are included in the perimeter.

The information reported refers to the period from 1 January to 31 December 2018 (fiscal year 2018); any data relating to previous years are reported for comparative purposes to allow performance to be assessed on a multi-annual basis. The collection and monitoring of data is managed via our sustainability platform (Enablon), which was initially adopted by the Quality, Health, Safety and Environment function in 2016, and then extended to all business units involved in sustainability reporting, notably Marketing, Human Resources, Legal and Public Affairs, in 2017. Data collection is undertaken locally and double-checked at country and regional level. Additional sample checks are carried out by the Group's heads of functions and by Internal Audit to ensure maximum data consistency. The adoption of the platform enables us to monitor our performance more effectively and to define internal targets for medium- to long-term overall improvement.

For the second time, the document was externally certified by the auditing company PricewaterhouseCoopers S.p.A., which had already been engaged to audit the Company's financial statements at the shareholders' meeting of 30 April 2010. The relevant certification is shown in the 'Independent Auditor's Report' attached.



Campari Group's sustainability reports can be viewed and downloaded in Italian and English from the website:

www.camparigroup.com/en/sustainability

CAMPARI GROUP'S

IDENTITY

ABOUT US

Campari Group, a leading company in the global branded beverage industry, was founded in Milan in 1860, when Gaspare Campari created the world-famous red aperitif.

With a portfolio of over 50 premium and super premium own brands, marketed and distributed in over 190 countries worldwide, it has leadership positions in Europe and the Americas. Campari Group is now the sixth-largest branded spirits group in the world³ and employs around 3,700 people. Our main competitors are:

1	DIAGEO
2	PERNOD RICARD
3	BACARDI
4	BROWN-FORMAN
5	BEAM SUNTORY
6	CAMPARI GROUP
7	CONSTELLATION BRANDS
8	E. & J. DISTILLERS
9	MAST-JÄGERMEISTER
10	THE EDRINGTON GROUP

MANUFACTURING PLANTS

18

HEADQUARTERED IN

**SESTO
SAN GIOVANNI
(MILAN)**

PROPRIETARY DISTRIBUTION NETWORK IN

20 COUNTRIES

SINCE 2001 THE SHARES OF THE PARENT COMPANY,
DAVIDE CAMPARI-MILANO S.P.A.,
HAVE BEEN LISTED ON THE

**ITALIAN STOCK
EXCHANGE**

OUR WORLD

Last year, at the Group Management Convention 2017, we started to work on defining a renewed business culture. This process enabled us to identify the defining aspects of our culture and the constituent elements of our identity:

Essence, Mission, Values and Behaviours. We further developed these elements during the year, paying great care and attention to preserving their original meaning.

**ESSENCE
MISSION**

**VALUES
BEHAVIOURS**

ESSENCE

The Group essence 'Toasting Life Together' shows the fundamental role that our people play in ensuring the success of the business. For this reason, Campari Group's people ('Camparistas') are offered the opportunity to continuously develop the skills they already have while also acquiring new ones. 'Toasting Life Together' also celebrates the positive role that our brands and drinks play in enhancing sociable occasions, encouraging people to get to know each other, and celebrating life in a positive and responsible way.

MISSION

'The smallest large group in the spirits sector, which creates iconic brands and generates better results, together with inspired and passionate Camparistas'.

'What does it mean to create iconic brands? We produce unique brands that excel in their

categories and become real leaders. We do it by combining preliminary, strategic in-depth reflection and planning with excellent execution and attention to detail. We do it by creating a balanced mix of 'myth' and 'ritual'. By 'myth', we mean always aiming to build brand equity, premium-ness and uniqueness. By 'ritual', we mean constantly associating our strategic thinking with the creation of compelling and surprising consumer experiences' (Andrea Neri, Managing Director Italian Icons & Gin).

'In Campari Group, we have a true passion for our work and are deeply committed to producing iconic brands. They are iconic because they attract consumers, customers, bartenders and influencers from all over the world due to their unrivalled quality and their intriguing and authentic stories' (Julka Villa, Managing Director Global Spirits).

'Together' is the way in which we see our work, a joint effort by us Camparistas and our customers and partners, as we work passionately to deliver each brand and each cocktail served' (Giorgio Pivetta, Head of Group HR).

VALUES

Passion

Passion is a defining trait of our way of thinking and acting in Campari Group. We are passionate about our sector, our work and our brands. We work as a team and always give our utmost to ensure that our consumers have positive experiences with our brands day after day.

Integrity

We hire, develop and value people who work in a transparent way. For us, integrity means living responsibly as part of the organisation and treating all our stakeholders with the utmost respect; it also, and most importantly, means ensuring that fairness, honesty and consistency underpin our way of doing business and guide the professional life of all Camparistas.

Pragmatism

In all functions, and at all levels, we encourage and reward a pragmatic attitude towards resolving problems and tackling challenges. We eschew bureaucracy and firmly believe in a practical approach. Simplicity underpins our actions. Our unique structure allows us to take agile and customer-focused decisions, while benefiting from synergies and the sharing of know-how across the whole Group.

Together

'Together' is our team philosophy. It is the common thread that connects the nature of what we do with how we do it; it involves the joint efforts of Camparistas (including customers and consumers) all over the world, passionately working on each brand and each cocktail that is served. Together we knock down silos, break every cultural, organisational and geographical barrier, and all move in the same direction to achieve our common goal.

PASSION
INTEGRITY
PRAGMATISM
TOGETHER

BEHAVIOURS

Humble and Hungry

'Humble and Hungry' means continuously putting ourselves to the test, stepping out of our comfort zone, being open to change, rectifying our mistakes and learning from them, and continuing to do the things that we do but aiming to do even more and doing them better.

Respect others and our planet

Campari Group has always supported responsible and sustainable behaviour, which it considers 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.

HUMBLE AND HUNGRY

**RESPECT OTHERS
AND OUR PLANET**

ALWAYS ACT WITH PASSION

**SIMPLIFY AND DO MORE
WITH LESS**

**WELCOME CHALLENGES
AND DRIVE CHANGE**

**CREATING MORE VALUE
TOGETHER**

Always act with passion

Passion is a defining trait of our way of thinking and acting in Campari Group. We are passionate about our sector, our work and our brands. We work as a team and always give our utmost to ensure that our consumers have positive experiences with our brands day after day.

Simplify and do more with less

We eschew bureaucracy and firmly believe in a practical approach. Simplicity underpins our actions. Our unique structure allows us to take agile and customer-focused decisions, while benefiting from synergies and the sharing of know-how across the whole Group.

Welcome challenges and drive change

We are a Group that evolves and changes rapidly, and which operates in a volatile and highly dynamic competitive environment. Against this backdrop, each day brings new challenges and opportunities for us. To contribute to the Group's success in the context in which we operate, each Camparista must embrace the challenges that arise and drive change. Staying in our comfort zone and protecting the status quo regardless, is not a viable option.

Creating more value together

We must knock down silos and ensure we are all moving in the same direction, better synchronising our capabilities and strengths, in order to accelerate growth and optimise costs. The only way to release the potential of our organisation is to adopt a more synchronised approach to the way in which we do business and focus on our priorities. All Camparistas can play a key role in creating our iconic brands and generating better financial results, by consistently acting in accord with our Values and Behaviours, and overcoming every obstacle.

OUR HISTORY

A HISTORY OF CULTURE

CAMPARI: THE EVOLUTION OF A BRAND



1860

THE ORIGIN

Novara, Italy. Spirits-maker Gaspare Campari's experiments culminated in the invention of a new drink with a distinctive bitter flavour and a recipe that has remained a secret to this day.



1904

GETTING BIGGER

On 1 October 1904, the first manufacturing plant opened in Sesto San Giovanni, Milan.



1915

THE CAMPARINO BAR IN MILAN'S GALLERIA

A mainstay of Italian aperitifs, the Camparino bar opened in Milan city centre, alongside the Cathedral in Galleria Vittorio Emanuele II, and quickly became one of the symbols most commonly associated with of the city, along with fashion and design.



1920

CLASSIC COCKTAILS AND THE ASSOCIATION WITH ART

Classic cocktails, first and foremost the Americano and the Negroni, were created, becoming increasingly popular and famous; today they are included in the 'unforgettable' category of the IBA official list of cocktails. At the same time,

many great artists of the era started to work with Campari, giving rise to the historic association between the brand and the art world. In 1921, Leonetto Cappiello created the famous 'Spiritello', for example, and its advertising

poster became an icon of the product. A figure halfway between a spirit and a jester, wrapped in orange peel, suggesting one of the classic Campari combinations, offers the observer a bottle of bitter.

Art became more geometric and dynamic, and the styles more distinctive, and Campari's advertising could not fail to reflect these changes. The collaboration with Depero represented an important turning point for the advertising material, which was enhanced in that period with mechanical designs and

structured forms. An avant-garde choice for Campari, Depero was an artist with a synthetic, graphic, almost stylised style, who experimented with solutions that are still current today. One example is Depero's iconic 'little robot', a syphon that sprayed soda water into a glass of Campari bitter; this was

reprinted by architect Mario Botta, project manager for the Campari Headquarters building in Sesto San Giovanni, who transferred the sketch to a bas-relief on the left-hand side of the historic building, the Group's first plant, inaugurated in 1904, and which is today home to the Galleria Campari.

The strong link between Campari and art continued. In 1964, Bruno Munari produced the *'Declinazione grafica del nome Campari'* ('Graphic variations of the Campari name'), a poster designed for the opening of the first line of the Milan metro, and now on permanent display in the Museum

of Modern Art, New York. In the work, the artist breaks down and reassembles the various lettering styles used by the company over the years. The poster became a symbol of the infinite number of interpretations that only Campari - with its uniquely versatile combinations - could inspire.

1930

THE FUTURIST PERIOD



1960

UNDERGROUND POP



1940

REBIRTH

At the end of the 1940s, after a forced hiatus occasioned by the war, the brand launched a new advertising campaign in partnership with avant-garde artist Carlo Fisanotti.

1950

THE WORLD OF SPORT

Artists such as Felice Mosca, Attilio Rossi and Giovanni Mingozzi expressed the Campari energy and dynamism in posters inspired by the world of sport. The image of the bottle of Campari travelling around the world like a sputnik is still iconic.

1970

INTERNATIONAL FILM STARS AND DIRECTORS AND CAMPARI

Campari's partnerships with famous actors and directors, which started in the 1970s, reached its peak in 1985, when the Italian director Federico Fellini shot his first television advertisement for Campari.

1980

A UNIQUE LIFESTYLE

During the 1980s, a period of great economic and cultural growth, Campari was at the centre of the most exclusive and distinctive occasions at which drinks were served, and star of the famous 'Milan aperitif'.

For the World Cup in Italy in 1990, Ugo Nespolo created an advertising campaign for the company based on football, which showed a winning Campari team made up of bot-

flies of Campari and Campari Soda. The campaign highlighted the role of the aperitif and of Campari, like football, as one of the great passions of the Italian people.

ITALIA 90



1990

TARSEM, A DIRECTOR'S CUT

At the end of the 1990s, Campari launched a new partnership with the famous Indian director, Tarsem, who filmed the exceptional TV commercial *'Il Graffio'* ('The Scratch'), the first to broach the subject of female homosexuality in Italy, for the 'Campari Red Passion' campaign.

2000

HOTEL CAMPARI

The first global TV advertising campaign for the brand starred Salma Hayek, directed by Matthew Rolston in the *'Le Connaisseur'* commercial, which was filmed in an imaginary Hotel Campari. The actress, an icon of sensuality, but at the same time sophisticated, elegant and headstrong, was subsequently immortalised by photographer Mario Testino in the 2007 Campari calendar.

CAMPARI TALES

For the 2008 edition of the Campari calendar, Eva Mendes starred in Campari Tales. The cover and 12 tales told a magical story via Mario Parisotto's 13 shots, which creatively embodied the 'Red Passion' value.

CLUB CAMPARI

For its tenth anniversary, the 2010 Campari calendar portrayed a seductive, elegant Jessica Alba, star of *'Club Campari'*, the film directed by designer, photographer and director Jean Paul Goude. The commercial represented a place that was both real and imaginary with the most exclusive clubs on the planet: enjoyable, provocative but, most importantly, sociable, in line with the brand's values.

2010 - 150 YEARS OF CAMPARI

THE LIMITED EDITION 'ART LABEL' COLLECTION

The AVAF (assume vivid astro focus) art collection and international artists Vanessa Beecroft and Tobias Rehberger celebrated Campari's 150 years by creating the Campari Art Labels, a limited edition of three commemorative labels. A tradition that marks the connection between brand, product and art, and which will be replicated each year from now on.

CAMPARI MILANO

The city of Milan, where it all started, framed the special edition 2010 Calendar, which starred the seductive Olga Kurylenko, shot by talented young photographer Simone Nervi.

GALLERIA CAMPARI

In 2010, the new Galleria Campari opened its doors. A special space symbolic of the strong connection between Campari and the art world, the gallery was created with the aim of revisiting this historic link using modern, contemporary technology to provide an experience to be enjoyed.

Kate Hudson was the star of the 2016 Campari Calendar, entitled BitterSweet Campaign. The different facets of the campaign reflect the unmistakable Campari taste, with its dual but complementary nature, in which either the 'bitter' or the 'sweet' side prevails depending on the type of blending, with both aspects portrayed by the Hollywood actress in the Calendar's 13 images, the work of international fashion photographer Michelangelo di Battista.

BITTERSWEET CAMPAIGN

The Red Diaries project continued: in 2018, Campari chose Stefano Sollima to recount how, behind every cocktail, there is a hidden story. Actors Zoe Saldana and Stefano Sollima are the stars of an intense, compelling story and a journey around the world in search of the perfect cocktail. The film shows the imagination and creativity of bartenders, notably celebrating the talent of the 'Red Hands', the only ones that can create the best cocktails in the world.

THE LEGEND OF RED HAND

THE RED AFFAIR

The 2011 Campari Calendar was the first to feature a male actor, Oscar-winner Benicio Del Toro, who, through the shots of Michel Comte, told the tale of the Red Affair, the adventure of a charming art-lover.

CAMPARI CREATION E KILLER IN RED

Paolo Sorrentino relates the Campari Red Passion story in a new communications campaign, with a film that expresses the full essence of the brand, because 'nothing is created without passion'. In 2017, Paolo Sorrentino also wrote and directed an intriguing *film noir* featuring Clive Owen; this was the film that launched Red Diaries, the cinematic evolution of the Campari Calendar. Playing the role of famous bartender Floyd, the actor tells the story of the Killer in Red cocktail.



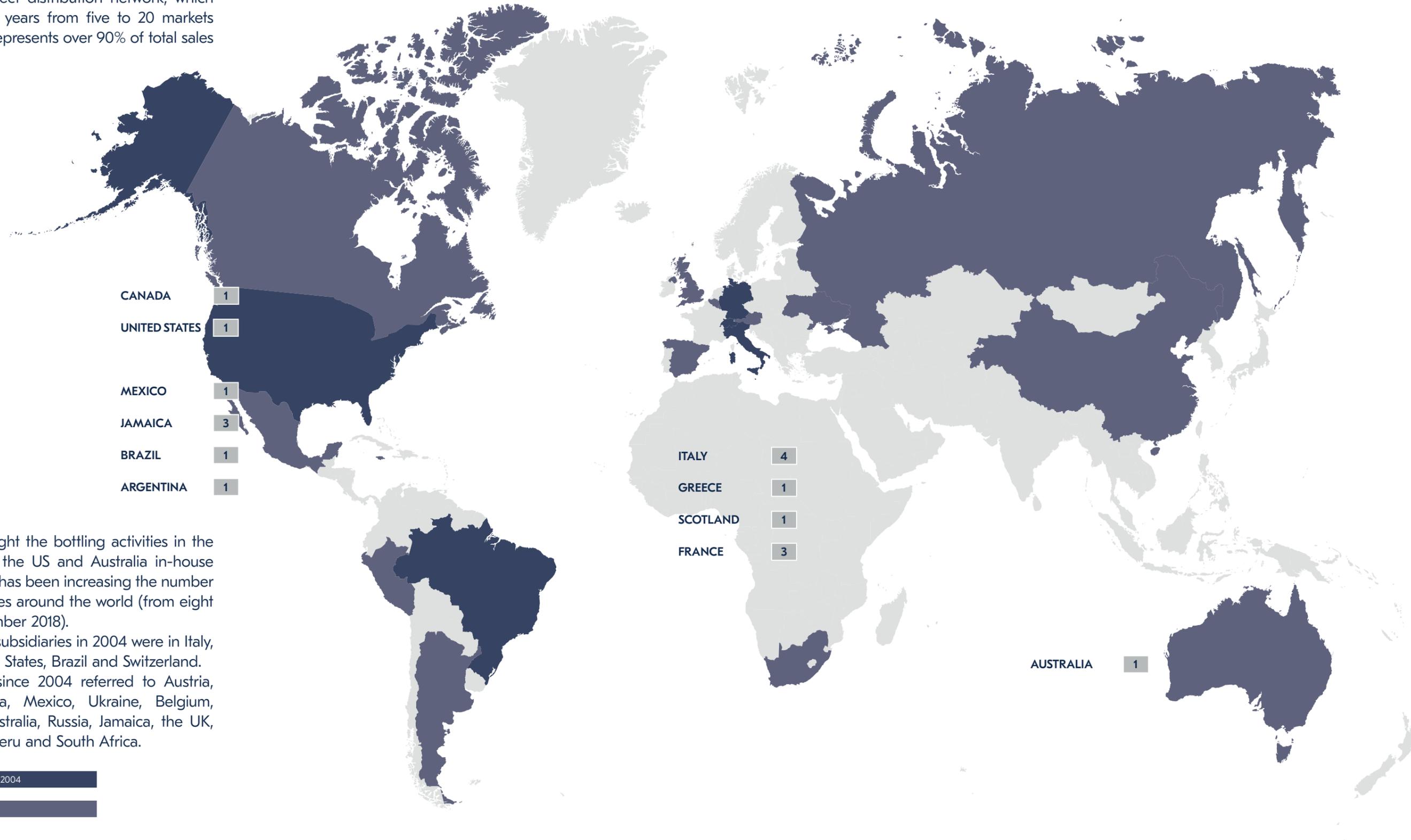
IF YOUR SOUL IS CURIOUS, ENTER THE RED

The new short movie from the Red Diaries project. Following the Campari philosophy that 'every cocktail tells a story', the film marks the start of the celebrations for the 100th anniversary of Negroni, the world-famous iconic cocktail that has Campari as its key ingredient. Portrayed by actress Ana de Armas and Italian actor Lorenzo Richelmy, 'Entering Red' is directed by multi-award-winning Italian director Matteo Garrone. Milan, Campari's city of origin, plays an important role in

the film, which brings to life its most symbolic places, such as the extraordinary Galleria Vittorio Emanuele II, location of the iconic Camparino in Galleria bar, and the Cathedral, all transformed for the occasion with a splash of Campari red.

CAMPARI GROUP WORLDWIDE

Since 2004, Campari Group, headquartered in Sesto San Giovanni (Milan), has been developing a proprietary direct distribution network, which has grown in 15 years from five to 20 markets worldwide and represents over 90% of total sales



The Group brought the bottling activities in the core markets of the US and Australia in-house and, since 2004, has been increasing the number of production sites around the world (from eight to 18 at 31 December 2018).

The distribution subsidiaries in 2004 were in Italy, Germany, United States, Brazil and Switzerland.

The expansion since 2004 referred to Austria, China, Argentina, Mexico, Ukraine, Belgium, Luxembourg, Australia, Russia, Jamaica, the UK, Spain, Canada, Peru and South Africa.

Distribution subsidiaries in 2004

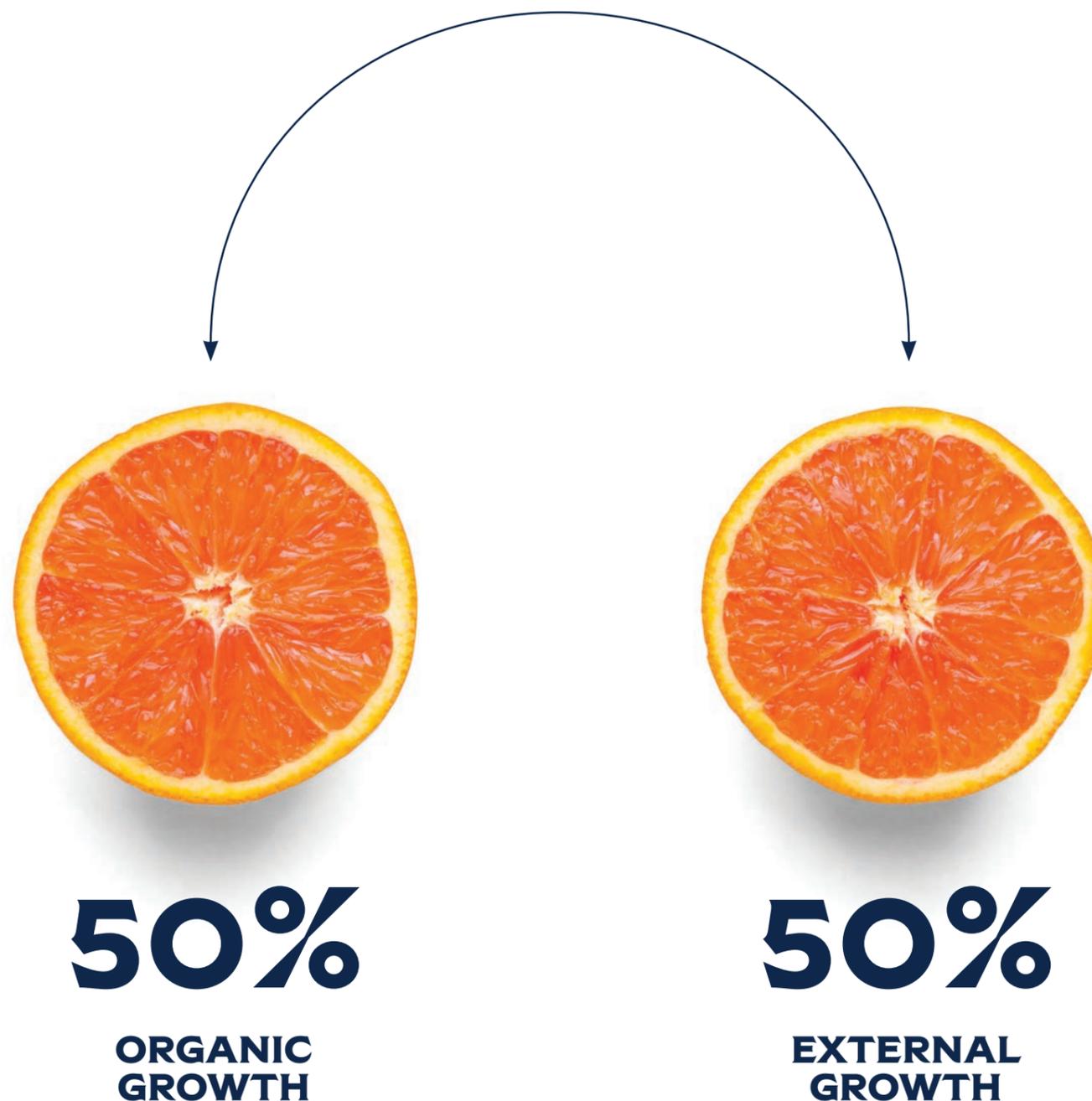
Expansion from 2004

GROWTH STRATEGY

In 2018, Campari Group's consolidated sales were €1,711.7 million, down -2.4% compared with 2017. Sustained organic growth of +5.3% for the year was completely offset by negative perimeter and exchange rate variations of -3.4% and -4.2% respectively. Sales increased in all the main geographical regions, especially in the high-margin markets of North America, western Europe and Australia. Growth was driven by the continuous outperformance of global priority brands (+8.9%) and the positive result of high-margin regional priority brands (+2.8%) in the major developed markets.

Campari Group's growth strategy combines organic growth, pursued through strong brand-building, and external growth via acquisitions focused on the core business of spirits, in order to achieve or improve on its critical mass in the key geographical markets.

On 31 January 2018, the Group closed the agreement to acquire Bisquit Dubouché et Cie from South African group Distell, corresponding to a net cash outlay of €52.7 million. The company, which owns the Bisquit brand, is a cognac producer located in the French town of the same name. The acquired business includes inventory, particularly maturing stock, brands and production facilities, such as warehouses for the maturing process, blending cellars and bottling lines. The brand's key markets are South Africa, Belgium, the duty free channel and Switzerland. As a result of the acquisition of the super premium brand Bisquit, the Group is expanding its offering in the cognac category and taking full control of its maturing process. It is also creating brand innovation opportunities, including in conjunction with Grand Marnier. Commercially, the deal further strengthens the Group's distribution platform, particularly on the South African market,



where a direct sales force was recently launched, as well as in the US and China, key markets for the cognac category. Lastly, it further increases the Group's exposure to the super premium segment of the on-premise distribution channel in both developed and emerging markets.

In March 2018, the Group signed an agreement to create Trans Beverages Co. Ltd, a joint venture in South Korea, with a local partner, BNC F&B Co. Ltd., a group operating in the food & beverage sector, with the aim of promoting and developing the Group's products in this geographical region. The Group has a call option on the remaining holding of 60% of the share capital.

On 2 January 2018, the Group closed an agreement to sell the Lemonsoda range, for net total proceeds of €80.2 million, to Danish-based beer and non-alcoholic drinks manufacturer Royal Unibrew A/S. In addition to the Lemon-soda, Oransoda, Pelmosoda and Mojito Soda brands, and the Crodo brand (excluding Crodino), the sale encompasses the manufacturing and bottling facility in Crodo, water springs and inventory. At the same time, a multi-year manufacturing agreement was signed, under which Royal Unibrew will continue to manufacture some of the products owned by Campari Group that are currently bottled at the Crodo plant. As part of its strategy to reduce its non-core assets, this transaction marks Campari Group's exit from the soft drinks business, retaining only the Crodino brand, in order to focus more on the aperitif segment in Italy.

Lastly, the agreements to distribute Brown Forman products in Italy were terminated in April 2018. Sales, mainly relating to the Jack Daniel's brand, represented around 2% of Group sales in 2017.

OUR BRANDS

Campari Group has a portfolio of

**OVER 50 PREMIUM
AND SUPER PREMIUM BRANDS**

divided into global, regional and local priorities



**GLOBAL
PRIORITIES**

**REGIONAL
PRIORITIES**

OUR BRANDS

GLOBAL PRIORITIES



APPLETON ESTATE

With Appleton Estate, which became part of the Group portfolio in 2012, Campari Group entered the rum category, further consolidating its critical mass in North American markets, particularly the United States, Canada, Mexico and the Caribbean.

Appleton Estate is Jamaica's oldest sugar cane plantation and distillery. The earliest record of rum production on the estate dates from 1749, although its origins date back to 1655, when the British conquered Jamaica. Appleton Estate Jamaica rums have a unique profile, and are only produced on one Jamaican estate within an enclosed area in the Nassau Valley. At Appleton, rum production is regarded as an art, and the process is controlled at every stage, encompassing the selection of sugar cane varieties harvested on the estate, the natural cultivation of yeast used in fermentation, distillation, blending methods and rum bottling.

Appleton Estate Signature Blend is the best-known rum in the Appleton Estate family, created from a blend of 15 aged rums.



APEROL

Aperol was founded in 1919 in Padua, an invention of brothers Silvio and Luigi Barbieri. Since then, Aperol's popularity has grown exponentially, thanks to its fresh taste and compatibility with various other drinks, giving an unmistakable flavour to even the most elaborate cocktails. Acquired in the 1990s by Barbero 1891 S.p.A., Aperol became part of the Campari Group brand portfolio in 2003, achieving new records in terms of international spread and popularity.

Aperol's highly secret recipe, which includes infusions of fine ingredients, herbs and roots in perfect harmony, gives it an unmistakable bitter-sweet taste. Another strength that makes it the perfect aperitif is its low alcohol content of only 11%.



WILD TURKEY

The acquisition of Wild Turkey in 2009 helped to strengthen Campari Group's leadership position in the US and international premium spirits markets.

It has been the authentic Kentucky Straight Bourbon Whisky since 1855, whose original distillation and maturing process has not been changed since it was first introduced. Wild Turkey uses a distinctive process in which the bourbon (typically American whisky, recognised by Congress in 1964 as 'America's Native Spirit') is distilled at a low proof to seal in its flavours. It is then aged in white oak barrels, which gives it its typical rusty colour and full flavours of vanilla and caramel. The addition of a little water gives the product a rich and authentic taste, as if just tapped from the barrel. Under the guidance of Master Distiller Jimmy Russell, who has worked in the distillery for 55 years, the Wild Turkey Bourbon offering has seen extraordinary growth. Alongside the classic Wild Turkey 101 Bourbon, the distillery also makes Rare Breed, Kentucky Spirit, Wild Turkey 80, Wild Turkey Rye and American Honey.



GRAND MARNIER

Campari Group acquired Grand Marnier in July 2016, when it took over the Société de Produits Marnier Lapostolle (SPML), founded in 1827.

The liqueur is said to date back to 1827 and was originally called Curaçao Marnier, one of many versions of Triple Sec, which was much in vogue in the second half of the nineteenth century. It was in 1880, however, that liqueur merchant Louis-Alexandre Marnier Lapostolle chose to combine a young cognac with essence of Caribbean oranges and added syrup. The result, briefly barrel-aged to combine the ingredients, has made Grand Marnier one of the best-known French liqueurs in the world.



CAMPARI

The quintessential aperitif with its unmistakable red colour is today one of the most famous brands in the world, sold in over 190 countries. The original recipe was created in Novara in 1860, the result of experimentation by Gaspare Campari. Made from an infusion of bitter herbs, aromatic plants, fruit in alcohol and water, it forms the basis of numerous cocktails. In 1904, the first manufacturing plant was established in Sesto San Giovanni, Milan. It is a classic, sophisticated, top-class and high-quality brand, but is always evolving and at the cutting edge, a symbol of Italian excellence.



SKYY VODKA

Campari Group, which had already acquired a minority stake in Skyy Spirits LLC in 1998, acquired a further 50% in 2001, increasing its interest to 100% in 2006.

SKYY Vodka, created in 1992, is now the fifth-largest premium vodka in the world. It has revolutionised the alcohol market due to its innovative quadruple-distillation and triple-filtration process, which ensures a product of proven quality and softness with very few impurities. It is distilled in the United States from wheat grown in the Midwest. With its iconic, cobalt-blue bottle, which reflects the name of the product, SKYY was the first vodka to introduce packaging as a 'style image'.

REGIONAL PRIORITIES

ESPOLÓN



Espolón is a super premium tequila with 100% pure blue agave, distilled and bottled at the San Nicolas distillery, Los Altos in the Mexican region of Jalisco. Established in 1998, San Nicolas combines the environment and culture of the ancient Mexican distillery with the most modern and cutting-edge production technology, and was judged the 'Best Tequila Factory in Mexico', a prize awarded by the School of Architects and Engineers in Jalisco. The label, which was inspired by nineteenth-century Mexican classical art, depicts figures from Mexican folk tradition, Guadalupe, Rosarita and the proud rooster, Ramón, Mexico's symbol of na-

tional pride and independence. Master distiller Cirilo Oropeza has decades of experience and craftsmanship in the creation of Tequila Espolón. The production process involves cooking the agave for 18-20 hours, six hours longer than the sector average, while the distillation process lasts five and a half hours compared with a sector average of three and a half. There are two varieties of Espolón: Blanco, which is clear in colour, delicate with sweet notes of agave and a medium-bodied palate, and Reposado, matured for six months in American oak barrels, giving it a rich golden colour, a spicy aroma and a strong, full-bodied taste.

BULLDOG



BULLDOG London Dry Gin was created in 2007 thanks to businessman Anshuman Vohra, who decided to create an innovative gin inspired by his travels around the world. The 12 constituent ingredients come from eight different countries, including juniper from Italy, coriander from Mexico, lavender from France, Dragon Eye from China and white poppy seeds from Turkey, and are perfectly blended following four distillation processes that give the produce a fresh, fruity taste. The bottle, with its dark black

and violet tones and its minimalistic design, also perfectly expresses the modern and appealing spirit of BULLDOG. Only two years after its launch in the United States, Bulldog also began to gain popularity in Europe. Since 2014, Campari Group has distributed the brand via its own distribution network, obtaining full ownership in 2017. Bulldog is today available in 95 countries and has been classified by IWSR (International Wine and Spirit Research) as the fourth-best premium gin in the world.

FRANGELICO



In its characteristic bottle, shaped in the form of a monk with clasped hands, Frangelico is a hazelnut liqueur from Piedmont, which traces its origins back to the seventeenth century. According to legend, it owes its name to a hermit monk (Fra' Angelico) who lived in the Langhe hills of Piedmont, the area famous for the Tondo Gentile hazelnut, the main ingredient used

to make this liqueur; the process involves toasting and distilling, after which it is combined with coffee, vanilla, cocoa and other secret aromatic herbs. The Frangelico brand was born in 1978, created by the Barbero family, becoming part of Campari Group's brand portfolio in 2010. Today it is marketed mainly in Germany, Spain and the United States.

AVERNA



Averna, acquired by Campari Group in 2014, represents the true Sicilian character, with a story that has its roots in the wonderful Caltanissetta region. The secret recipe was created in the early nineteenth century by Capuchin friars in Santo Spirito Abbey and, in 1868, was given as a gift by Brother Girolamo to textile merchant Salvatore Averna as a gesture of gratitude for the dedication he had shown to the local community. Salvatore launched production of the drink, passing on the business to his son Francesco, who deserves the credit for getting the product known at Italian and foreign trade fairs. In view

of the growth and status gained by the product in Italy, in 1912, King Vittorio Emanuele III granted Averna the right to print the wording 'Patent of the Royal House' on the label. The production process started with a combination of bitter orange and Sicilian essential oils, pomegranate peel and other herbs, roots, natural spices. In 2018, Averna celebrated its 150th anniversary with the launch of the first aged version, Averna Riserva Don Salvatore, which has a stronger and more intense taste. This is created by letting the liquid mature in oak barrels for 18 months with a perfect blend of ingredients.

BRAULIO



Braulio was born in Bormio, Valtellina (northern Italy) in 1875 from the meticulous research of pharmacist Francesco Peloni, a specialist in medicinal aromatic herbs. Braulio, which is made from an infusion of plants, roots and wild Alpine herbs, according to a recipe that has been passed on from generation to generation and is still secret today, is matured in Slovenian oak barrels for 15 months in cellars proliferating under the houses of the old city. Only four of the many herbs used in producing Braulio amaro are well-known: achillea moscata, absinthe, juniper and gentian.

The Riserva Speciale Millesimata is kept for a longer period (21 months) in the smallest barrels in the Braulio cellars. Once the liquid has completed the maturing process in the barrels, it is delicately filtered to better preserve the plant components of the liqueur and further bring out the highly characteristic scents of the aromatic plants. In 2018, to meet the increasing global demand for Braulio, new cellars were built in Bormio: over 1,650 sq.m. of additional space, of which 1,200 sq.m. consists of maturing cellars, will make it possible to produce 166 new barrels, more than doubling production capacity.

CYNAR



Cynar is a bitter-sweet liqueur, created by Angelo dalle Molle, a Venetian entrepreneur and philanthropist, and was launched in Padua (Italy) in 1950. Its name comes from Cynar scolymus, the botanical name for 'artichoke', its particular and distinctive ingredient, infused with another 12 herbs and plants. It became popular in Italy thanks to the advertising carried out during the Carnival with actor Ernesto Calindri

and the unforgettable slogan 'Contro il logorio della vita moderna' ('Combating the strain of modern life'). Since then, the brand, which was acquired by Campari Group in 1995, has grown and is now distributed internationally. Its three core markets are: Italy, Switzerland and Brazil. Cynar 70 Proof, which was developed from the same secret recipe as Cynar, has distinctive herbal notes marrying with hints of dried fruit.



GLENGRANT

Created in 1840 by brothers John and James Grant, GlenGrant is one of the best-selling single malt Scotch whiskies in the world. Its main markets include: Italy, where it enjoys a position of leadership, France and Germany. GlenGrant is a delicate but complex whisky produced with barley malt, extremely pure water from the Scottish Highlands, and yeast. The distillate is produced from tall, slender stills and special purifiers that master distiller and trail-blazer James 'The Major' Grant introduced over a century ago and which are still used today. This innovative idea is what makes GlenGrant stand out from any other whisky. James Grant was only 25 when he decided to launch a whisky that was not a blend but a single malt. The distinctive GlenGrant colour develops over time during the maturing process in oak barrels, creating a clear, fresh and natural whisky with the unique taste of a single malt. The Glen Grant distillery in Rothes (Scotland) is also famous for its beautiful gardens created by James Grant in 1886. After major

restoration in 1993-1996, the gardens are today open to the public and represent an extraordinary example of late 19th-century Victorian gardening style. GlenGrant, together with Old Smuggler Scotch Whisky, has been part of Campari Group's product portfolio since 2006. For the third year in a row, the GlenGrant 18-Year-Old was named 'Scotch Whisky of the Year' by Jim Murray's Whisky Bible 2019.



FORTY CREEK

Forty Creek is a Canadian premium whisky with a delicate and sophisticated taste. It is created from a blend of rye, barley and wheat, each of which is distilled separately and left to mature in American white oak barrels, selected individually to bring out the best qualities of each. This process allows each flavour to develop: the fruity and spicy notes of rye, the full nutty after-taste of barley and the defining taste of wheat. The liquids obtained from the three

types of grain are matured separately for six to ten years and then combined. Subsequently, Forty Creek goes through a further maturing phase of six months in sherry barrels, which makes the whisky soft and velvety on the palate. Forty Creek has won numerous awards in the last few years, with the latest achieved last December, when the Forty Creek Unity special edition was named the no. 12 whisky in the Top 20 Whisky Advocate's Buying Guide of 2018.



CINZANO

From their small shop in Turin, in 1757, master distillers and brothers Giovanni Giacomo and Carlo Stefano Cinzano researched a new and unique line of aromatised wine-based drinks (vermouths) and opened Casa Cinzano, the first small shop for the brand. It was their innovative work and an enterprising spirit that led the Cinzano family, at the request of the Royal Court of Savoy, to expand the family business with the creation of the first sparkling wine in the mid-1800s. With an innovative advertising strategy that attracted major artists, including Adolf Hohenstein, Leonetto Cappiello, Nico Edel and Raymond Savignac, to work with the Company, and its ability to adopt new communication techniques, ranging from posters and postcards to free tastings at the Turin Expo 1884, and more latterly, radio and TV advertising, Cinzano became a well-known name in Italy and abroad for both vermouths and sparkling wines. In 1911, the Cinzano family was the first to use an aeroplane for advertising. The aeroplane flew above Milan, showering

the city with thousands of Cinzano promotional cardboard disks. The strong connection with art also continued in the next century: in the mid-1900s, Cinzano's advertising spread to the cinema, radio and television. The Cinzano TV commercials with Leonard Rossiter and Joan Collins in the 1970s, accompanied by Rita Pavone's jingle (*Cin cin Cinzoda/una voglia da morir ...*), Cheers cheers Cinzoda/to die for...) were some of the most successful. Since then, the term 'cin cin' has entered the Italian vocabulary as a toast. Acquired by Campari Group in 1999, Cinzano now has numerous brands distributed worldwide, with core markets including Germany, Italy, Argentina and Russia. A line of products that are enjoyed all over the world, encompassing the Cinzano Bianco and Rosso vermouths-one of the ingredients most often used to enhance famous cocktails such as the Negroni and the Americano-and Extra Dry; as well as sparkling wines, an extensive line of high-quality products that suit various tastes and occasions.



RICCADONNA

Synonymous with Italian style, Riccadonna is a collection of sparkling wines born in the era of glamour and elegance in 1920s Italy. Riccadonna's story starts in Piedmont, Italy, in 1921, when founders Clara and Ottavio Riccadonna started to produce high-quality vermouth and sparkling wines. The brand was acquired by Campari Group in 2004. Riccadonna's new 'Collezione Moda' ('Fashion Collection'), distributed from the end of 2018, recalls the geometric patterns of Art Deco, celebrating the style and vivacity of the typ-

ically 1920s brand. The Riccadonna label bears the slogan 'Italian style since 1921', underlining the elegant nature of the brand and its nearly 100 years of success. The 'Collezione Moda' includes five wines (Asti D.O.C.G., Prosecco D.O.C., Moscato Rosé, Chardonnay Brut and Ruby) and reflects the passing seasons with products that encompass the dry to the sweet and elegant, designed to fit any social occasion. Riccadonna is distributed worldwide, with core markets in France, Australia and South America.



MONDORO

Mondoro is an Italian sparkling wine that is distinctive because of its luminous *perlage* and iconic emerald green glass bottle with swirling patterns. All four Mondoro varieties – Asti D.O.C.G., Prosecco D.O.C., Brut and Rosé – reflect the highest standards of production, and stand out because of their fresh, elegant

taste and their distinctive floral and fruity notes. Today the brand is particularly rooted in Russian culture.

OUR MASTER BLENDERS



ITALIAN ICONS
BRUNO MALAVASI

Herbalist and Master Blender of the Italian iconic brands, Bruno Malavasi not only plays a key role in preserving the traditions and authenticity of our products, but is also the designer and creator of original new aperitifs and liquors. Bruno Malavasi is also an innovator who, together with a team of skilful analysts, botanists and blenders, creates new flavours and discovers new ways in which herbs can interact with each other, in response to new trends and demands from consumers and bartenders.

A chemistry and pharmaceutical technology graduate, specialising in clinical chemistry and biochemistry, Bruno Malavasi started working for Campari Group in 1995 as a technical inspector at the Group's plants. In 2007, after being awarded an Executive Master's of Business Administration (EMBA) from Bologna University, he was appointed product innovation manager in 2009, his first step in developing new products. Appointed Global Formula&Process Director in 2011, thanks to his extensive botanical knowledge, Bruno formally became Herbalist&Master Blender. Since then, he has been responsible for managing the aromatic herbs area, where he oversees the selection of suppliers, and the planning, purchase and formulation of herb-based blends.



ESPOLÓN
CIRILO OROPEZA

Cirilo Oropeza is the Master Distiller of **Espolón** tequila. Along with his ten years' experience and a talent for the art of distillation, Cirilo immediately showed a genuine passion for 'his' tequila. With rigorous attention to detail, and well-known for his unconventional methods, Cirilo has realised his life's dream. His objective was simple: to create a tequila so good that he could proudly share it with the rest of the world. In 1995, Cirilo met a local entrepreneur who shared his ambition. This new partnership led to the creation of Destiladora San Nicolas in 1998, followed by Espolón Tequila.

Immediately hailed as a superior tequila made in the proud Mexican tradition but with modern techniques, Espolón is testimony to Cirilo's pioneering spirit, his commitment to his art and his promise never to give up on his dreams.



APPLETON ESTATE
JOY SPENCE

For over 25 years, Joy Spence has combined the art and science of mixing to create a top-quality Jamaican rum: **Appleton Estate**. After graduating from the University of the West Indies, Joy taught chemistry for a few years before moving to the UK to study for a master's in analytical chemistry at the University of Loughborough, where she graduated with honours.

Joy joined J.Wray&Nephew as Chief Chemist in 1981. She was awarded the title of 'Master Blender' in 1997 and was the first woman in the spirits industry to receive this recognition. In 2005, Joy was awarded the Order of Distinction by the Jamaican government, an honour conferred on citizens who have provided important services to the country. The role of Commander (CD) was bestowed on her in recognition for her contribution to the promotion of Jamaican rums around the world. In November 2018, Joy also received the National Medal for Science and Technology and Innovation from the Jamaican prime minister for her significant technological innovations and scientific contributions to the food, farming, manufacturing and tourism sectors in Jamaica. *'We have been able at Wray and Nephew to use cutting technology along with exciting innovations to create some of the finest brands in the world. I will continue to spread the joy of rum locally and, by extension, promote brand Jamaica'* Joy Spence.



GLENGRANT
DENNIS MALCOLM

Born in the vicinity of the **GlenGrant** distillery in 1946, Dennis started working there, as an apprentice, over 50 years ago, following in the footsteps of his father and his grandfather before him. In 2013, on his 50th anniversary at the Glen Grant distillery, a limited edition of single malt Scotch whisky matured for 50 years was created in honour of his commitment. In 2015, Dennis received a special award at the International Wine and Spirits Competition for his exceptional contribution to the Scotch whisky industry. A year later, Dennis was also awarded the honour of Office of the Order of the British Empire (OBE) for services to the local community in Speyside (Rothes, Scotland).



GRAND MARNIER
PATRICK RAGUENAUD

Patrick Raguenaud, Master Blender of **Grand Marnier**, was born in 1954 in Jarnac, a municipality in the La Charente *departement* in the Cognac region in south-west France.

His family before him, going back several generations, had built a special and long-lasting relationship with their territory of origin and with the world of cognac.

Thanks to his outstanding experience, Patrick took on a very important role, becoming Master Blender of Grand Marnier in 2004, responsible for overseeing the sourcing of ingredients, the ageing and blending process of French cognac and the control of production of the bitter-orange essence, the element that helps make Grand Marnier one of the world's unique brands.



AVERNA
PIERO FICI

Master Blender of **Averna**, Piero Fici oversees each phase of the infusion process to ensure that the end product is of the highest standard. The great care and attention given to the execution of each phase ensures that the full-bodied taste of the *amaro*, with that special note of lemon, is obtained.

The infusion of Averna has been carried out in the historic facility in Caltanissetta for 150 years and continues today. The recipe remains a secret closely guarded by its holder. For many years, the facility, which was built in the mid-nineteenth century, has opened its doors to visitors to show them the passion and craftsmanship that have set the Averna *amaro* apart from the very beginning.



WILD TURKEY
JIMMY & EDDIE RUSSEL

Nicknamed the 'Buddha of Bourbon' and 'Master Distiller of the Master Distillers' by his sector peers, James C. 'Jimmy' Russell has been distilling **Wild Turkey** in Lawrenceburg (Kentucky) for 60 years and is today the Master Distiller with the longest career in the world. He grew up five miles from the distillery and learned the traditions and techniques of hand-crafted bourbon from his father and grandfather, becoming a Master Distiller in 1960.

His successes have been celebrated by Kentucky senator Mitch McConnell and are recorded in the United States Congressional Record. He is also a lifetime honorary member of the Executive Council of the Kentucky Distillers' Association, an honour bestowed on only five other people in the Association's 134-year history. In 2018, Jimmy Russell celebrated his 64th year at the Wild Turkey Distillery, continuing to devote himself, body and soul and day after day, to

developing the business, and thus becoming a gold standard for the entire bourbon industry. Jimmy has passed on his knowledge to his youngest son, Eddie Russell, the third-generation Russell to work in the Wild Turkey Distillery. With 35 years' experience, Eddie, together with Jimmy, is involved in the entire process from the distillation to the maturing of Wild Turkey Bourbon, ensuring that every bottle conforms to the highest quality standards. Following in his father's footsteps, Eddie was inducted into the illustrious Kentucky Bourbon Hall of Fame in 2010. In 2014, to celebrate his father's 60th anniversary, Eddie created Wild Turkey Diamond Anniversary, an exceptional blend of 13-16 year-old whiskeys in a limited edition. We also owe the introduction of Wild Turkey 81 to Eddie. This premium bourbon is perfect for mixing in any cocktail without losing the typical characteristics of the original Wild Turkey Kentucky Bourbon.

THE GOVERNANCE MODEL⁴

Davide Campari-Milano S.p.A. (the 'Company') is listed on the Italian stock market (the FTSE MIB index).

The Company has a traditional administration and control model, consisting of a management body (the Board of Directors) and a control body (the Board of Statutory Auditors).

The Company's corporate governance system is based on the principles and application criteria of the Code of Conduct for Listed Companies, adopted in November 2006, and observes the provisions and the applicable regulations of the Company's articles of association and the Code of Ethics.

Board of Directors

Appointed by the Ordinary Shareholders' Meeting of 29 April 2016 and in office for the three-year period 2016-2018, the Board of Directors is the central body of the corporate governance system and is granted broad strategic powers by the Company. It has 11 members, including four women.

MEMBERS OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2018

CHAIRMAN	Luca Garavoglia
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER	Bob Kunze-Concewitz
MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER	Paolo Marchesini
DIRECTOR ⁽¹⁾	Eugenio Barcellona
DIRECTOR	Stefano Saccardi
INDEPENDENT DIRECTOR	Giovanni Cavallini
INDEPENDENT DIRECTOR ⁽¹⁾	Camilla Cionini-Visani
INDEPENDENT DIRECTOR	Karen Guerra
INDEPENDENT DIRECTOR ⁽¹⁾	Thomas Ingelfinger
INDEPENDENT DIRECTOR	Catherine Gérardin Vautrin
INDEPENDENT DIRECTORE	AnnaLisa Elia Loustau

⁽¹⁾ Member of the Control and Risks Committee and the Remuneration and Appointment Committee

Board committees

The Board of Directors is divided into two committees: the Control and Risks Committee and the Remuneration and Appointment Committee, which carry out an advisory role in relation to internal control and the identification of the main business risks, and a proactive role in the appointment and remuneration of executive directors.

Board of Statutory Auditors

The current Board of Statutory Auditors, which comprises three Standing Auditors and three Alternate Auditors, is in office for the three-year period 2016-2018.

MEMBERS OF THE BOARD OF STATUTORY AUDITORS AS AT 31 DECEMBER 2018

CHAIRMAN	Pellegrino Libroia
STANDING AUDITOR	Enrico Maria Colombo
STANDING AUDITOR	Chiara Lazzarini
ALTERNATE AUDITOR	Piera Tula
ALTERNATE AUDITOR	Giovanni Bandera
ALTERNATE AUDITOR	Graziano Gallo

The Board of Statutory Auditors is responsible for the obligations established by the applicable law, including ensuring that the law and the articles of association are complied with and that the principles of proper administration are applied, and in particular, that the organisational structure, internal control and risk management system and organisational, administrative and accounting procedures are adequate. It also ensures that the corporate governance rules set forth in the Code of Conduct are applied correctly. In carrying out its activities, the Board of Statutory Auditors coordinates and collaborates with the internal audit function and the legal function, and meets periodically with the Control and Risks Committee.

Internal audit system

The Board of Directors appointed Paolo Marchesini (Chief Financial Officer) as the executive director responsible for overseeing the operation of the internal control and risk management system. The Board of Directors also established the Control and Risks Committee, tasking it with overseeing matters relating to sustainability in connection with the Company's operations and its interaction with stakeholders.

Pursuant to Law 179 of 29 December 2017 relating to 'Provisions for the protection of individuals reporting offences or irregularities that have come to light in the context of a public or private relationship', Camparistas are able to report suspected breaches of the Campari Group's Code of Ethics or of Legislative Decree 231/2001, by the following means:

- ordinary post addressed to the Company for the attention of the Supervisory Body or the head of the internal audit function;
- e-mail to organismo231@camparigroup.com; or
- via the 'Campari Safe Line', as described below.

'Campari Safe Line' is a whistleblowing service set up by Campari Group that can be used by employees, suppliers, clients or anyone else who has relationships with the Group and becomes aware of illegal or illicit activities carried out vis-a-vis the company. Reports to the 'Campari Safe Line' may be made, in various languages, by telephone, e-mail, post, fax or online platform. Each report must be fully documented and reported in the company to the Chairman of the Board of Directors and to the head of the internal audit function in the utmost confidence. Campari shall ensure maximum protection of the personal data of the person

making the report and is against any act of retaliation or discrimination against said person for reasons that are directly or indirectly connected with the report.

Moreover, in Italy, pursuant to Legislative Decree 231 of 8 June 2001, the Company and its Italian subsidiaries have adopted an organisational model (the 'Model') with the aim of preventing the offences set forth in this decree and, in particular, offences against the public administration, corporate and financial offences and offences committed in breach of rules on health and safety in the workplace.

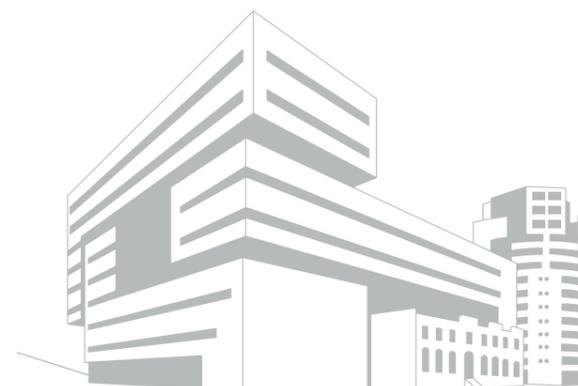
The Company has appointed one supervisory body, namely the members of the Board of Statutory Auditors, to verify the effectiveness of the Model and ensure that it is updated.

Statutory audit of the financial statements

The auditing company PricewaterhouseCoopers S.p.A. has been engaged to audit the financial statements for the financial years 2010-2018. It is also responsible for auditing the consolidated non-financial declaration prepared pursuant to Legislative Decree 254 of 30 December 2016 for financial year 2018.

CAMPARI GROUP

Sociogram as at 31 December 2017



DAVIDE CAMPARI
MILANO S.p.A.
Sesto San Giovanni
Italy



NOTES

- (1) Campari Benelux S.A.
61% Davide Campari-Milano S.p.A.
39% Glen Grant Ltd.
- (2) Campari do Brasil Ltda.
99,999% Davide Campari-Milano S.p.A.
0,001% Campari Schweiz
- (3) Campari Peru S.A.C.
99,92% Campari Espana S.L.
0,08% Campari do Brasil Ltda.
- (4) Trans Beverages Company Limited
40% Glen Grant Ltd.
- (5) Campari Ukraine LLC
99,00% DI.C.I.E. Holding B.V.
1,00% Campari RUS LLC
- (6) Campari Mexico Corporativo S.A. de C.V.
99,00% Campari Mexico S.A. de C.V.
1,00% Campari America LLC
- (7) Campari Mexico Destiladora S.A. de C.V.
99,00% Campari Mexico S.A. de C.V.
1,00% Campari America LLC
- (8) Campari India PVT LTD
99,00% Campari India Pvt Ltd
1,00% Campari Australia PTY LTD
- (9) Campari Argentina S.A.
98,81% DI.C.I.E. Holding B.V.
1,19% Campari do Brasil Ltda.

* This figure does not include the portion of capital with right of usufruct, of 2.24%, and the portion of capital held by shareholders of SPML, which is covered by agreements to make repurchases by 2021.

** Includes capital contribution

*** Company no longer active under local law with liquidation process under way.

RISK MANAGEMENT

Campari Group has implemented a tool to identify, assess and monitor corporate risk. This tool is based on the logic of Self Risk Assessment (SRA), which provides for self-assessment and direct participation by operational management and/or other operators responsible for risk assessment. This process is launched and led by Internal Audit every two years and involves all the Group's legal entities.

The tool has multiple objectives: to help the business identify risks and consequently make strategic and operational decisions; and to strengthen understanding of the Group's risk profile to ensure that information is transparent and that assessments made can be traced.

In 2018, approximately 100 Camparistas from 25 of the Group's legal entities were involved in the SRA, and the risk catalogue was updated to include 112 inherent risks, assessed in terms of probability, economic and reputational impact and for which any mitigation measures to be taken have been analysed. All the most significant risks were identified and then prioritised.

The results of the two-year SRA process conducted in 2018 were presented and shared with the Control and Risks Committee and with the Officers. The approach followed by the working group, the parties involved, the methodology used and the main results were described at the presentation. Particular attention was paid to the most significant risks in terms of probability and impact for the Group. The identification and assessment of risks is also the subject of Monthly Business Reviews (MBRs) attended by both the Officers and the Group's senior managers.

The risk categories identified and monitored by Campari Group include the key themes of compliance and personnel management, in terms of

both health and safety, guaranteeing workers' rights and environmental risk. The environmental aspect relates to events or conditions that are not generally foreseeable and/or that are seasonal, which could negatively impact business continuity. To mitigate this risk, the Group has, over the years, adopted emergency programs and plans implementing appropriate safety, prevention, protection and control measures. These include, in particular, compliance with international and local standards, business continuity plans, back-up scenarios and global insurance policies.

In 2018, in conjunction with the Sustainability function, a section on the four areas of the Group's sustainability was added to the risk catalogue as follows:

- our people;
- responsible practices;
- the environment;
- community involvement.

It should also be noted that, from 2018, the internal audit function has carried out specific audits on sustainability designed to check the process of collecting, calculating and sending the relevant information for the purposes of preparing the Sustainability Report. Specifically, in 2018, sustainability audits were carried out on the Glen Grant factory in Scotland and two of the Italian factories in Caltanissetta and Alghero.

Main risks for the Group:

A. Risks related to potential instability in the countries in which the Group operates

Campari Group operates and is present, through manufacturing and/or commercial structures, in numerous markets. Any significant changes in the macroeconomic, political, tax or legal environment in any one of those countries could have a negative impact on the Group's activities and on its financial position. Consequently, the Group constantly monitors developments in the global geopolitical environment that could give rise to a need for a review of the defined corporate strategies and/or the introduction of measures to safeguard its competitive positioning and performance.

Through its activities in certain developing countries (in eastern Europe, Asia, Latin America and Africa) the Group is exposed to a series of risks related to: the local regulatory and legal environment, the imposition of tariffs and taxes, limits on exports and imports, exchange rate risk, political and economic instability which may impact the ability of local trade and financial counterparts to meet their obligations, restrictions and constraints on investment and promotional activity, or limits on dividend repatriation.

With specific reference to the UK, in 2016, the country voted in a referendum to leave the European Union ('Brexit') and until the outcome of the Brexit negotiations currently under way is determined, the situation of economic and political uncertainty surrounding trade agreements with other countries will continue. Vulnerabilities could become evident in exchange rate volatility, restrictions in the movement of people and goods, and the propensity to spend. The further implications of Brexit will not be understood until future trade tariffs, legislation, taxes and other free-trade agreements have been established. Moreover, the country could experiment with changes to laws and regulations, post-Brexit, in areas such as intellectual property rights, employment, the environment, supply chain logistics, data protection, and health and safety.

However, we consider that the direct financial impact on the Group will not be significant, both in the event of an exit scenario or if no deal is reached; political developments will be continuously monitored to identify and minimise any vulnerabilities in all the main functions affected, at an early stage, and to adopt prudent measures to mitigate the risks, where possible.

B. Risks relating to the Company's dependence on consumer preference and propensity to spend

An important success factor in the beverage industry is the ability to interpret consumer preferences and tastes — particularly those of young people — and to continually adapt sales strategies to anticipate market trends and strengthen and consolidate the product image. If the Group's ability to understand and anticipate consumer tastes and expectations and to manage its own brands were to cease or decline significantly, this could considerably affect its activities and operating results. Moreover, the unfavourable economic situation in certain markets is dampening the confidence of consumers and hence their propensity to consume.

C. Risks relating to the Company's dependence on key customers

In some markets where the Group operates, sales are concentrated on a limited number of key customers: therefore, a possible change in the priorities or deterioration of the financial conditions of these customers could have significant adverse effects on the Group's business and outlook. Furthermore, if such key customers see the terms and conditions set forth in contracts as no longer acceptable, they may require them to be renegotiated, resulting in less favourable terms and conditions.

D. Risks relating to market competition

The Group is part of the alcoholic and non-alcoholic beverage sector, where there is a high level of competition and a huge number of operators. The main competitors are large international groups involved in the current wave of mergers and acquisitions, which are operating aggressive competitive strategies at global level. The Group's competitive position vis-à-vis the major global players, which often have greater financial resources and benefit from a more highly diversified portfolio of brands and geographic locations, means that its exposure to market competition risks is particularly significant.

E. Risks relating to the Company's dependence on licences for the use of third-party brands and licences granted to third parties for use of the Group's brands

At 31 December 2018, 5.8% of the Group's consolidated net sales came from production and/or distribution under licence of third-party products. Should any of these licensing agreements be terminated or not renewed for any reason, this could have a negative effect on the Group's activities and operating results.

F. Risk of failure to comply with laws and regulations

As the Group is exposed and subject to numerous different regulations, there is a risk that failure to comply with laws and regulations, as well as with the Group's policies, could harm its reputation and/or result in potentially substantial fines. To mitigate this risk, the Group has created a Code of Ethics and defined Business Conduct Guidelines. It also provides its employees with regular training on its global policies. Internal assurance activities are continuously monitored and assessed with local management in order to improve the internal control system. Present in many regions across the world, the Group has also adopted a specific policy on human rights intended to mitigate any legislative shortcomings existing locally in that regard. During the year, the Group also launched a global training program on antitrust compliance, aimed at mitigating the risk of any breach of antitrust laws. Furthermore, in 2018, through its Group Privacy and Data Protection (GPDP) function, Campari Group managed a project to align with the new European personal data protection regulations (the 'GDPR' or 'Regulations'). As part of this project, Campari Group interviewed more than 100 Camparistas in order to better understand the areas of personal data processing carried out within Group companies to which the GDPR is applicable. With regard to the new Regulations, a Data Protection Officer (DPO) was appointed and an organisational model for personal data protection was defined, identifying roles and responsibilities in both the corporate governance functions and in the business functions, where personal data is actually used. In terms of human resource development in this area, various training and awareness activities were carried out, both through e-learning platforms for over 900 Camparistas, and through specific, dedicated training sessions for more than 100 employees who were identified as playing an active role in personal data management. At the same time, Campari Group has defined a series of policies

to manage GDPR requirements and has also introduced a tool to manage and track the main activities, as required under GDPR, to effectively demonstrate compliance with these Regulations.

G. Risks relating to legislation in the beverage industry

Activities relating to the alcoholic beverages and soft drinks industry – production, distribution, export, import, sales and marketing – are governed by complex national and international legislation, often drafted with somewhat restrictive aims.

The trend of tightening legislation on the sale and promotion of alcoholic drinks, for the greater protection of consumers, especially young people, could, in the future, lead to the adoption of new laws and regulations aimed at discouraging or reducing the consumption of alcoholic drinks. Such measures could include restrictions on advertising or tax increases for certain categories of products. Any further tightening of regulations in the main countries in which the Group operates could lead to a fall in demand for its products.

H. Risks relating to product compliance and safety

The Group is exposed to risks relating to the release of its products for consumption with reference both to compliance with specific regulations to be applied to products in the beverage sector and with specific reference to the quality and safety of products for final consumers. Control procedures have therefore been put in place to ensure that products manufactured in Group plants are compliant and safe, in accordance with the prevailing laws and regulations and voluntary certification standards. In addition, the Group has defined guidelines to be implemented if quality is accidentally compromised, such as withdrawing and recalling products from the market.

I. Environmental risk

Production activities and the implementation of the Group's strategies are subject to the effects of natural events. Environmental changes, some of which could have a significant impact, could interfere with the local supply chain, as well as harm some customers. These events are generally unpredictable and may affect the seasonality of sales, just as natural disasters (such as hurricanes) may damage products and disrupt production at some plants. Some weather conditions might also have a positive effect on some geographical regions, but a negative effect in other segments.

The Group monitors environmental risks, has emergency plans in place and continuously develops plans to deal with such crises. The Group counts compliance with regulations and with local and international standards among its priorities, together with business continuity assessment, back-up scenarios and global insurance policies.

J. Risks relating to environmental policy

In line with the Group's environmental policy, which aims to reduce the environmental impacts that may be derived by our activities, the Group's industrial management has implemented dedicated procedures on safety and qualitative controls in the area of environmental pollution and the disposal of solid waste and waste water. The objective of this structure is to continuously monitor and update the Group's business activities based on the legislation in force in the individual countries in which it operates.

K. Tax risks

The Group operates in many countries with different tax regulations. In many jurisdictions, alcoholic drinks are subject to import and excise duties, some of which could change and negatively affect demand for Campari Group products. Such changes could have a negative impact on profit margins or sales, reducing overall consumption or encouraging consumers to move to categories of alcoholic beverages that are less heavily taxed. Moreover, significant changes in international taxation, such as the effect of Brexit on trade between Europe and the UK, could suddenly increase overall business costs.

The Group regularly reviews its business strategy and tax policy in light of regulatory changes, and assesses the possibility of any negative results of potential inspections in order to determine the adequacy of its tax provisions.

L. Risks relating to employees

The risks that the Group faces in relation to the management of employees refer, on the one hand, to the administrative management of personnel, with particular reference to events of an extraordinary nature, and on the other to the health and safety of employees, with particular reference to the conditions of work and accident management.

In the various countries where the Group has subsidiaries, its dealings with employees are regulated and protected by collective labour agreements and the regulations in force locally. Any reorganisation or restructuring undertaken, where this becomes essential for strategic reasons, is defined on the basis of plans agreed with employee representatives.

Moreover, the Group has implemented specific procedures to monitor safety in the workplace, and it is worth noting that the accident rate at Group plants is very low and that any accidents that do occur tend to be minor.

M. Cyber-security risks

Cyber-security risks have a potential global impact for Campari Group, due to both the strong interconnectedness within the Group and the ever-increasing pervasiveness of technology (and the internet) on the performance of company activities. The major risks associated with cyber-security include reputational damage caused by breaches/theft of sensitive data, the malfunctioning or disruption of IT systems, the unavailability of online services due to a cyber attack and the increased cost of resolving these problems. The Group has implemented controls aimed at promptly identifying any cyber risks, such as the preparation of a channel dedicated to reporting any attacks.

N. Exchange rate and other financial risks

In 2018, around 61.5% of the Group's consolidated net sales in 2018 came from outside the Eurozone. With the growth in the Group's international operations in areas outside the Eurozone, a significant fluctuation in exchange rates, mainly due to macroeconomic or political instability or, in the specific case of the United Kingdom, to uncertainty over Brexit, could have a negative impact on the Group's activities and operating results.

However, the existence of Group facilities in countries such as the United States, United Kingdom, Australia, Jamaica, Brazil, Canada, Russia and Argentina allows this risk to be partially hedged, given that both costs and income are denominated in the same currency. Therefore, exposure to foreign exchange transactions generated by sales and purchases in currencies other than the Group's functional currencies represented an insignificant proportion of consolidated sales and consolidated margins in 2018.

For more information about the Group's risks, see the notes, 'Provisions for risks', and 'Nature and extent of risks arising from financial instruments' in the Annual financial statements for the year ending 31 December 2018.

Lastly, in 2018, an analysis of corruption risk was initiated, involving 26 of the Group's foreign companies. The aim of the analysis is to map the applicable local legislation and thoroughly examine the internal control system of companies in respect of processes that are potentially at risk of corruption; these include the management of relationships with public and private third parties, the management of gifts and entertainment expenses, lobbying activities and human resources management.

In Italy, in particular, pursuant to Legislative Decree 231 of 2001, the 231 Model, which governs specific control systems, was approved by the Board of Directors. The main tools for mitigating corruption risk are the Code of Ethics, the Busi-

ness Conduct Guidelines and ongoing training of employees to keep them periodically updated on the Group's policies. In particular, relations with public and private entities are regulated in the Code of Ethics as follows:

- it is absolutely forbidden to promise or offer public officials, employees or other representatives of the public administration payments or other gains in order to promote or favour the Group's interests;
- it is absolutely forbidden to promise or offer employees or other representatives of institutions, political parties, trade unions and associations payments or other gains in order to promote or favour the Group's interests;
- in all cases, it is forbidden to accept gifts or favours, the value of which, taking into account the circumstances under which they were offered, could have even a slight impact on the selection of supplier or counterparty, or on the terms and conditions of the contract.

Violations of the Code of Ethics may result in the termination of the relationship of trust between the Group and the Recipients, with the consequences for the employment/collaboration relationship specified in current legislation and collective agreements.

THE FOUNDATIONS

Fondazione Campari

The Fondazione Campari was created in 1957 with the aim of pursuing social solidarity projects mainly for current and former employees of Davide Campari-Milano S.p.A. and its subsidiaries in Italy and abroad, their families, and all those who have contributed to the recognition of the Campari name.

Specifically, the Fondazione Campari's activities include assistance, education and charity initiatives.

In 2018, 66 out of 68 applications, totalling €293,434, were approved. These break down as follows:

APPLICATIONS APPROVED	TYPE	ECONOMIC VALUE (€)
29	SCHOLARSHIPS AND AWARDS	€50,500
40	NURSERY/KINDERGARTEN FEES	€19,500
7	MORTGAGE SUBSIDIES	€75,000
8	ONE-OFF APPLICATIONS – ITALY	€35,600
6	ONE-OFF APPLICATIONS - ABROAD ⁵	€27,040.67
3 ⁶	PROJECT SUBSIDIES - ABROAD	€85,793.33
66	TOTALE	€293,434

J. Wray & Nephew Foundation

The J. Wray & Nephew Jamaica Foundation works primarily to foster social inclusion, culture and education in the Jamaican territory. In 2018, the JWSNF sponsored the Kingston Book Festival, also hosting a special forum for 65 female students on International Women's Day. With the additional objective of helping to reduce the school drop-out rate, the JWN Foundation then turned its attention to young marginalised Jamaican children most at risk of becoming involved in crime to raise their awareness of the importance of education. Seven events with workshops were therefore organised for students, parents and teachers; the events were delivered by international trainers and concluded with a final TED Talk attended by over 370 children.

JWNF continues its partnership with Nestlé Jamaica, with which it implemented 'Nutrition Roll-Out' in March 2018. The project aims to raise awareness of the benefits and importance of proper and healthy eating. Cereals, milk and fruit juice were therefore distributed to students in the local communities during the Easter holidays.

As part of the JWN Foundation's Scholarship Awards Programme, 103 scholarships were awarded totalling JMD7.8 million (€53,293). Moreover, in cooperation with the US Embassy, seven of the children awarded scholarships were invited to an information session on the Fulbright Scholarship at the US Embassy in Kingston. This gave them the opportunity to find out

about post-graduate funding options offered by the US Embassy and offered them the use of the embassy's resource centre and library.

The JWN Foundation partnered with the Early Childhood Commission to develop the Middlesex Infant School, a multifunctional learning centre that will offer educational services for children and adults. The school will be for both youngsters, from early infancy, and parents, who will be taught topics relating to entrepreneurship, economics and project management with the aim of generating new growth and employment opportunities.

The JWN Foundation has also joined the Council of Voluntary Social Services (CVSS), an NGO whose mission is to create partnerships between various parties, facilitating mutual support and joint action to help more disadvantaged and vulnerable groups in the local community. As part of this undertaking, JWNF is promoting a study on philanthropic activities and corporate social responsibility to be developed in Jamaica for the benefit of the community.

Lastly, the Jamaican Foundation also organised, with the support of over 80 volunteers, its annual Christmas party in 2018, which was attended by over 510 children from five local schools. Alando Terrlonge, Jamaican culture minister, also took part.



Campari Foundation Mexico

Fundación Campari was created in Mexico in 2016 with the aim of supporting education and health and combating poverty, especially in the Arandas region, where Campari Mexico's production facility is located. The two main projects promoted by the Fundación Campari México are the 'School Kits' program and the 'Espolón School', an educational program for distillery employees. The Mexican distillery was recognised as a study centre by local institutions and has consequently been granted authorisation for external teachers to teach officially recognised lessons there. The 'Espolón School' program today involves 27 employees, who will receive a diploma in March 2019 at the end of the first cycle of studies. In addition, with the further aim of encouraging continuity in schooling and the development of future talents in the region, the Foundation distributed 90 school kits to employees and/or their children in 2018.

Lastly, the Foundation promotes various projects to support the local community, including the Campari Warm Winter initiative, which involved the collection and distribution of blankets, clothes and essentials to 113 families during the winter season.



⁵ Deemed to be direct contributions to Camparistas.

⁶ Argentina: Universidad de S. Andres; Mexico: Educational Program; Jamaica: JWN Staff Educational Assistance.

SUSTAINABILITY FOR THE GROUP

As its business grows, Campari Group constantly comes across new opportunities to generate positive economic, social and environmental impacts. A culture of ethics permeates the entire company, ensuring that every business is managed with probity and integrity. In this Report, we have reorganised our reporting of the sustainability areas that reflect the entire Group's commitment to creating value in each business area as follows:

- our people;
- responsible practices;
- the environment;
- community involvement.

Through the conduct of its business, Campari Group contributes to the achievement of 11 of the 17 Sustainable Development Goals (SDGs)⁷ defined in the context of the UN 2030 Sustainable Development Agenda, which promote the active participation of all stakeholders (i.e. private sector, public sector, institutions and local communities).

In particular, the objectives shown in the table below were linked to the sustainability issues that constituted the starting point for carrying out the materiality analysis:

	<ul style="list-style-type: none"> • Economic impact on communities • Employee remuneration, salaries and benefits 	<ul style="list-style-type: none"> • Initiatives for the local community • Activities of the Foundations
	<ul style="list-style-type: none"> • Health and safety in the workplace • Air emissions and quality 	<ul style="list-style-type: none"> • Waste, discharges and soil pollution • Sustainable management and quality of water resources
	<ul style="list-style-type: none"> • Employee training and development 	<ul style="list-style-type: none"> • Initiatives for the local community • Activities of the Foundations
	<ul style="list-style-type: none"> • Diversity, equal opportunities and inclusion • Equal pay 	<ul style="list-style-type: none"> • Human rights (non-discrimination/harassment and bullying in the workplace)

	<ul style="list-style-type: none"> • Waste and discharges • Water consumption 	<ul style="list-style-type: none"> • Sustainable management and quality of water resources • Environmental investment
	<ul style="list-style-type: none"> • Sustainable energy consumption and energy efficiency 	<ul style="list-style-type: none"> • Renewable energy • Environmental investment
	<ul style="list-style-type: none"> • Generated and distributed economic value • Economic sustainability • Job creation • Diversity, equal opportunities and inclusion • Employee training and development • Human rights policies 	<ul style="list-style-type: none"> • Recruitment, turnover and retirement policies • Attracting and developing talent • Remuneration policies • Industrial relations • Work-life balance • Employee satisfaction • Health and safety in the workplace
	<ul style="list-style-type: none"> • Diversity, equal opportunities and inclusion • Equal pay • Human rights policies 	<ul style="list-style-type: none"> • Economic impact on communities • Investment in the local community • Activities of the Foundations
	<ul style="list-style-type: none"> • Air emissions and quality • Energy consumption and energy efficiency • Water consumption and water resources management 	<ul style="list-style-type: none"> • Waste, discharges and soil pollution • Materials consumption • Environmental investment • Sustainable and transparent procurement • Product quality • Food safety
	<ul style="list-style-type: none"> • Emissions • Energy consumption and energy efficiency 	<ul style="list-style-type: none"> • Environmental investment
	<ul style="list-style-type: none"> • Business relations with responsible and transparent partners 	<ul style="list-style-type: none"> • Relations with Institutions • Projects and initiatives on sustainability

SUSTAINABILITY POLICIES AND GOVERNANCE

As we continue to split up our business structure into divisions and we expand our geographical and market reach, Campari Group has had to formalise its key principles in some documents that constitute the pillars of our sustainable way of doing business.

The values and conduct that inspire the work of each employee and the entire Group are included in the Code of Ethics. The latest version of this Code was approved by the Board of Directors of the Parent Company on 8 May 2018. The Code reaffirms the principles of fairness, loyalty and professional integrity that form the basis of the work and behaviour of those operating in the Group both in internal relations and in relations with third parties (the Code of Ethics is available at www.camparigroup.com).

To ensure compliance with the Code of Ethics and a correct interpretation of it pursuant to Legislative Decree 231/2001, a Supervisory Body was established, appointed by the Board of Directors, with autonomous operational and control powers. Any violations of the Code or behaviour that is not compliant with the Code may be reported anonymously to the Supervisory Body via Campari Safe Line. This is the whistleblowing channel for employees and external stakeholders and is available through various channels (telephone, e-mail, post, fax or online platform) in several languages.

In addition to the Code of Ethics, the Business Conduct Guidelines also aim to ensure the utmost integrity in professional life. The principles set out in the document, which is available to all employees and can be viewed on the Group's internal portal, concern the following five potentially sensitive areas:

- gifts and entertainment;
- use of social media;
- confidential information;
- responsible drinking;
- mutual respect.

Since 2013, Campari Group has had a QHSE (Quality, Health, Safety & Environment) policy that governs and protects the environment, health and safety of its employees and consumers as well as the quality and food safety of products. This policy, which is periodically reviewed to keep it in line with the nature and size of the Group and the corporate objectives, applies to all company locations and divisions. These are responsible for amending the policy according to the specific characteristics of the location in terms of quality, health, safety, environment and sustainability. The policy is also shared with all suppliers, funders and employees, and is published on Campari Group's website⁸.

In 2017, in compliance with the provisions of the decree implementing the non-financial directive, a policy on human rights and personnel management was drafted and signed by the Group Officers. As the issue of respect for human rights is deeply rooted in our organisation, and in line with the principles already expressed in the Code of Ethics, by drafting a specific policy, the Group formalised its commitment to playing an active role in the protection of human rights within its sphere of influence. The Employees' & Human Rights Policy, which applies to all members of the Group, was communicated to all Camparistas, in several languages, through the main internal communication tools. They were also made public in the sections on Governance and Sustainability on the Group's website⁹.

The Supplier Code, the document implemented globally in 2013, which summarises the founding principles and values that underpin every business relationship, was also revised during the year. By signing this document, each supplier of materials and components for production provides assurance that its operations comply with the ethical requirements of Campari Group, helping to establish transparent, lasting and profitable relationships. The Group will continue to extend the range of the suppliers to which the Supplier Code applies, including non-product-related suppliers.

The governance of sustainability

The Sustainability Committee was established in 2016. Its aim is to ensure greater coordination among corporate divisions in order to identify potential synergies and define an approach to sustainability that is shared across the entire Group. This working group is made up of the global directors of the main corporate functions. They meet periodically to carry out advisory and proactive roles in the area of sustainability, specifically the processes, initiatives and activities aimed at overseeing the Group's commitment to sustainable development along the entire value chain.

The Sustainability Committee, which meets periodically during the year, comprises:

- Global Public Affairs & Sustainability Senior Director;
- Managing Director Italian Icons;
- Head of Group HR;
- Head of Global Procurement;
- Head of Global HSE;
- Statutory Reporting, Investor Relations & Corporate Finance Senior Director;
- Corporate Communication Director.

As confirmation of the importance that sustainability now has within Campari Group, the function responsible for coordinating Public Affairs & Sustainability reports directly to the Chairman of the Board of Directors.

The incorporation of sustainability objectives into the Group's strategic priorities represents another step towards developing a sustainable business. The Sustainability corporate team, with the help of other corporate management teams, has identified global and cross-functional sustainability projects that are in line with the Group's strategic objectives. These projects, which were approved by the Campari Group Lead Team and included in the global projects portfolio, were then prioritised on the basis of their importance to the business and the urgency of implementation. They are to be developed over the three-year period 2018-2020.

CREATING VALUE FOR STAKEHOLDERS¹⁰

ECONOMIC VALUE GENERATED BY CAMPARI GROUP (EUR millions)

Revenues from sales	+€1,711.7 million
Financial income collected (interest income)	+€71 million

ECONOMIC VALUE DISTRIBUTED BY CAMPARI GROUP (EUR millions)

Operating costs

- Cost of goods sold **-€683.6 million** of which -€72.0 million for personnel costs
- Advertising and promotional costs **-€289.2 million** of which -€1.9 million for personnel costs
- Overheads **-€360.1 million** of which -€209.2 million for personnel costs

The previous costs include total personnel costs of -€283.1 million, taxes other than income tax of -€13.1 million and gifts and donations of -€0,5 million;

- Dividends distributed **-€ 57.5 million**
- Financial expenses paid (interest expenses paid): **-€ 29.9 million**
- Direct taxes paid **-€ 48.5 million**

In 2018, the economic value generated by the Group was +€1,718.8 million, while the economic value distributed was +€1,468.9 million.

Considering also depreciation and amortisation of €53.8 million, and impairment of fixed assets, and provisions net of utilisations of €4.4 million, the retained value, i.e. the difference between the economic value generated and the economic value distributed, was +€308.2 million.

KEY ECONOMIC DATA

(EUR MILLIONS)

	2017	2018
Net sales	1,753.4 ¹¹	1,711.7
Contribution margin	732.4	738.9
Adjusted EBITDA	437.6	432.6
EBITDA	451.4	434.5
Result from recurring activities	380.5	378.8
Operating result = EBIT	394.3	380.7
Net profit	356.4	296.3
Free cash flow	227.0	235.6
Net financial debt/(cash)	981.5	846.3
Shareholders' equity	1,942.6	2,162.8

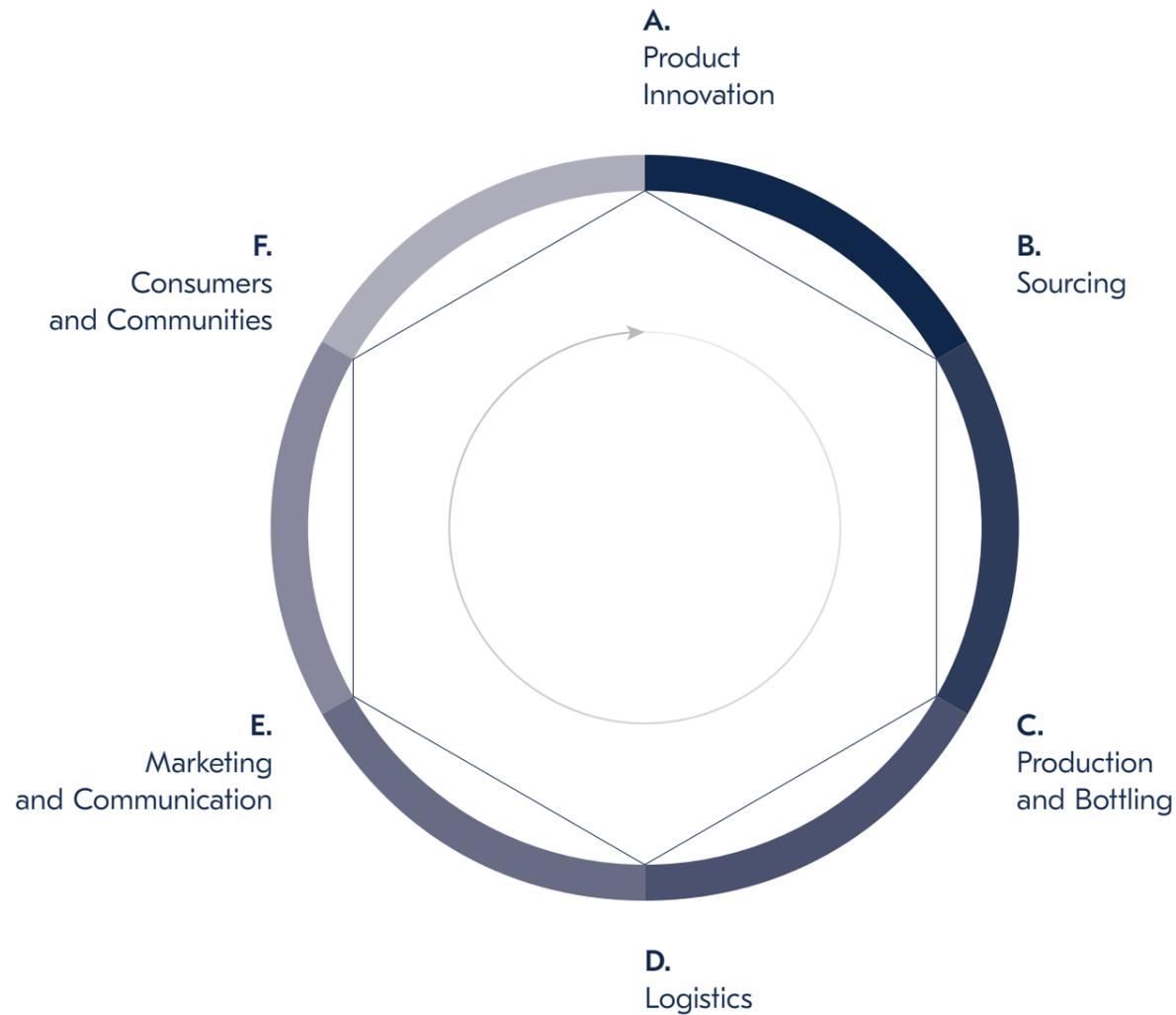
¹⁰ The values shown above are taken from the Group's Income Statement, classified by function. With regard to financial charges and income, dividends, and direct taxes, the cash principle rather than the accruals principle was applied.

¹¹ The values shown for 31 December 2017 have been restated following application of the new accounting standard IFRS 15-Revenue from Contracts with Customers. For more information on the impact of the new accounting standard, please refer to Note 50 to the Annual financial statements for the year ending 31 December 2017.

I NOSTRI STAKEHOLDER

STAKEHOLDERS	ENGAGEMENT AND CHANNELS OF DIALOGUE	KEY ISSUES
Consumers	Market research and customer satisfaction; tests and focus groups; social media; company websites; events.	Product quality and safety; transparency of information; responsible communication.
Bartenders	Campari Academy courses; Campari Academy Truck; Campari Barman Competition; events; sustainability questionnaire.	Professional, high-quality and responsible serving.
Local communities	Corporate volunteering; Negroni Week; charity activities for NGOs; visits to Galleria Campari; contributions to external shows and exhibitions.	Investments and aid for the community; social and environmental impacts generated; job creation.
Press	Press releases and PR material; websites; preparation and coordination of interviews with senior management; events.	Timely and transparent communication, information/statements on the importance of sustainability issues and their impact on corporate strategy, targets and planned activities, involvement of senior management in business sustainability issues.
Camparistas	Two-yearly survey on internal morale (Great Place to Work 2018); internal and external training courses; performance appraisal; internal communication tools (press review, intranet, mailing); 'Yammer' internal social network; internal events for Camparistas (such as guided tastings, lunch in the Galleria, product tastings); business meetings; management committees.	Business climate; career development and growth; remuneration and incentives; training; work/life balance; corporate welfare; equal opportunities; health and safety at work; internal communication.
Suppliers, distributors and commercial partners	Supplier Code; Sedex; co-product development; innovation projects; business meetings; third-party verification; validation and certification of documents and reports.	A solid and transparent negotiating relationship that is subject to continuous checks; contractual terms and conditions; order planning; compliance with Campari Group policies.
Competitors	Participation in sector association conferences.	Protection of sector interests; promotion of responsible consumer behaviours and models.
Shareholders, investors and analysts	Shareholders' meeting; management reports, press releases and investor presentations; analyst calls, investor meetings, roadshows and investor conferences; dedicated email address investor.relations@campari.com.	Dividends, stock performance; investor relations; capital base.
Trade associations	Periodic meetings; preparation and sharing of projects and best practices; participation in meetings and activities of associations.	Protection of sector interests; promotion of responsible consumer behaviours and models.
Trade unions	Collective and supplemental bargaining; meetings with company union representatives; conferences.	Ongoing dialogue and fulfilment of obligations arising from bargaining with the trade union associations.
Institutions	Participation in national and international conferences on issues facing the industry.	Transparent communication; compliance with laws and sound business management.
Schools and universities	Development of projects in partnership; graduate programs; company testimonials at educational institutions; guided tours for students at Galleria Campari; company testimonials.	Partnerships and projects; financing.

THE VALUE CHAIN OF OUR PRODUCTS



MATERIALITY ANALYSIS

Materiality analysis is a useful exercise for identifying and prioritising the most important topics for the Company that enable the organisation to create value for itself and for the society in which it operates.

After sending the 'Sustainability Survey' to over 500 Camparistas in 2017, and having defined sustainability as the eighth strategic pillar, the Group again involved corporate management at the Group's 2018 Convention. The participants, who were split into themed tables, took part in workshops to identify the most important issues for each area of business (i.e.: diversity, transparency, safety and culture). The findings were also the starting point for defining global sustainability projects to be implemented across the Group. These projects were approved internally by the Lead Team during the year.

Moreover, in 2018, the company again updated the materiality matrix, involving external stakeholders for the first time. We sent a sustainability questionnaire to customers and bartenders with whom we work and/or have dealings, receiving replies from over 700 users. The questionnaire sought to examine in detail the material issues closest to the hearts of survey recipients, namely relating to the themes of 'product', 'information to consumers/transparency' and 'activities and responsible practices'. The results of the questionnaire showed that transparency of information to consumers, responsible serving and quality of drinking are considered to be priority issues by our community of bartenders and customers.

In addition to the contributions received, external preliminary analysis carried out in 2017, including an analysis of media, sector legislation, and the aspects highlighted in Legislative Decree 254/16, and a benchmarking of companies operating in the alcohol and spirits sector, provided a further useful tool for determining the importance of sustainability issues.

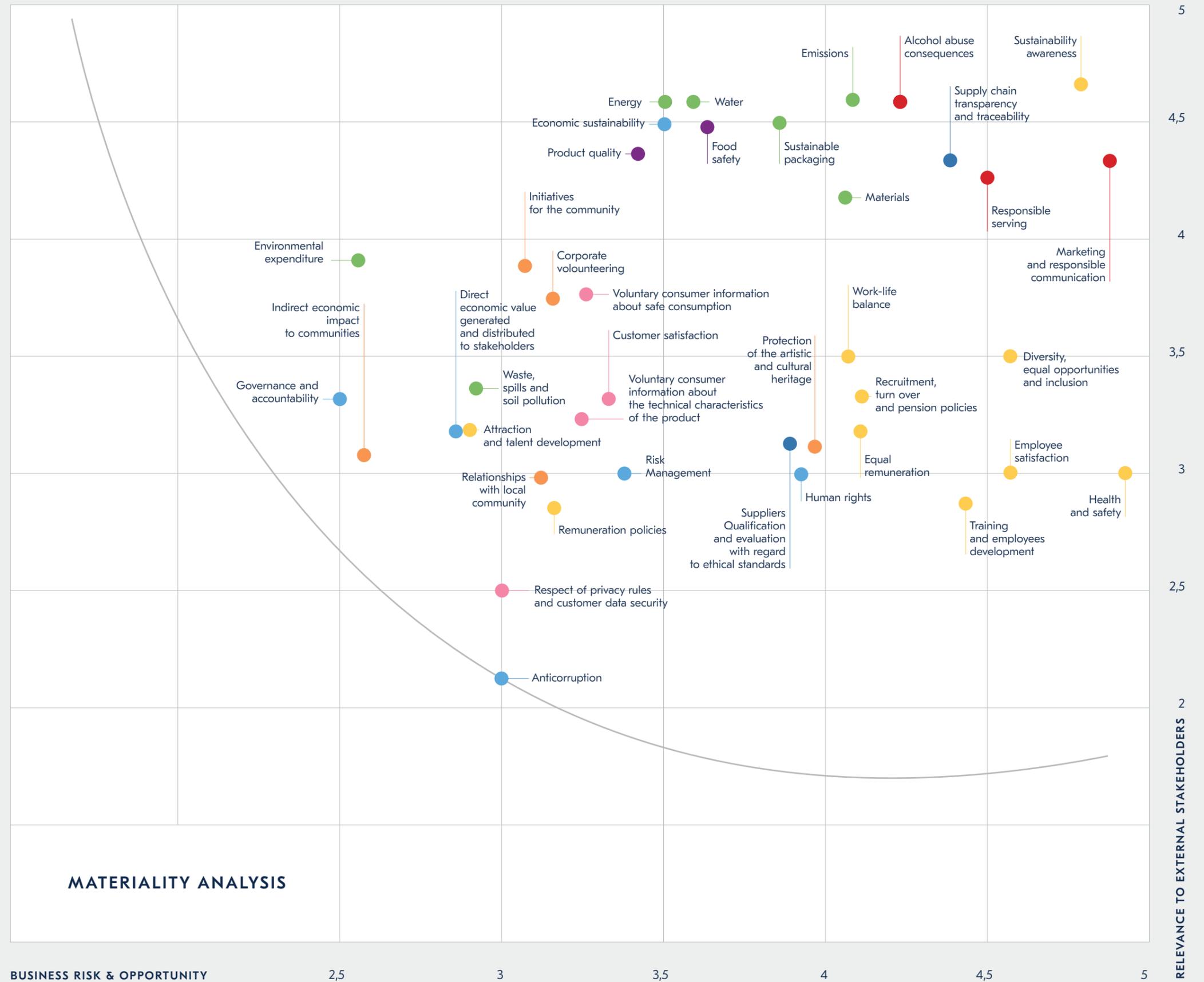
In accordance with GRI Standards on applying the principle of materiality, each issue has been assessed and prioritised in terms of the extent of its economic, environmental and social impact on the organisation or on the basis of its ability to influence the choices and decisions of stakeholders.

The core sustainability areas for Campari Group are shown in the diagram below:

The core sustainability areas for Campari Group

As previously shown for 2017, the particular importance of 'responsible drinking' and 'responsible serving' was again confirmed, partly and most importantly as a result of including customers and bartenders in the analysis. It should be highlighted that, compared with the previous materiality analysis, increased importance was accorded to issues associated with 'privacy', mainly due to the recent entry into force in the European Union of the General Data Protection Regulation (GDPR), and 'diversity', an area of interest that emerged as a priority at the Group Convention in 2018.

Lastly, it should be stressed that all issues resulting from the materiality assessment have been actioned by the Group, not only in terms of disclosing the related information in the Sustainability Report, but also, on a more operational level, via specific projects already under way or on which the Group intends to focus more in the near future.



OUR PEOPLE



3,681

Camparistas
globally



6.3%

Voluntary
turnover



€3.3 million

Million invested
in training



90%

Camparistas
stating that people
are treated fairly
regardless of
their ethnicity



89%

Camparistas
believe that
their workplace
is physically safe



63

Nationalities*



40%

Of new hires
are women



90%

Camparistas
that believe in
the future of
Campari Group



* Camparistas in US and Canada are not included, since their nationality, for reasons of local regulations, cannot be traced.

OUR PEOPLE

As the first and most direct ambassadors of Campari Group, Camparistas, who embody our corporate values, are essential resources for en-

uring the Group's growth. At 31 December 2018, the Group's total headcount was 3,681, including 3,530 permanent employees.

COMPANY POPULATION BY REGION, GENDER AND PROFESSIONAL CATEGORY

REGION AND GENDER	2017				TOTAL	2018				TOTAL
	PERMANENT		FIXED-TERM			PERMANENT		FIXED-TERM		
	FULL TIME	PART TIME	FULL TIME	PART TIME		FULL TIME	PART TIME	FULL TIME	PART TIME	
Asia-Pacific	192	4	7	1	204	200	5	13		218
Women	75	4	1	1	81	81	5	3		89
Men	117	-	6	-	123	119	-	10		129
Europe, Middle East and Africa	1,425	66	30	2	1,523	1,385	51	35		1,471
Women	554	54	19	1	628	522	43	20		585
Men	871	12	11	1	895	863	8	15		886
North America	1,657	5	259	-	1,921	1,511	2	102		1,615
Women	567	4	62	-	633	534	1	37		572
Men	1,090	1	197	-	1,288	977	1	65		1,043
South America	462	-	1	-	463	376	-	1		377
Women	129	-	-	-	129	120	-	-		120
Men	333	-	1	-	334	256	-	1		257
TOTAL	3,736	75	297	3	4,111	3,472	58	151		3,681

The reduction in the headcount in 2018 is mainly due to the sale of the Lemonsoda business, the outsourcing of the accounting and administrative activities carried out by the shared service for the US, Canada, Argentina and Peru, the optimisation

of production facilities in Brazil, with the closure of the Sorocaba plant, and in Jamaica, with the closure of two operating sites for the cultivation and production of sugar cane¹².

Campari Group and Camparistas: a continuous dialogue

In the firm belief that a company's success is increasingly connected to its ability to understand and meet the expectations of its employees, Campari Group now has a long tradition of carrying out an employee survey. 2018 marked the tenth anniversary of this important two-yearly initiative. Since 2008, Camparistas have enthusiastically taken part in developing our work environment all over the world.

Since 2016, Campari Group has worked with the Great Place to Work Institute® (GPTW) as the chosen partner for its employee survey. By making use of the GPTW questionnaire, an easily accessible online platform and a comparison with external companies, the Group can identify its development requirements in each of the countries in which it operates.

Camparista Survey 2018: results

Campari Group's results were positive and higher than those in the 2016 survey. The response rate in 2018 was 94%, well-above other comparable global surveys within the GPTW panel (82%). The Trust Index® was 71% (+3% compared with 2016) and considerably higher than the average for the other Italian multinationals surveyed by GPTW between 2017 and 2018¹³ (+11%) and, in fact, in line with the global benchmark for multinationals operating in fast-moving consumer goods (FMCG)¹⁴ (-2%). 80% of Camparistas worldwide believe that the

Company is an excellent place to work, which confirms the result already recorded in the 2016 edition. In the last two years, all areas for improvement have recorded higher scores, confirming that Camparistas appreciate the respective investments made by the Group. It also shows that in-house staff are willing to be humble and work on development areas and be hungry to grow in a focused manner.



Thanks to particularly good results, Campari Group has been recognised in a growing number of countries as a great local place to work. For the third time in a row, Campari Argentina was named in its category as a Great Place to Work 2018. The Company was also recognised in Brazil as a Great Place to Work in the Barueri and Região region in 2018. Campari Group has earned Great Place to Work 2018-2019 certification in Italy for the first time, and the Group's reputation in the Italian market has led to it being named as one of the 100 'Most Attractive Employers-Italy' in Universum's Talent Survey-2018 edition¹⁵.



GLOBAL CAMPARISTA SURVEY

	2016	2018
PARTICIPATION RATE	93%	94%
PERIOD	October	October (December in United States)
BENCHMARK	Internal and external	Internal and external
NUMBER OF STATEMENTS	58 standard + 15 specific	58 standard + 16 specific
KEY MEASUREMENTS	Trust Index© + Overall Satisfaction	Trust Index© + Overall Satisfaction + Campari Behaviours Indexes

	RELATIONSHIP WITH MANAGEMENT			RELATIONSHIP WITH WORK	RELATIONSHIP WITH COLLEAGUES
	CREDIBILITY	RESPECT	FAIRNESS	PRIDE	CAMERADERIE
	<ul style="list-style-type: none"> • Two-way communication • Competence • Integrity 	<ul style="list-style-type: none"> • Support • Collaboration • Caring 	<ul style="list-style-type: none"> • Fairness • Impartiality • Justice 	<ul style="list-style-type: none"> • Personal work • Team • Organisation 	<ul style="list-style-type: none"> • Intimacy • Hospitality • Community
2018	69%	69%	68%	79%	74%
2016	67%	66%	66%	78%	70%

TRUST INDEX©: 71%

2016: 68%

CAMPARI BEHAVIORS INDEXES

				
RESPECT OTHERS AND THE PLANET	BE HUMBLE AND HUNGRY	KEEP IT SIMPLE AND DO MORE WITH LESS	EMBRACE THE CHALLENGE AND DRIVE THE CHANGE	BUILD MORE VALUE TOGETHER
<ul style="list-style-type: none"> • Inclusion and diversity • Management consistency and feedback culture • Social responsibility 	<ul style="list-style-type: none"> • Running the 'extra mile' • Improving things and learning new ones • Making the difference 	<ul style="list-style-type: none"> • Using resources the right way • Straight priorities • Efficient organization 	<ul style="list-style-type: none"> • Response rapidness • Continuous improvement • Delegation 	<ul style="list-style-type: none"> • Cooperation vs. politicking • Management listening and involving • Togetherness
72%	72%	66%	71%	66%

SOME SPECIFIC STATEMENTS

POSITIVE ANSWERS

I believe in the future of Campari Group.	90%
I am satisfied with the quality of the products/services we provide as a Company.	90%
I feel good about the ways we contribute to the community.	73%
I am proud to tell others I work for here.	90%
This is a friendly place to work.	82%
When you join the organization, you are made to feel welcome.	86%
Campari Group participates in campaigns/initiatives/projects that enhance the social and environmental well-being of the communities where it operates.	71%
I want to work here for a long time.	81%
This is a physically safe place to work.	89%

OVERALL SATISFACTION

Taking everything into account, I would say this is a great place to work.	80%
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Other tools for dialogue

Yammer was implemented back in 2017 to foster a culture of sharing by improving communication between departments and geographical areas. Yammer is the company's social network and is used daily as a tool for making sure internal communication is continuous and up to date, collecting information, developing team-building activities, sharing best practice and celebrating the successes of Camparistas.

Another, more recent launch is Campari TV, a global initiative aimed at encouraging the uptake of the Group's main innovations in all its offices. It is an internal online channel broadcasting videos in which Camparistas themselves deal with key news, such as the quarterly results, strategies and messages about implementing Campari's culture.

Diversity and inclusion in the workplace

The Group promotes multi-ethnicity in all its sites. Conscious of the value of diversity as a growth driver, Campari Group continues to attract and value people of different ages, cultures, genders and origins in all its business units. This commitment to fostering a working environment that celebrates and values diversity and inclusion is also clearly reflected and demonstrated by the results in the respective sections of the latest Employee Survey:



DIVERSITY INDICATORS

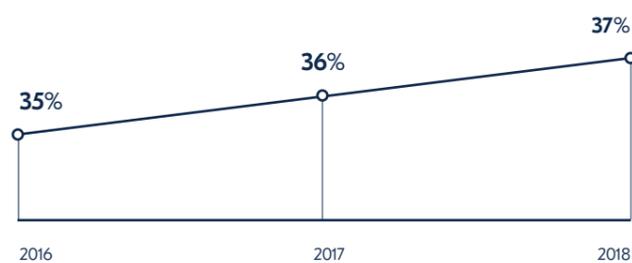
POSITIVE ANSWERS

People are treated fairly, regardless of their age.	78%
People are treated fairly, regardless of their ethnic origin.	90%
People are treated fairly, regardless of their gender.	84%
People are treated fairly, regardless of their sexual orientation.	90%

PERMANENT CAMPARISTAS BY REGION AND GENDER

REGION	MEN	WOMEN	TOTAL	% WOMEN
Asia-Pacific	119	86	205	42%
Europe, Middle East and Africa	871	565	1,436	39%
North America	978	535	1,513	35%
South America	256	120	376	32%
TOTAL	2,224	1,306	3,530	37%

FEMALE EMPLOYEES AS A PERCENTAGE OF TOTAL HEADCOUNT-TREND



Except for the corporate population working in the Product Supply Chain area (which includes production facilities), female Camparistas represent 44% of the total workforce. There was a gradual increase in the number of women in the overall workforce compared with previous years.

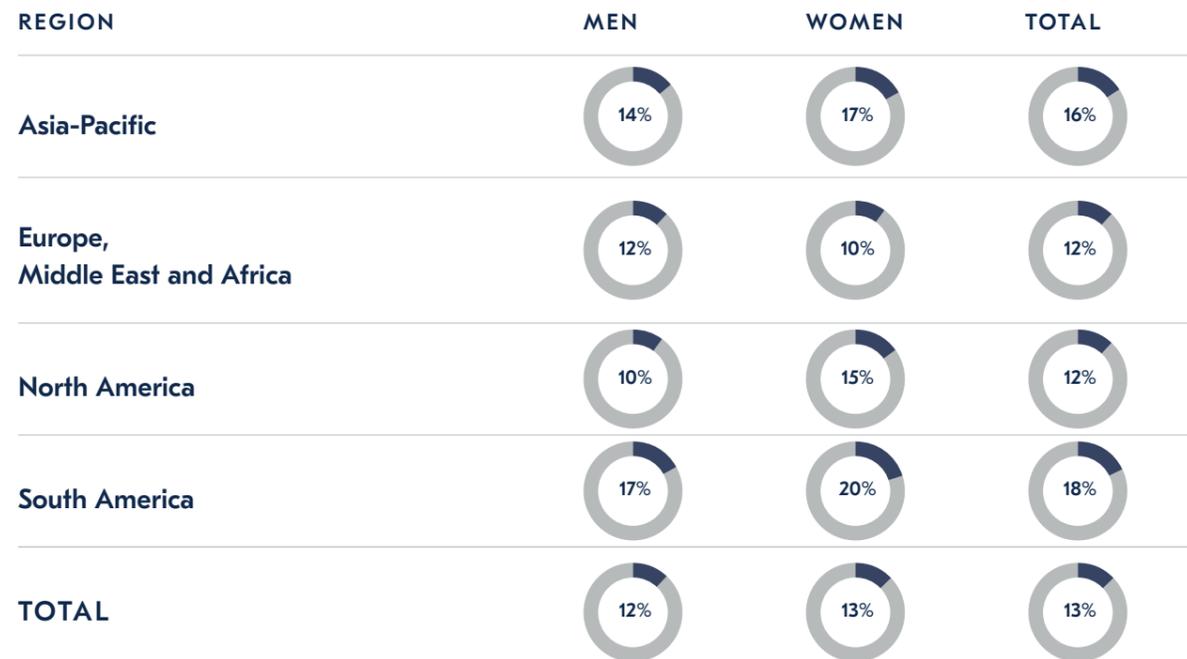
PERMANENT CAMPARISTAS BY PROFESSIONAL GRADE AND GENDER

PROFESSIONAL GRADE	MEN	WOMEN	TOTAL	% WOMEN
Management&above	380	157	537	15%
Senior Professional	293	238	531	45%
Professional	475	347	822	42%
Specialist/Generic Staff	319	378	697	54%
Blue Collar	757	186	943	20%
TOTAL	2,224	1,306	3,530	37%

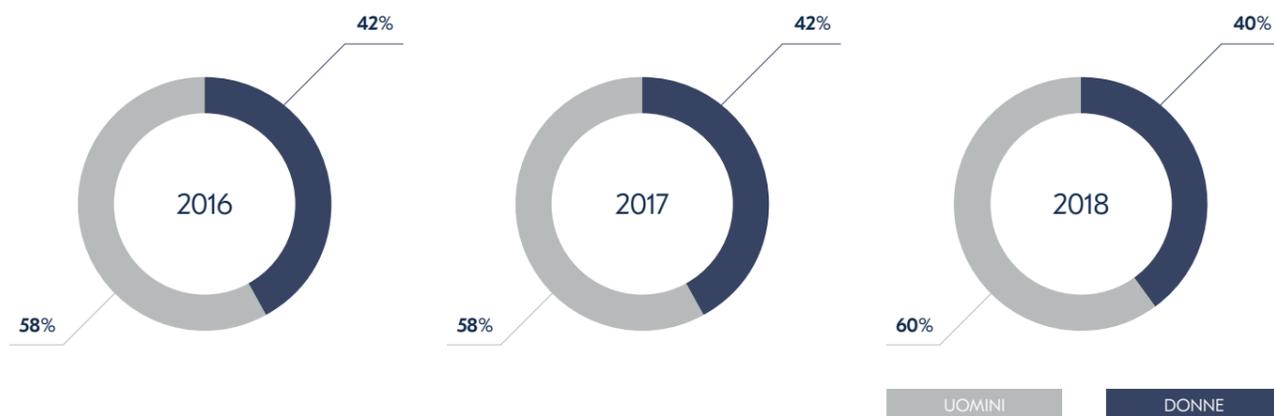
NEW CAMPARISTAS HIRED, BY REGION AND GENDER

REGION	MEN	WOMEN	TOTAL	% WOMEN
Asia-Pacific	17	15	32	47%
Europe, Middle East and Africa	108	58	166	35%
North America	99	78	177	44%
South America	44	24	68	35%
TOTAL	268	176	443	40%

NEW CAMPARISTAS HIRED AS A PERCENTAGE OF THE TOTAL WORKFORCE BY REGION AND GENDER



NEW CAMPARISTAS HIRED, BY GENDER AS A PERCENTAGE OF THE TOTAL WORKFORCE



New on-boarding process

The on-boarding process for new Camparistas in Italy has been updated. The 'A taste of...Campari Group' course has been designed to train people and make their on-boarding easier, as well as give them the opportunity to fully immerse themselves in Campari's culture.

The course consists of three separate days during which new employees have the opportunity to learn about the history of Campari, the business, the organisational structure, our unique sensitivity to art, production and our products.

TURNOVER BY REGION AND GENDER

REGION	MEN	WOMEN	TOTAL	% WOMEN
Asia-Pacific	17	8	25	32%
Europe, Middle East and Africa	138	97	235	41%
North America	221	127	348	37%
South America	127	40	167	24%
TOTAL	503	272	775 ¹⁷	35%

TURNOVER OF PERSONNEL AS A PERCENTAGE OF THE TOTAL WORKFORCE BY REGION AND GENDER

REGION	MEN	WOMEN	TOTAL
Asia-Pacific	14%	9%	12%
Europe, Middle East and Africa	16%	17%	16%
North America	23%	24%	23%
South America	50%	33%	44%
TOTAL	23%	21%	22%

VOLUNTARY TURNOVER¹⁸-TREND



¹⁷ It should be noted that the increase in the Company's turnover rate from 2017 to 2018 is due to the disposals made in the reporting year, together with outsourcing activities.

¹⁸ Voluntary turnover means leaving the company due to voluntary resignation.

RETURN TO WORK RATE BY GENDER

	2017		2018	
	MEN	WOMEN	MEN	WOMEN
Camparistas who were due to return to work from parental leave during the reporting period	49	77	48	68
Camparistas who returned to work after parental leave during the reporting period	48	73	47	68
Return to work rate after parental leave (%)				

The low level of voluntary turnover, which was only just above 6% in 2018, and the particularly high rate of return after parental leave, are proof of the Group's real commitment to creating an excellent working environment that Camparistas are not inclined to leave.

NEW CAMPARISTAS HIRED BY REGION AND AGE BRACKET

REGION	2017				2018			
	< 30	30 - 50	> 50	TOTAL	< 30	30 - 50	> 50	TOTAL
Asia-Pacific	14	25	1	40	5	24	3	32
Europe, Middle East and Africa	60	100	15	175	40	107	19	166
North America	84	121	3	208	56	104	17	177
South America	23	39	-	62	17	51	-	68
TOTAL	181	285	19	485	118	286	39	443

NEW CAMPARISTAS HIRED AS A PERCENTAGE OF THE TOTAL WORKFORCE BY REGION AND GENDER

REGION	< 30	30 - 50	> 50	TOTAL
Asia-Pacific				
Europe, Middle East and Africa				
North America				
South America				
TOTAL				

TURNOVER OF PERSONNEL BY REGION AND AGE BRACKET

REGION	2017				2018			
	< 30	30 - 50	> 50	TOTAL	< 30	30 - 50	> 50	TOTAL
Asia-Pacific	7	29	12	48	3	19	3	25
Europe, Middle East and Africa	20	126	74	220	18	130	87	235
North America	33	112	31	176	43	228	77	348
South America	8	32	5	45	18	100	49	167
TOTAL	68	299	122	489	82	477	216	775

TURNOVER OF PERSONNEL AS A PERCENTAGE OF THE TOTAL WORKFORCE BY REGION AND AGE BRACKET

REGION	< 30	30 - 50	> 50	TOTAL
Asia-Pacific	12%	12%	18%	12%
Europe, Middle East and Africa	12%	14%	24%	16%
North America	19%	23%	25%	23%
South America	32%	38%	88%	44%
TOTAL	18%	20%	29%	22%

PERMANENT CAMPARISTAS BY AGE BRACKET

REGION	2017				2018			
	< 30	30 - 50	> 50	TOTAL	< 30	30 - 50	> 50	TOTAL
Asia-Pacific	27	156	13	196	26	162	17	205
Europe, Middle East and Africa	159	923	409	1,491	145	929	362	1,436
North America	261	1,069	332	1,662	231	973	309	1,513
South America	70	311	81	462	57	263	56	376
TOTAL	517	2,459	835	3,811	459	2,327	744	3,530

Permanent Camparistas (%)



Although not Group policy, the Company tends to favour the hiring of managers who live in the countries in which it operates.

Senior managers who are part of the local communities in the main countries:

TOTAL	2017	2018
Managers	209	221
Managers who are part of the local community	155	161
Managers who are part of the local community (%)	74%	73%



	2017			2018		
CANADA ¹⁹	4	2	50%	6	2	33%
UNITED STATES ²⁰	33	23	70%	35	21	60%
JAMAICA	19	15	79%	16	13	81%
MEXICO	3	2	67%	4	4	100%
ARGENTINA	7	7	100%	8	8	100%
BRAZIL	5	4	80%	5	4	80%
PERU	1	0	0%	1	0	0%

	2017			2018		
AUSTRIA	1	1	100%	1	1	100%
BELGIUM	1	1	100%	1	1	100%
FRANCE	7	5	71%	7	6	86%
GERMANY	5	3	60%	8	7	88%
UNITED KINGDOM	7	0	0%	8	0	0%
ITALY	93	78	84%	100	80	80%
SPAIN	3	0	0%	2	0	0%
SWITZERLAND	2	0	0%	2	0	0%
UKRAINE	1	1	100%	1	1	100%
SOUTH AFRICA	2	2	100%	1	1	100%
RUSSIA	6	5	83%	5	4	80%
CHINA	1	0	0%	0	0	0%
SINGAPORE	1	0	0%	1	0	0%
AUSTRALIA	7	6	86%	8	7	88%

Initiatives to promote diversity

Implementation of smart working in all Campari Group offices certainly offers great advantages, in particular enabling all those who have a greater need for flexibility in working hours and the workplace to balance their professional and private lives; these include, for example, parents with minor children and employees with dependent elderly relatives. Other 'agile work' initiatives developed in some of our locations include 'Summer Hours', a period of paid holiday typically granted every Friday for half a day during the summer.



Australia

Campari Australia actively participates in the Women in Drinks Council and promotes the 'Women in Drinks' mentoring program. This is a collaboration and initiative launched by leading companies in the sector to attract, retain and develop the careers of women in the beverage sector. The Group's commitment is reflected in actions and events aimed at inspiring virtuous behaviour models in the sector, encouraging women to create active networks, and developing specific actions to remove obstacles to diversity in the workplace.



Brazil

In Brazil, the initiatives that have contributed most to improving diversity in the workplace include the 'Empregue Afro' and 'TransEmpregos' projects to facilitate the hiring of workers of African descent or transsexuals. Thematic workshops have also been held, with the support of the SexBox consultancy, to raise awareness among employees of the added value that diversity, in all its forms, can bring to the business and the real advantage of creating increasingly inclusive business communities.



Human resources: training and professional development

Campari Group believes in developing the skills of its people as a means of responding to business needs, in order to ensure its ability to react and seize new opportunities, cope with uncertainty and adapt to change.

In this regard, Campari Group promotes a Learning and Development strategy based on two main priorities: job-related training experiences and formal education activities. These account for 70% and 30% respectively of the total time devoted to professional development.

In order to support continuous self learning and ensure ever-wider accessibility to training opportunities, our organisation provides Camparistas with digital tools and platforms that host the most significant market trends.

There are three areas in which formal education activities are carried out: functional excellence, inter-functional excellence and leadership development. Increasingly sophisticated academies are developing aligned and efficient organisa-

tions and constantly up-to-date functional skills. Specially designed training courses are being used to increase awareness and inter-functional knowledge, allowing individual Camparistas to identify in their daily work ways to add value to other functions, thereby generating a potentially infinite source of value-creation possibilities. Pursuing leadership excellence in Campari Group means training individuals who, through engagement, managerial competence and their way of living the Campari values, can help to develop the business and all other Camparistas. Job-related training experiences offer Camparistas the opportunity, during working hours, to develop the skills to respond effectively to the complexities of a constantly evolving international organisation.

A cocktail of training based on experience, new digital tools and shared everyday examples is the way in which professionalism is developed in Campari Group.

TRAINING HOURS BY REGION, GENDER AND PROFESSIONAL CATEGORY

	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA PACIFIC	AFRICA	TOTAL
Management	9,424	3,188	4,238	1,259	88	18,195
Men	5,857	2,131	2,274	667	48	10,977
Women	3,567	1,057	1,963	592	40	7,219
Non Management	19,901	23,097	10,266	3,565	392	57,220
Men	11,236	16,480	5,690	2,195	192	35,792
Women	8,664	6,617	4,576	1,370	200	21,427
TOTAL	29,324	26,285	14,503	4,823	480	75,415
Men	17,093	18,610	7,964	2,862	240	46,769
Women	12,231	7,674	6,539	1,962	240	28,646

AVERAGE HOURS OF ANNUAL TRAINING PER EMPLOYEE

	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA PACIFIC	AFRICA	TOTAL
Average hours of annual training per employee [man hours]	20.48	16.28	38.47	22.12	12.31	20.49
Men	19.76	17.84	30.99	22.18	11.43	20.2
Women	21.57	13.42	54.49	22.04	13.33	20.97
Management	29.82	24.15	86.48	39.33	9.78	33.82
Non Management	17.83	15.57	31.3	19.16	13.07	18.21

Main global training programs:

Campari Way of People Management

The Campari Way of People Management program continued in various countries in 2018. The program is designed to strengthen a common managerial approach between different countries and cultures. Based on 360-degree feedback and coaching, it focuses on what is the real basis for developing the managerial style of our Camparistas: the Camparistas themselves.

Campari Way of Coaching

Campari Group is always committed to developing the excellence of its people and wants to get the best out of its key talents, providing its leaders with the skills, knowledge and experience necessary to succeed. We have continued developing the Campari Way of Coaching program in selected business units with the aim of implementing a coaching culture within the business. During the course of the year, a new edition was started in North America.

Campari Lead to Succeed

The Lead to Succeed program, which has a development centre, introduced an innovative workshop in 2017 in which 28 senior Support Function leaders helped create a new identity and role for their own functions. Since its introduction in 2014, more than 110 managers have taken part in one of the program's various initiatives.

Finance Academy and Finance for Non Finance

The fifth edition of the Finance Academy, an in-depth strategic alignment program, has begun. In 2018, the Finance function led the Group's development of inter-functional excellence. As in previous years, a Finance for Non-Finance program has also been provided to help introduce the basic concepts of finance and accounting to those Camparistas who have not had the opportunity in their studies or work to become acquainted with these. This in-depth introduction is facilitated locally by senior finance managers and is supported by a dedicated e-learning module.

Marketing Academy

The Marketing Academy, Campari Group's first functional academy, was completely revamped and relaunched in 2017 in a global coordinated effort involving all business units. The Academy modules were delivered by local trainers during 2018 with the aim of establishing a common language and approach for all Camparistas in marketing teams around the Campari world.

Commercial Academy

The Commercial Academy is a comprehensive training program aimed at aligning business practices in the Campari world – from basic sales models to managing accounts and distributors – so that Camparistas can adapt to the different roles and particular features of different markets. It is a global module that aims to support sales managers and directors in becoming decisive factors for the development of the sales force of the entire Group.

Product Knowledge Training

Campari Group believes that digital training is now a key tool for increasing understanding of our brands and our business at every level throughout the organisation. For this reason, a comprehensive, interactive e-learning program about our global priorities has been available to all employees since 2017, and in the near future will also be disseminated to our external partners, distributors and promoters.

Campus 2.0

Campari Group is one of the first companies in the world and the first in Italy to introduce a new social learning platform, Campus 2.0. This online platform, which brings together 2 million items of free training content from more than 1,700 sources, provides e-learning, videos, articles and manuals of all types and subjects in real time. Campus 2.0, which will be accessible to all Camparistas in the first quarter of 2018, is a long-term investment that will both help stimulate individual curiosity and responsibility as a driver of professional development, and serve as a tool for greater knowledge-sharing among colleagues and as a managerial lever.

Remuneration system

The remuneration policy for directors, general managers and other managers with strategic responsibilities is determined by the Company's Board of Directors on the proposal of the Remuneration and Appointments Committee, after consultation with the Board of Statutory Auditors. The aims of the remuneration policy are to determine the appropriate remuneration for senior managers and to foster their loyalty, using four different mechanisms:

- fixed salary;
- annual variable performance-based bonus;
- medium-term incentive;
- assignment of stock options as an incentive for management to achieve long-term results.

Breaking down remuneration in this way ensures a balance between the employees' interests and the short- and long-term outlook of the Company. The two medium- and long-term programs will apply to all managers' remuneration throughout the Group.

To ensure that the entire remuneration system for all employees is based on the criteria of equity and transparency, Campari Group uses an internationally recognised methodology known as IPE (International Position Evaluation). This objective, structured process can be used to analyse 'job evaluations', based on predefined clusters, and to check the Group's competitiveness against its main competitors and in relation to the remuneration criteria adopted in each region. The analysis indicates, once again, that Campari Group provides a salary that tends to be higher than the local minimum wage in the countries where it operates, as shown in the table below relating to the most significant countries for the Group in terms of numbers of employees.

The male/female ratio for the average remuneration and basic salaries of Camparistas on permanent contracts²¹, with a breakdown by country and professional grade, is shown below. To show a more meaningful analysis, we consider the main

countries in which the Group operates and the professional categories ranging from management to blue collar workers, excluding executives and senior management; this therefore covers 87% of the entire population of Camparistas.

RATIO BETWEEN THE AVERAGE REMUNERATION OF FEMALE EMPLOYEES AND THE AVERAGE REMUNERATION OF MALE EMPLOYEES, BY COUNTRY AND PROFESSIONAL GRADE

COUNTRIES	MANAGEMENT	SENIOR PROFESSIONAL	PROFESSIONAL	SPECIALIST GENERIC STAFF	BLUE COLLAR
Argentina	88.9%	94.6%	90.6%	101.9%	-
Australia	100.5%	101.7%	105.9%	86.9%	100.2%
Brazil	119%	103.4%	90.7%	93.9%	61.6%
Canada	66.9%	91.9%	107.5%	83%	90.1%
Mexico	67.1%	87.6%	91.1%	80.1%	86.9%
Germany	108.1%	88.4%	87.4%	90.6%	-
Jamaica	110.2%	103.3%	99.1%	102.7%	109.5%
Italy	88.3%	94.4%	87.1%	101.3%	93.1%
Russia	97.3%	100.4%	91.8%	93.3%	-
United States	104.5%	94.8%	107.2%	104.7%	96.3%

RATIO BETWEEN THE BASIC SALARY (ANNUAL BASE GROSS SALARY) OF FEMALE EMPLOYEES AND THE BASIC SALARY OF MALE EMPLOYEES, BY COUNTRY AND PROFESSIONAL CATEGORY

COUNTRIES	MANAGEMENT	SENIOR PROFESSIONAL	PROFESSIONAL	SPECIALIST GENERIC STAFF	BLUE COLLAR
Argentina	88.9%	93.8%	91.7%	101.9%	-
Australia	102%	101.4%	103.6%	82.1%	100.2%
Brazil	116.4%	103.4%	90.9%	95.1%	68.5%
Canada	69.4%	89.9%	107.5%	85.1%	90.1%
Mexico	67.6%	88.8%	93.8%	84.1%	86.9%
Germany	106.8%	88.2%	89%	92.5%	-
Jamaica	110.2%	103.3%	99.1%	102.7%	109.5%
Italy	88%	94.4%	92%	101.3%	93.1%
Russia	95.4%	105.5%	107.8%	92.6%	-
United States	106.5%	96.1%	106.8%	104.7%	96.3%

The average remuneration and the Annual Base Gross Salary (ABGS) of male and female Camparistas are substantially balanced. Any disparity

in the average figure may reflect a greater number of men or women at a particular site or in the recruitment of new Camparistas.

RATIO OF STANDARD PAY (ANNUAL BASE GROSS SALARY) FOR NEW HIRES TO MINIMUM LOCAL PAY, BY COUNTRY AND BY GENDER

COUNTRIES	2017		2018	
	MEN	WOMEN	MEN	WOMEN
Argentina	235.77%	235.77%	229.85%	289.77%
Australia	141.85%	141.85%	129.45%	129.45%
Brazil	167.88%	179.72%	170.32%	262.85%
Canada	100%	100%	100%	100%
Mexico	204.96%	204.96%	213.14%	213.14%
Germany	240%	240%	240%	240%
Jamaica	200.18%	200.18%	196.02%	196.02%
Italy	110.08%	117.74%	108.81%	109.8%
Russia	294.09%	294.09%	256.1%	256.1%
United States	192.67%	192.67%	129.07%	129.07%

²¹ Remuneration: ABGS (annual base gross salary - ABGS) + bonus (i.e. Short Term Incentive, sales incentives, local bonus) + recurring allowances + overtime. Annual base gross salary-ABGS: fixed minimum amount paid to an employee for the performance of their duties, excluding any additional remuneration.

Camparistas' involvement in the environment, well-being and social activities

The activities promoted by Campari Group to foster the well-being of Camparistas and improve their work-life balance continue to multiply. Programs are continually introduced at the Group's offices and facilities to encourage a healthier lifestyle, including the provision of fitness areas, the distribution of educational material on good eating habits and the provision of fresh fruit and healthy snacks and drinks.

Smart working

The Company has implemented a smart working policy that, according to the policies implemented at local level, allows the majority of employees to work remotely wherever working, environmental and safety conditions allow this. It has therefore promoted more flexible working methods that can benefit both employees and the Company, encouraging a better work-life balance and increasing employees' responsibility in the pursuit of corporate objectives and results. Smart working is thus a more effective working solution, based on trust and responsibility, collaboration and flexibility.



The Group recognises that, in line with changes in its organisation, it has now become necessary to develop and introduce more effective ways of working based on trust, responsibility, collaboration and flexibility, allowing all Camparistas to work some of their hours away from the office. To promote this way of working in all the countries where it operates, the Group developed global Smart Working guidelines in 2017 and introduced these locally during 2018.

Welfare FAMILY

Since October, Campari Group has expanded its welfare program with a new initiative: Welfare FAMILY. Every Camparista now has a dedicated online portal where they can find all information about the existing services and new proposals on offer; the objective is to balance private and working lives and support employees with a number of family needs. Examples include flu vaccination services, membership of supplementary pension schemes, management of health funds and insurance policies and a network of agreements on a dedicated portal. Among the new services offered are a prevention check-up and a company counter. It will also be possible through Welfare FAMILY to convert part of each employee's results bonus into a welfare credit that can be spent on an additional range of services designed for Camparistas and their families.



Smart Office

In 2018, Campari also carried out a thorough overhaul of the organisation and furnishings of its headquarters. The Smart Office project aims to create an informal, pleasant and convivial environment to encourage interaction between teams and different functions. The choice of materials, themes and colours is evocative of the Group's brands, with each floor reflecting the character of a different product. The new spaces offer further opportunities for Camparistas to meet and provide more intimate environments ideal for activities requiring greater silence and concentration. The ad hoc spaces created are:

- 'Circolo Campari', a new area that is open every day and suitable for co-working activities, informal meetings, relaxation and play;
- 'Innovation Lounges' for informal meetings or one-on-one meetings;
- 'Informal Meeting Rooms' for teleconferences;
- 'Quiet Rooms' for meetings and business or personal calls;
- 'Phone booths', which are small rooms offering privacy for making calls.



HackathOneIT

In June 2018, the first marathon of Campari Group IT experts was launched in partnership with Microsoft. Camparistas from all over the world came together in 25 cross-functional, three-person teams to propose solutions aimed at making a specific work process easier, more simple and more efficient. Through the Campus 2.0 e-learning system and classroom trainings, each team received ad hoc training from Microsoft in the two months prior to the competition. They then presented their app to a jury comprising internal and external IT and business experts with the expertise to assess how effectively it could be used in the working environment. Specifically, each idea was developed through the Microsoft PowerApps tool and assessed on the following criteria: viability of the solution and usability; cost savings/productivity improvements; quality, design and aesthetics; complexity of the solution in terms of level of completion and functionality of the app. At the end of the marathon, special prizes were awarded to four teams whose proposals can be adapted in the future to the entire business because they are actually able to improve working practices within the Group.



Campari America

Another important innovation of the year was the arrival of Campari America in the Big Apple. In August, Campari Group's US headquarters moved from San Francisco to New York City, the new head office for the United States and the North American Business Unit. Given New York's increasingly central position in the spirits business in the United States, this will give the Group ever-greater weight in the United States, the main sales area, and North America. The transfer will also facilitate faster and more efficient intra-Group communication, thanks to the greater proximity to the Parent Company's headquarters and other operating activities in North America, as well as to the main distribution partners in the United States.

The design of the new offices encourages collaboration and teamwork. Open areas and comfortable common areas allow greater mobility throughout the space, thanks in part to the presence of shared tables and ergonomic standing desks.



Campari Mexico

The Campari Challenge initiative continues in Mexico. This physical training program encourages competition between teams of four employees to improve their physical condition and adopt healthier habits and lifestyles, all with the support of trainers and external nutritionists.

In 2018, as further evidence of Campari Mexico's focus on the health and well-being of its employees, the company set up a free, ongoing medical service at the facility, which is available to the company's Camparistas.



Campari Australia

Campari Australia offers all employees and their families direct access to the MyCoach program, a support and assistance service promoted by partner Benestar Group. MyCoach is an Employee Assistance Program (EAP) designed to help Camparistas improve their health and well-being, address daily personal and/or work problems and develop strategies to deal with specific situations, with the confidential support of external professionals. Participation in this program remains strictly confidential: employees can take part by calling a direct number to get in touch with the external coach, without having to share their request with either their manager or their HR representative. In addition, Benestar guarantees the total confidentiality of both the information identifying the participants and the information shared with the coach.

A Health and Wellbeing Month was also started. This initiative was carried out throughout the month of October with the aim of raising awareness of the various corporate wellness services offered by the company to employees in Australia and New Zealand (i.e. smart working and flexible working policies, pension policies and benefits, specific assistance programs).



Campari We Are Family

The headquarters in Sesto San Giovanni hosted the Campari We Are Family event, a day of celebration to which all Camparistas at the headquarters, with their families, were invited. The event was a unique opportunity to spend a special day with relatives and friends and share the culture, places and people who play a part in our daily working lives. In addition to many fun activities, including creative workshops for children, a juggling school, a magic show, a human football, a flight simulator, a Twister maxi version and many other attractions, there were also organised guided tours of our building, the Laboratory, Galleria Campari and Villa Campari.

Industrial relations

Campari Group recognises the importance of developing proper and credible relations with social partners, recognising that they play a very important role in improving competitiveness and employment in the context of its specific decision to be socially responsible.

Trade union relations must, therefore, be consistent and pertinent to the objectives to be achieved, in a highly competitive strategic environment where mergers and acquisitions are a prominent feature.

This is why the Group maintains a continuous and constant dialogue with trade unions, which is not just about simply complying with agreements reached locally or nationally, but is a serious, real and objective exchange aimed at combining respect for roles and people with business efficiency.

Camparistas at workplaces within the Italian perimeter are subject (in addition to the regulations of the national collective labour agreement and the interconfederal agreements) to the provisions of the supplementary, company-level bargaining agreement, which was recently renewed (18 May 2018). Four national collective labour agreements currently apply: one for the food industry (for almost all employees), one for the service sector applied to Camparistas of Campari International S.r.l., one for public utilities (tourism sector) related to the recent acquisition of the Camparino bar and, with respect to executives, one for executives of companies producing goods and services.

In 2018, about 20% of all Camparistas were members of trade unions. At the end of 2018, Davide Campari Milano S.p.A. initiated a procedure to reduce personnel on the basis of two distinct needs. The first relates to the growing complexity

of the business in the various geographical areas in which the Group's commercial and production activities operate, involving a review of the models, supports and strategies of the structures, and in particular those relating to the Information Technology function. The second concerns the opportunity for a complete reorganisation of the workforce and skills in order to encourage a potential 'generational change' with regard to very recent social security innovations.

The trade unions' involvement in the process, at the start of February 2019, is in the constructive engagement phase; all possible ways are being examined to reduce negative employment effects and, at the same time, to allow the creation of the most effective organisational structures in a highly competitive sector.

The above process is the last of many occasions for possible conflicts in response to processes for reorganising or transferring companies or business units. The fact that no strike days or hours were announced is testament to the good relations and social responsibility of the parties (company and trade unions).

On several occasions in recent years, when dealing with significant corporate transactions, we have gone beyond the provisions of art. 47 of Law 490 of 29 December 1990 (notification of intention to transfer, sale or lease the company or a unit thereof to be filed at least 25 days before the execution of same). In addition to fulfilling its legal obligations, the Group, with the collaboration of workers' representatives, has undertaken to scrutinise every possible consequence of issues connected to maintaining both the highest possible level of employment and the business efficiency necessary to facilitate the achievement of positive results; which, in turn, produce greater employment certainty and potential improvements in total reward.

HEALTH AND SAFETY IN THE WORKPLACE

Campari Group considers the protection of the health, integrity and well-being of its employees and consumers to be primary and fundamental elements in the performance and development of

its activities. Continuous attention is paid to training and informing Camparistas about health and safety issues and to ensuring safe working conditions, in both offices and factories.

Accidents

In 2018, there was a considerable reduction in the total number of accidents to Camparistas (-19%), contractors (-23%) and visitors (-50%) compared with the previous year. This result is better than expected due to the global launch of an intensive multi-year risk mitigation program based on technical and behavioural aspects and widespread awareness-raising. With regard to technical aspects, structural risk re-evaluation and specific training for work at height and in confined spaces were carried out. In terms of

behavioural aspects, a Safety Leadership Training program and Safety Savvy Workshops were held, involving the management of production units mainly in the Americas region. In the arena of awareness-raising, worthy of note is the global campaign #We ToastToSafety, comprising three advertising videoclips made during the year on Yammer, and the Safety Day at Novi Ligure, where all the Camparistas in the supply chain in Italy took part in an intensive, exciting and experiential program.

ACCIDENTS RELATED TO CAMPARISTAS	2017	2018
Total accidents related to Camparistas	167	136
Frequency rate of accidents to Camparistas	24.65	20.41
Accidents related to male Camparistas	102	84
Accidents related to female Camparistas	35	33
Accidents related to Camparistas not resulting in absence from work	122	103
Accidents related to Camparistas resulting in absence from work	45	33
Lost days due to accidents to Camparistas	770	1,009
Severity rate of accidents to Camparistas	0.25	0.15
Occupational diseases related to Camparistas	5	2
Deaths occurring at work related to Camparistas	0	0

ACCIDENTS RELATED TO CONTRACTORS	2017	2018
Total accidents related to contractors	68	52
Contractor accident frequency rate	45.58	41.98
Lost days due to contractor accidents [no.]	327	57
Contractor accident severity rate	0.48	0.046
Deaths occurring at work related to contractors [no.]	0	0

ACCIDENTS RELATED TO SUPPLIERS AND VISITORS	2017	2018
Total accidents related to suppliers	1	2
Total accidents related to visitors	6	3

10 accidents while travelling to work were recorded. Training and awareness-raising activities on safe driving were carried out.

The number of lost days, accidents and occupational illnesses by gender and by region are shown below²².

ACCIDENTS, LOST DAYS AND OCCUPATIONAL DISEASES TO CAMPARISTAS BY GENDER	EUROPE		NORTH AMERICA		SOUTH AMERICA		ASIA PACIFIC	
	2017	2018	2017	2018	2017	2018	2017	2018
Total accidents relating to male Camparistas	41	37	33	31	9	5	19	11
Total accidents relating to female Camparistas	14	20	19	12	1	0	1	1
Lost days due to accidents relating to male Camparistas	268	149	107	462	87	25	2	1
Lost days due to accidents relating to female Camparistas	247	66	34	23	22	0	0	2
Occupational diseases relating to male Camparistas	3	0	1	0	0	0	0	0
Occupational diseases relating to female Camparistas	1	2	0	0	0	0	0	0

Near-miss accidents

The total number of near-miss accidents recorded in 2018 (146) is in line with the 2017 figure (145), showing how constant attention is paid to the re-

ording and analysis of high-potential incidents.

NEAR MISS	2017	2018
Near-miss health incidents related to Camparistas	3	12
Near-miss safety related to Camparistas incidents	110	121
Near-miss health incidents related to contractors	1	1
Near-miss safety incidents related to contractors	23	10
Near-miss health incidents related to suppliers	0	0
Near-miss safety incidents related to suppliers	1	1
Near-miss health incidents related to visitors	0	0
Near-miss safety incidents related to visitors	7	1

HSE committees

Despite the perimeter variation, there was an increase in the number of Camparistas belonging to company-worker health/safety and environment

committees, confirming the increasing awareness and commitment of employees and the Company to sustainability issues.

HSE COMMITTEES	2017	2018
Camparistas in company-worker health and safety committees	391	419
Camparistas in company-worker health and safety committees (%)	16%	19%
Camparistas in company-worker environmental committees	222	232
Camparistas in company-worker environmental committees (%)	9%	11%

RESPONSIBLE PRACTICES



85%

Bottles produced in production units certified in accordance with the International Standard for Food Safety



Supplier Code

Since 2012 Campari Group requires its suppliers to adhere to the principles that inspire its own activity



100%

ATL communication containing a responsible drinking message



Since 2010

Campari Group adopted a Code on Commercial Communication on a voluntary basis



Pregnancy Logo

Or equivalent messages included on all our brands' labels and packaging



Promotion

Of a responsible serving of alcoholic drinks in all our events



33

Associations and Social Aspect Organization in 19 countries

PRATICHE RESPONSABILI

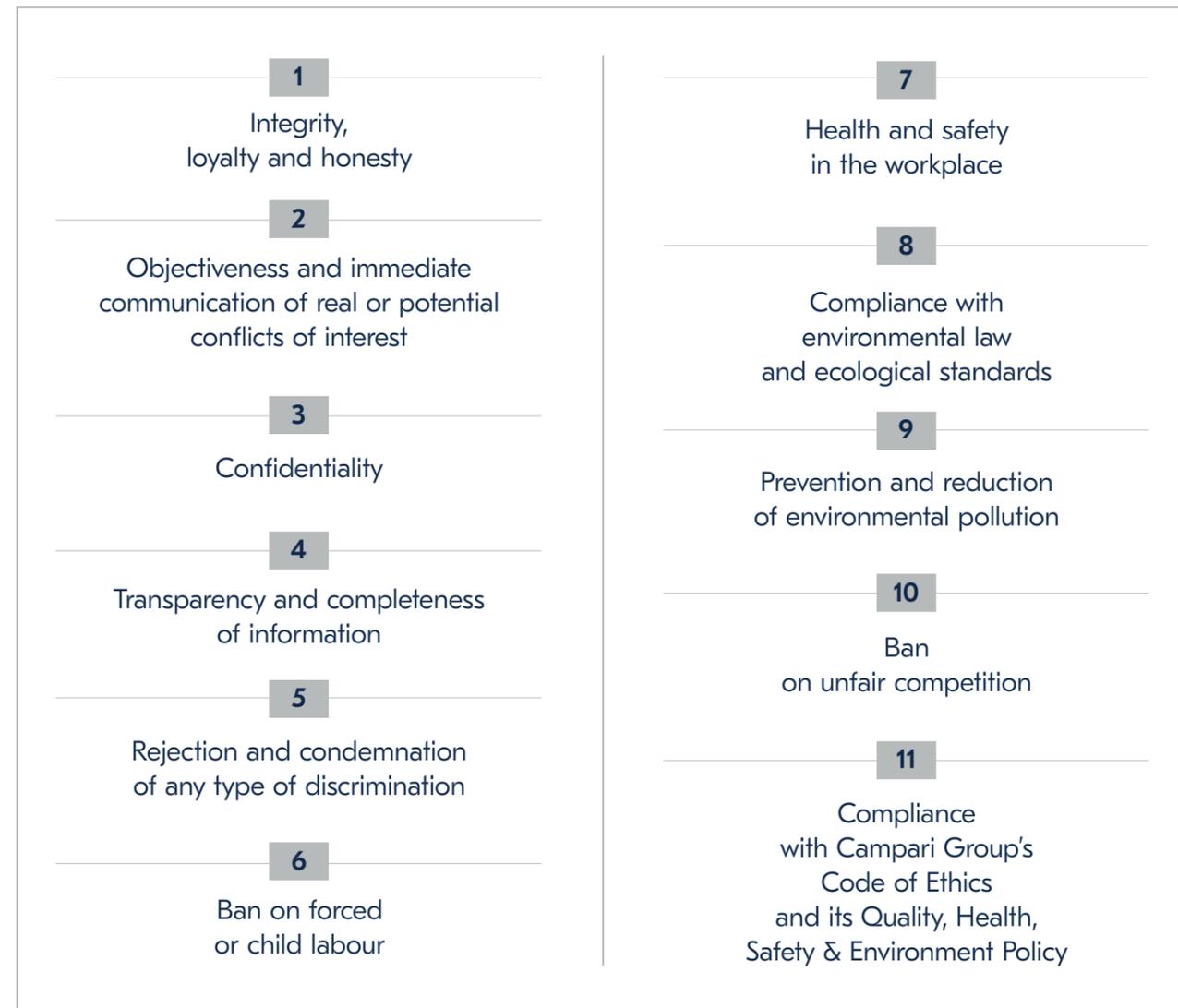
Responsible sourcing

The Group's focus on ensuring and developing good business practices is not limited to our activities at business unit level but also extends to our suppliers and distributors. Campari Group is increasingly committed to making responsible sourcing an integral part of its processes.

Sustainable and transparent sourcing from commercial partners which share the same values is necessary to ensure high-quality and safe products that create value in local economies.

It should be noted that, since 2012, the Group has undertaken to provide its suppliers with the Supplier Code, with the requirement that they sign up to it. In turn, it is the responsibility of the suppliers who have signed up to the code to check compliance with said principles in their respective supply chains.

The ethical values contained in the Code, which apply to suppliers and their employees, are the same principles that underpin Campari Group's activities:



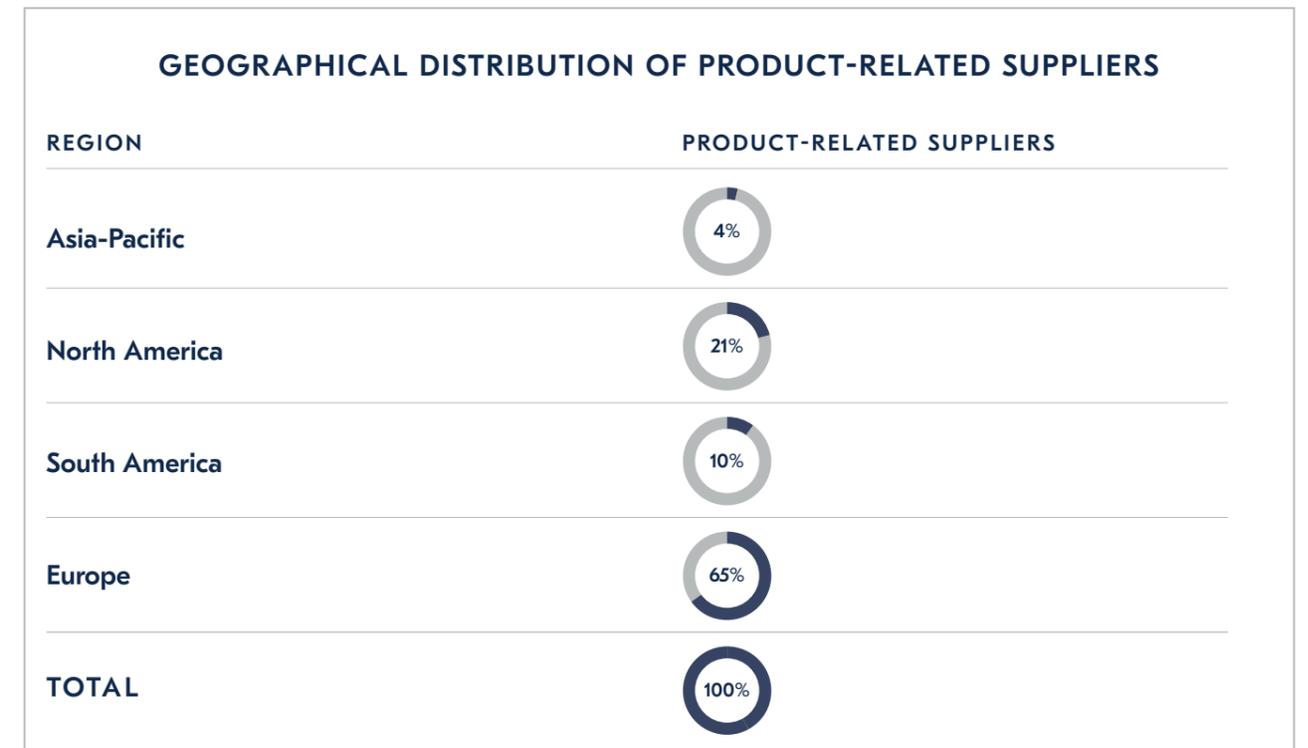
In 2018, an updated version of the Supplier Code was published and implemented. It was shared with the Group's suppliers during the year.

The Group's membership of Sedex (Supplier Ethical Data Exchange) represents a further step forward in the responsible and transparent management of the supply chain. Sedex is the largest shared platform in the world, through which member users report and share their commercial practices in respect of the following four key areas:

- labour law;
- health and safety;
- environment;
- business ethics.

During the year, the Group's aim was to primarily involve suppliers of direct materials in the Sedex program. To this end, these suppliers were asked to register their production sites on the platform and share the most important information about the above key areas. As of today's date, approximately 400 production sites of product-related and non-product-related suppliers used by the Group are recorded on Sedex.

With the aim of reducing its environmental impact along the supply chain, Campari Group – other commercial parameters being equal (e.g. competitiveness, quality and availability of materials) – continues to look for local sourcing options.



Main product-related materials:

Raw materials:

- agave;
- alcohol;
- sugar;
- grapes;
- grains.

Packaging:

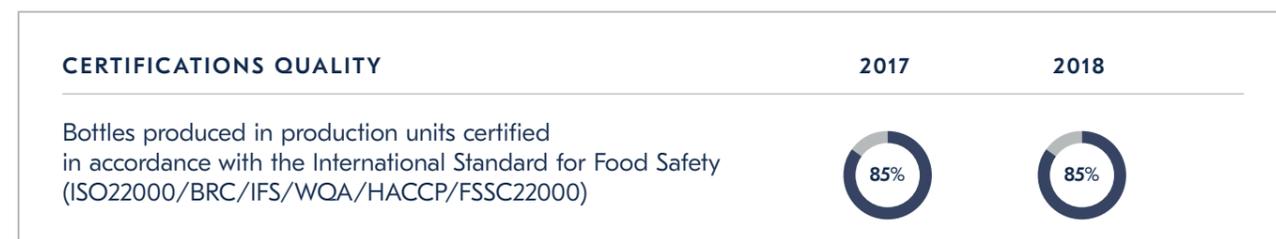
- glass bottles;
- cans;
- caps;
- labels;
- external cardboard packaging.

QUALITY OF OUR PRODUCTS

Campari Group has always been committed to ensuring that throughout the production cycle, starting from the procurement of raw materials,

the utmost attention is paid to the quality of its products by maintaining the most rigorous food safety standards.

Certifications



The figure is in line with last year and confirms the constant attention paid by Campari Group to ensuring that certificated products are re-released for consumption.

Complaints

In 2018, as part of its increasing customer satisfaction focus, the Group introduced a CPM (complaint per million) quality index which measures the number of complaints received per million bottles produced. The CPM index rose slightly in 2018 (from 0.646 in 2017 to 0.776 in 2018), due to the difference in volumes bottled between the two years. In 2018, no withdrawals or recalls from the market were recorded.

Lastly, it should be noted that, as for last year, there were no fines or disputes relating to food safety in 2018.

COMPLAINTS ²³	2017	2018
CPM (complaints received per million bottles produced)	0,646	0,776

Responsible communications

Marketing and communications are an important tool through which Campari Group conveys messages and models of behaviour that are always attentive to the responsible consumption of its products. Since 2010, the Group has had a voluntary Commercial Communications Code to ensure its communications comply with standards of legality, decency, honesty and fair business practices. Every year, the Group monitors the adoption and resulting signing of the Code by all members of the marketing, sales and PR teams, as well as by the external agencies with which it collaborates.

Furthermore, the marketing teams of all the Group companies take part in periodic activities and meetings during the year to review the principles of the Code.

The Code pays particular attention to promoting proper consumption, ensuring that it is always focused on moderation and sociability. In broad terms, the Code stipulates that Campari Group's commercial communication

SUBSCRIBERS TO THE COMMERCIAL COMMUNICATIONS CODE



MUST ALWAYS

Promote responsible drinking, including through the use of visible and legible messages

MUST NEVER

Promote the abuse or uncontrolled consumption of alcoholic drinks

Be aimed at or refer to minors, including indirectly

Make the alcoholic content the main information

Associate the driving of vehicles or other potentially dangerous activities with the consumption of alcoholic drinks

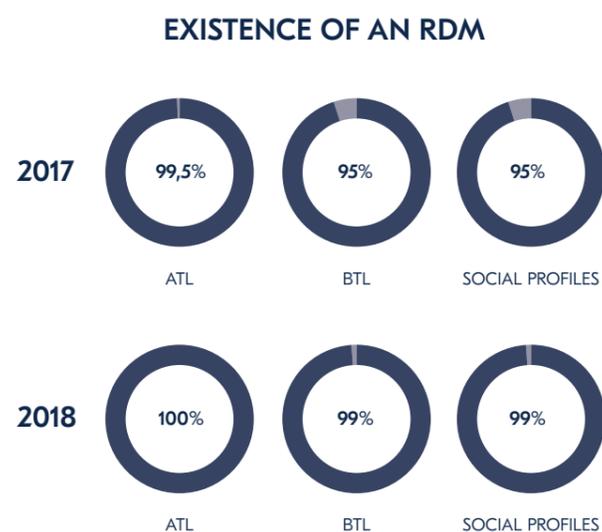
Lead the public to believe that the consumption of alcoholic drinks enhances mental clarity or physical and sexual prowess

Lead the public to believe that alcoholic drinks may have therapeutic properties

Be aimed at or refer to pregnant women

In order to include all forms of communication, specific guidelines for digital marketing were formalised within the Code as early as 2012; these require, among other things, the inclusion of the Age Affirmation Process on all websites of Campari Group's alcoholic products, with the aim of restricting access by those under legal drinking age. The guidelines also establish regular monitoring of user comments, and the removal of any content that does not comply with the provisions of the Code.

In line with the provisions of the Code, the ATL (above the line) and BTL (below the line)²⁴ communications and social profiles of our brands show messages about responsible consumption (RDM – Responsible Drinking Messages). This excludes communication channels relating to the Group's non-alcoholic products (i.e.: Crodino, Crodino Twist, Crodino Spritz):



To further increase its effectiveness, the Code has established an internal assessment committee ('Committee') made up of representatives of Group Strategic Marketing, Corporate Communications, Corporate Legal and Public Affairs & Sustainability. The Committee's activities are aimed at monitoring the compliance of above-the-line communication with the guidelines of the Code. With regard to marketing and commercial communication activities, including ad-

vertising, promotion and sponsorship, no cases of non-compliance occurred that involved legal actions or cease and desist orders. Also in 2018, Campari Group continued to voluntarily include pregnancy logos and equivalent messages on the packaging/labels of alcoholic brands, with the aim of discouraging the consumption of alcoholic beverages by pregnant women.

Responsible serving

Campari Academy is Campari Group's training school of excellence, founded in 2012 in Sesto San Giovanni (Milan) to offer sector professionals and connoisseurs a high-quality and varied program about the world of bartending and bar management. The courses offered are divided into different categories based on the training path that attendees decide to follow, but all have one common thread: excellence in drinking. Lessons are held by qualified teachers, international bartenders, cultural and lifestyle experts, and trendsetters. At the end of each course, a certificate is issued certifying the attendee's participation in the Campari Academy.

Besides Italy, Campari Academy is now also present in Spain, Germany, US, Jamaica and Brazil. Excellence in drinking translates into a broader experience that requires not only a quality product but also an equally excellent service. For bartenders, Campari Group has therefore produced a document, the Responsible Serving Guidelines, aimed at defining in six points the essential guidelines for the responsible serving of alcoholic beverages. The guidelines are shared with the participants of all our training courses at our Academies and with bartenders who take part in our events, who thus become direct promoters of a message of responsibility to the end consumer.

Responsible Serving Guidelines

- 1 Know the legal age for the consumption of alcoholic beverages in the country in which they work and request an ID document when the customer appears to be below the required age;
- 2 Avoid creating noise, disturbances or other possible inconveniences to those who work or live near the venue in which they work, taking the necessary precautions;
- 3 Be able to recognise the first signs of alcohol abuse and refrain from serving further drinks;
- 4 Always behave responsibly (e.g. do not consume alcohol in the workplace);
- 5 Do not promote, advertise or carry out your work in such a way as to encourage excessive or irresponsible consumption or discourage responsible behaviour;
- 6 Maintain friendly behaviour towards customers and always promote the consumption of alcoholic drinks with food.

The Responsible Serving Guidelines were shared with bartenders who worked for the Group at over 90% of the 2,700 events held during 2018.

Responsible consumption: communications and promotions initiatives

Campari Group continues to promote a culture of quality and responsibility, including via communications projects and actions carried out individually or in collaboration with the main trade associations. These initiatives are aimed at educating consumers in the informed use of our products.

The Group is currently a member of 33 trade associations and social aspect organisations in 19 countries, and its managers play a key role in some of these. They include SpiritsEurope, the European association of alcoholic beverage producers, which represents 31 national associations in 24 countries and eight main players in the spirits sector, and APIWSA (Asia Pacific International Wine and Spirits Alliance), the regional association that represents the ten largest companies in the wines and spirits sector in Asia and Oceania.

Working together with the most important trade associations and the major industry leaders, and thus addressing a wider audience, Campari Group helps to promote and disseminate responsible behaviour and lifestyles. Also in 2018, initiatives and projects related to the responsible consumption of alcoholic products and sustainability were carried out in the various markets in which the Group operates.



France

In France, the Group helped develop projects and initiatives to preserve the environment and promote good wine-making practices. Recently, as part of the trade association in Cognac, we were involved in defining a specific environmental certification, in connection with the French agricultural ministry certifications. Today, over 1,700 wine-growers of the Cognac AOC (*Appellation d'Origine Contrôlée*) have been involved in this project.



Jamaica The Art of Bartending

The Art of Bartending is a program developed in partnership with JWN Academy that aims to educate young people seeking work aged 18 to 25 on the art of bartending and the responsible serving of alcoholic products. In 2018 and 2019, the program is expected to involve a total of 50 unemployed young people resident in the most disadvantaged and at-risk local communities along the Spanish Town Road. In 2018, 30 students have already been trained, receiving an official certificate in bartending along with a salary of J\$12,000.00 and a refund of their travel expenses.



United States Safe Ride KY

Safe Ride KY is a coalition headed by the Kentucky Distiller Association through which public, private and non-profit bodies tackle drunk-driving in Kentucky. Its aim is to reduce driving accidents, which increase notably during peak traffic periods in the vacation season and on public holidays. On Independence Day, for example, the Safe Ride KY coalition offered Kentucky residents \$20,000 to provide them with a return journey home in complete safety using replacement drivers. The initiative, together with others developed at Christmas and on St. Patrick's Day, was also actively promoted by Eddie Russell, Master Distiller of our Wild Turkey brand.

UK Wray responsible drinking campaign

'Free Pour Challenge' is the on-trade educational program developed in association with the Wray & Nephew Overproof Rum brand. Bartenders and consumers took part in a responsible serving game for prizes with the aim of increasing awareness of the importance of using and consuming the right quantity of the product in the cocktail, asking them to pour the exact quantity in a measure. The initiative was also promoted on social media, an information channel through which the brand regularly communicates messages on responsible drinking, including 'Respect the Wray', launched in 2019.



Brazil Sem Excesso

In 2018, Campari do Brasil continued to support the Sem Excesso (No Excess) project, promoted via ABRABE (the Brazilian Beverage Association) during the country's national traffic week in the state of Paraná. Participants in the event took part in a virtual reality experiment aimed at raising awareness of the correct way of consuming alcoholic drinks, especially when driving. The Sem Excesso was also developed at the Simpósio de Bebidas, an event promoted by one of the main education and training institutions in São Paulo, Senac Aclimação, targeted at sector professionals as well as baristas, waiters, distributors and restaurant and bar owners, who were thus informed about issues of responsible serving and developing good practices. Thanks to the use of online channels and social networks, messages on responsibility and safe driving reached over 4.2 million people.



Mexico - Appleton Estate rewards your responsibility

The aim of the campaign developed in Mexico in December for the Christmas festivities was to educate party-goers on the 'drink responsibility' and 'safe driving' issues, inviting them to behave as responsible consumers. A team from Appleton Estate offered alcoholic and non-alcoholic cocktails at the entrance to a night club and, by informing people of the risks associated with drinking alcohol while driving, asked them which person from their group would be chosen as 'the designated driver'. The 'pre-selected drivers' received free non-alcoholic cocktails and, at the end of the party, after undergoing an alcohol test, were rewarded with a bottle of Appleton Estate Reserve plus other special prizes.

Marketing and product innovation

The Group, although tied to its own history and traditions, he is always very attentive to meet the needs of consumers and consumers' market trends, continuing to search for innovations of product and develop innovative commercial and communication campaigns.

Some of the main marketing activities and new product launches in 2018 are shown below.

Campari Red Diaries 2018: The Legend of Red Hand

On 30 January 2018, as part of the 'Campari Red Diaries 2018' project, created to replace the traditional calendar with a series of short movies, *The Legend of Red Hand*, was unveiled in Milan. The new chapter is directed by Stefano Solima and stars internationally renowned actress Zoe Saldana and Italian actor Adriano Giannini. The story tells of the total dedication to the search for the perfect cocktail shown by six international bartenders 'with red hands', all of whom have the same passion and talent for creating the best Campari-based cocktails. After Paolo Sorrentino and Stefano Solima, the director chosen to film the third chapter of the Campari Red Diaries was Matteo Garrone, with his short movie *Entering Red*. The latest short movie, launched on 5 February 2019, starring Cuban actress Ana de Armas and Italian actor Lorenzo Richelmy, is also a celebration of the historic cocktail, Negroni, which celebrates its 100th anniversary in 2019.

Wild Turkey Longbranch

The result of a partnership between the brand's creative director Matthew McConaughey and Master Distiller Eddie Russell, the Wild Turkey Longbranch bourbon was unveiled in April 2018. A homage to Matthew McConaughey's roots in Kentucky and Texas, this fine bourbon is prepared using a unique production process that gives it an aroma of vanilla and spices, and a taste of caramel, pear and citrus seeds, enriching the flavour and complexity of the whisky. It is the first time that Wild Turkey has launched a product created by someone other than Master Distillers Jimmy and Eddie Russell. Matthew McConaughey has worked as creative director and star of the Wild Turkey communications campaign since 2016.

SKYY Vodka Proudly American

In June 2018, Campari Group launched a new integrated marketing campaign, 'Proudly American', for Skyy Vodka in the United States. The aim of the campaign was to celebrate the optimistic, bold, proud and inclusive American spirit, in the firm belief that diversity is at the base of, and guides, progress. The campaign features powerful influencers such as Olympic champion Gus Kenworthy, wrestler and actor John Cena and American drag queens Trixie Mattel and Dusty Ray Bottoms, famous for taking part in RuPaul's Drag Race reality show. In addition to out-of-home, digital and PR advertising, the campaign sponsors events such as Gay Pride in New York and Los Angeles.

Skyy has always been a progressive brand and supporter of LGBTIQ rights via its marketing initiatives, creating 'firsts' in the beverage industry, including the first advert featuring a homosexual couple, and supporting equal marriage as early as 2001.



SKYY Vodka: SKYY YYES

In Australia, following the entry into force of the law recognising same-sex marriages, the Skyy Vodka brand, via its #CheersToEquality platform, developed in 2017, celebrated this important social victory with its SKYY YYES campaign, in order to continue to promote the values of inclusion and equality. As part of this initiative, SKYY Vodka donated \$1 for each tin of SKYY YYES sold to the just.equal organisation, which supports and promotes the rights of LGBTIQ people in Australia.

Grand Marnier-La Grand Maison

In October 2018, Campari Group unveiled an event called *La Grand Maison* in Paris, a multi-sensory experience during which bartenders and influencers from around the world had the opportunity to create customised aromas and flavours, in line with the fashion for mixology, under the expert guidance of a master crafter of flavours, and to take part in a number of live shows. In 2018, Grand Marnier continued to launch the Live Grand campaign in all the geographical regions via a multimedia, multi-channel program.

Gin O'ndina

In April 2018, Campari Group launched O'ndina on the market, a new super premium made-in-Italy gin inspired by the 'La Dolce Vita' atmosphere and the carefree, glamorous spirit of the Italian Riviera in the 1960s. O'ndina is a refreshing, herby gin, distilled with 19 botanical herbs from the Mediterranean, including the Ligurian *grande verde di Genova* variety of basil, and a mix of aromas and plants typical of the Mediterranean coast such as pepper, juniper, marjoram, thyme and iris root.

Aperol Happy Together Live

On 30 June 2018, Aperol gave the city of Naples the first 'Happy Together Live' show, an original, free show that transformed the Neapolitan coastline into a congenial space for diverse people to socialise thanks to music and the typically Italian ritual of the aperitif. The concert involved simultaneous performances by the three artists Cosmo, Elisa and Maracash, who then met up by surprise on one large central stage, where they gave a performance celebrating the beauty of being together, overcoming all types of barriers and celebrating diversity.

Averna Riserva Don Salvatore

Averna Riserva Don Salvatore was launched in January 2018 as a hand-crafted premium version of the classic Averna amaro. Produced at the Caltanissetta plant and aged for 18 months in small oak barrels, Averna Riserva Don Salvatore provides a more intense taste experience and is part of the premium offer of the amaro category together with Braulio Riserva and Cynar 70.

Campari Cask Tales

To celebrate the 150th anniversary of the birth of founder Davide Campari, Campari Group unveiled Campari Cask Tales. This is a new and exclusive expression of the classic red bitter, refined in barrels of bourbon chosen by Master Blender Bruno Malavasi for the delicate oak scent it gives to the product, smoothing the bitter notes with fruity, sweet, creamy tones and providing a delicate smoky feel. Campari Cask Tales was distributed in January 2018, before the official launch, to top international bartenders. The commercial launch of 15,000 limited edition bottles worldwide took place in April 2018.



ENVIRONMENT



2,276,813 GJ

Energy consumed



13,168,625 m³

Water withdrawal



99.75%

Of waste is classified as non-hazardous



56%

Of transport in Europe is carried out intermodally



160,126

Pallets managed using the 'PAKi method'



MANAGEMENT OF RESOURCES AND ENVIRONMENTAL IMPACT

The responsible use of resources and reduction of the environmental impact of our production activities are, of course, practices that guide the Group's activities with the aim of pursuing sus-

tainable development. The key environmental information relating to our production units is shown below.

ENERGY

The perimeter variation²⁵, which has a greater effect on the number of bottles produced than on the number of litres produced, the different production mix and the consumption optimisation activities have enabled us to record a fall in the Group's total energy consumption (-3.8%), despite a

less favourable ratio of renewable to non-renewable energy consumption than last year.

In this production context, which has changed considerably on last year, energy consumption per bottle produced was 4.6 MJ.

2017	CONSUMPTION OF TOTAL ENERGY	2018
2,366,287	Total energy consumption (GJ)	2,276,813
CONSUMPTION OF ENERGY FROM RENEWABLE AND NON-RENEWABLE SOURCES		
1,029,909	Consumption of energy from renewable sources (GJ)	705,250
1,336,378	Consumption of energy from non-renewable sources (GJ)	1,571,563
CONSUMPTION OF ENERGY BY SOURCE		
192,353	Consumption of electricity (GJ)	178,251
3,333	Total heating consumption (GJ)	3,253
0	Total cooling consumption (GJ)	0
0	Total steam consumption (GJ)	0
473,663	Total of petroleum distillate fuels (GJ)	678,712
445,195	Purchased natural gas (GJ)	496,460
3,415	Total fuels from natural gas processing and oil refining (GJ)	4,641
218,557	Purchased wood (GJ)	210,963
1,029,771	Energy produced from renewable sources (GJ)	704,258

WATER

Total water consumption remained broadly unchanged on the previous year, while the total volume of water discharged fell dramatically (-16%). The higher consumption compared with the previous year is attributable to Jamaica due to the combined effect of the extension of the sugar cane production period and resulting distillation activities, the increased

needs for irrigation stemming from less heavy rainfall than in 2017 and the replenishment of water stocks for fire-fighting purposes.

The quantity of water withdrawn by the Group's plants was around 25 litres per bottle produced, mainly due to the perimeter variation resulting from the sale of the Crodo facility.

2017	TOTAL WATER WITHDRAWAL	2018
13,109,243	Total volume of water withdrawn (m ³)	13,168,625
WATER WITHDRAWAL BY SOURCE		
8,228,126	Water withdrawal-rivers (m ³)	7,418,367
3,971,418	Groundwater (m ³)	4,695,098
0	Rainwater (m ³)	0
837,971	Municipal water supply (m ³)	953,487
71,728	Wastewater received from another organisation (m ³)	100,991
RECYCLED AND REUSED WATER		
192,471	Total volume of water reused by company for internal use (m ³)	279,971
1.5	Percentage of recycled and reused water (%)	2
WATER DISCHARGES		
6,975,653	Total volume of water discharged (m ³)	5,841,677
5,033,193	Wastewater from production processes (m ³)	1,645,028

WATER

2017	WATER DISCHARGES BY DESTINATION	2018
5,293,141	Wastewater discharged in bodies of surface water (m ³)	1,292,026
1,271,902	Wastewater discharged into groundwater (m ³)	3,861,768
213,733	Wastewater discharged into consortium plants (m ³)	244,740
149,147	Wastewater discharged into municipal or other facilities (m ³)	310,065
47,730	Total volume of wastewater reused by/sent to another organisation (m ³)	133,079

The ongoing attention to the protection of the environment is reflected in the volume of analysis performed on wastewater (+17% compared with last year) and in the low number of low-impact episodes, which were promptly resolved by restoring them to their original conditions.

2017	WASTEWATER ANALYSES AND TREATMENTS	2018
3,778	Total number of wastewater analyses (num)	4,414
115,506	Total volume of physically treated water (m ³)	48,157
5,918	Total volume of chemically treated water (m ³)	67,233
495,546	Total volume of biologically treated water (m ³)	275,252
0	Total volume of chemically and biologically treated water (m ³)	6,696
225,784	Total volume of chemically and physically treated water (m ³)	53,666

WASTE

The considerable increase reported in the volumes of waste produced is entirely attributable to Jamaica, where, despite the lack of adequate recovery and recycling infrastructure, the waste management and measurement process was

operationally redefined. Consequently, the percentage of hazardous waste produced also increased, although it remained at extremely low levels (0.25%). For each bottle produced, 0.2kg of waste produced was reported.

2017	WASTE PRODUCED AND INTENSITY	2018
65,637	Total amount of waste produced (t)	105,426
0.1	Amount of waste produced per bottle produced (kg/bottle)	0.2
HAZARDOUS AND NON-HAZARDOUS WASTE		
134	Amount of hazardous waste produced (t)	261
65,503	Amount of non-hazardous waste produced (t)	105,165
0.2%	Percentage of hazardous waste produced (%)	0.25%

WASTE PRODUCED BY DESTINATION		
0	Internal reuse (t)	0
25,147	External reuse (t)	13,220
5,628	Recovery, including energy recovery (t)	4,844
2,782	Composting (t)	5,561
11	Incineration (t)	31
0	Injection in deep ground (t)	0
6,027	Landfill (t)	7,928
63	On-site storage (t)	51
23,430	Fertilisation in agriculture (t)	25,320
1,658	Recycling (t)	2,223
820	Other destinations (t)	474

In Italy, in partnership with the Green Economy Observatory of Milan's Bocconi University, a pilot study was carried out on the circularity²⁶ of the Group's Italian activities, with a comparison of nearly 2,000 operators in the same and different sectors. The results seemed particularly encour-

aging, as the comparative circularity of the Group in Italy was considerably higher in all the phases analysed (sourcing, design, production, distribution and consumption) than both the sector average and the country average.

PENALTIES AND FINES

Only one fine was recorded in Kentucky for an environmental issue and two for health and safety issues in Italy. These were for very low amounts and related to minor breaches, which were promptly rectified.

2017	FINES, DISPUTES AND COMPLAINTS	2018
0	Monetary fines - Health and Safety	2
0	Monetary fines - Environment	1
0	Non-monetary penalties - Health and Safety	0
1	Non-monetary penalties - Environment	0
1	Disputes managed via mediation - Health and Safety	0
0	Disputes managed via mediation - Environment	0
0	Complaints - Health and Safety	1
0	Complaints - Environment	1

EMISSIONS

With regard to the emissions reported under scope 1, the use of conversion factors stipulated by GHG protocol²⁷, unlike those used last year, together with the change in the mix of energy sources used, led to an increase in the quan-

tity of equivalent carbon dioxide issued of approximately 23% for scope 1²⁸ and around 20% for scope 2²⁹, despite the overall reduction in energy used by the Group.

2017	GHG EMISSIONS, SCOPE 1 AND 2	2018
64,044	GHG emissions, scope 1 [t of CO ₂ e.]	78,659
18,785	GHG emissions, scope 2 [t of CO ₂ e.]	22,514
GHG EMISSIONS BY TYPE		
63,531	Combustion in thermal plants [t of CO ₂ e.]	78,310
513	Refrigerants [t of CO ₂ e.]	349
18,785	Purchased electricity [t of CO ₂ e.]	22,514

SPILLS

The number of environmental spills is comparable to the figure for last year. These were minor events, which were promptly resolved with a total outlay of less than €5,000, a slight fall on last year.

2017	SPILLS BY DESTINATION	2018
2	Ground spills	10
5	Surface water spills	5
0	Groundwater spills	2
3	Spills in municipal water supplies or other utilities	2
12	Air spills	6
22	Total spills	25
NEAR-MISS SPILLS BY TYPE		
4	Near-miss spills - Oil	4
1	Near-miss spills - Fuels	1
1	Near-miss spills - Waste	1
5	Near-miss spills - Hazardous chemical substances	3
6	Near-miss spills - Product	12
10	Near-miss spills - Alcohol	5
12	Near-miss spills - Other	4
39	Total near - Miss spills	30

CERTIFICATIONS

The perimeter variation led to a considerable reduction in the number of items produced in factories certified according to international health, safety and environmental standards.

2017	INDICATOR	2018
68%	Bottles produced in production units certified in accordance with International Occupational Health and Safety Standards (BS OHSAS18001)	62%
76%	Bottles produced in production units certified in accordance with International Environmental Standards (ISO14001/EMAS/ISO50001)	73%

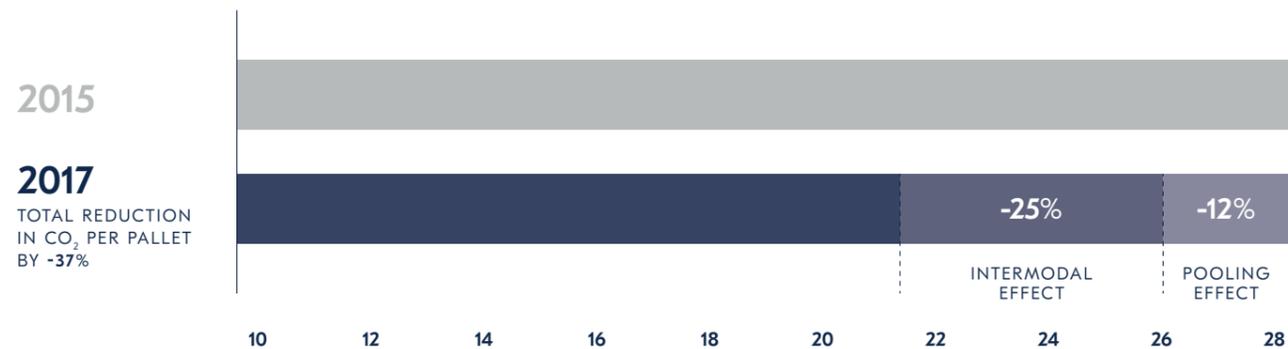
Logistics and sustainable distribution

Defining a sustainable freight transport system in which all the players involved operate responsibly clearly has a significant environmental impact. In 2018, Campari Group thus continued developing the main innovations already launched since 2016 in the sustainable distribution of its products, especially in Europe.

The Group was awarded the title of 'Logistics company of the year 2018', recognition by As-sologistica (the Italian association of logistics companies and those operating in warehousing, port, interport and airport terminals) conferred on companies which stand out for their innovation activities in the logistics sector. The two main actions that Campari Group undertook to redefine its logistics network were the concepts of intermodal transport and sustainable pallet management. During the year we conducted a study to quantify the benefits obtained, in terms of mitigating the environmental impact, by adopting the above-mentioned alternative methods

of transport and by managing and transferring pallets with the assistance of PAKi Logistics. Taking only the Italy-Germany and Italy-Switzerland flows as a starting point, which were identified as being representative of all the lines from Italy to other European countries, the flows for 2015 carried out by road were compared with those for 2017, which were carried out both by road and intermodally. In 2017, 76% of returning empty pallets were also managed via PAKi Logistics, thus reducing to a minimum changes in means of transport during the transfer of pallets. With the support of the Ecologistico² platform, we examined the characteristics of the network in the two periods in question, and the information from transporters about the type of transport used, the euro class and the type of fuel. It was therefore possible to calculate the reduction in CO₂ emissions per pallet transported in 2017 compared with 2015, thanks to the innovations implemented at distribution chain level.

EMISSIONS' COMPARISON (kg CO₂e/plt)



The study showed that the reduction in CO₂ per pallet was considerable, amounting to over -37%. Of this effect, 12% relates to the use of the 'pooling system' with the remaining 25% due to the introduction of intermodal transport. Since the sampling points of the PAKi Logistics network are very near the goods loading/unloading bays (+/- 50km), even if the pallets are always transported in full loads and produce greater consumption per kilometre compared with that

derived from the transport method adopted in 2015, the number of kilometres to be travelled is considerably reduced.

In addition, the change to intermodal transport has led to a reduction of over 50% in CO₂ per ton/km, and in the generation of fine dust by over 90%, mainly due to the use of electrically-powered rail transport, even if the distance in kilometres travelled is greater than the more direct standard transport by road.

Intermodal transport

The concept of intermodal transport represents a significant opportunity in freight transport due to the use of multiple integrated modes of transport. In 2018, intermodal transfers accounted for 56% of transfers from Italy to the rest of Europe (vs 54% in 2017).

Outgoing transfers of production units from Italy to the European distribution centres are shown below.

	TOTAL TRIPS	ROAD TRAVEL	INTERMODAL TRAVEL
2016	2,682	1,104	1,592 (59%)
2017	3,009	1,384	1,625 (54%)
2018	3,110	1,375	1,735 (56%)

OUTWARD JOURNEYS FROM ITALY TO THE EUROPEAN DISTRIBUTION CENTRES

	Austria	Belgium	Germany	United Kingdom	Latvia	The Netherlands	Spain	Switzerland	Ukraine
2016									
ROAD TRANSPORT	100%	1%	0%	0%	99%	0%	100%	100%	100%
INTERMODAL TRANSPORT	0%	99%	100%	100%	1%	100%	0%	0%	0%
TOTAL TRANSFERS	248	217	1,212	109	288	53	189	280	86
2017									
ROAD TRANSPORT	100%	40%	4%	2%	78%	0%	86%	100%	100%
INTERMODAL TRANSPORT	0%	60%	96%	98%	22%	100%	14%	0%	0%
TOTAL TRANSFERS	295	262	1,154	168	453	71	204	301	101
2018									
ROAD TRANSPORT	100%	19%	16%	15%	64%	0%	72%	100%	100%
INTERMODAL TRANSPORT	0%	81%	84%	85%	36%	100%	28%	0%	0%
TOTAL TRANSFERS	263	242	1,284	156	479	90	234	259	103

Thanks to the recent use of a new platform, which was adopted last year, it is now possible to monitor service levels and the percentage of outgoing transfers from facilities in Greece and the UK

undertaken by intermodal transport. In both cases, 97% of journeys were by intermodal transport, as shown in the tables below.

OUTWARD JOURNEYS FROM GREECE TO THE EUROPEAN DISTRIBUTION CENTRES

COUNTRIES	ROAD TRANSPORT	INTERMODAL TRANSPORT
Austria	25%	75%
Belgium	29%	71%
Germany	2%	98%
United Kingdom	0%	100%
Novi Ligure (Italy)	0%	100%
Switzerland	0%	100%
TOTAL	3%	97%

OUTGOING JOURNEYS FROM UK TO THE EUROPEAN DISTRIBUTION CENTRES

COUNTRIES	ROAD TRANSPORT	INTERMODAL TRANSPORT
Germany	0%	100%
Massalengo (Italy)	0%	100%
Novi Ligure (Italy)	4%	96%
Spain	0%	100%
Switzerland	0%	100%
TOTAL	3%	97%

The Group also continued to choose intermodal transport in Italy as an alternative to transporting freight by road, where possible, improving the performance begun in 2016. Over 12% of the 4,085 goods transfers were made by intermodal transport.

The reduction in total transfers compared with 2017 is due to the sale of the Lemonsoda business and the termination of the agreement to distribute Brown-Forman products.



Eco-mobility

In addition to continuing its partnership with the operator, Berger, whose fleet of Euro VI vehicles, built using lightweight steel, has helped to reduce the number of lorries used to transport pallets, the Group also implemented another significant innovation in 2018 relating to road freight transport in Italy. Thanks to its partnership with transporter Di Martino, Campari Group upgraded its transportation on the Novi-Ligure-Massalengo stretch by equipping itself with vehicles powered by LNG (liquefied natural gas).

LNG, which is mainly made of methane, obtained via a series of cooling and condensation processes, is liquefied with a reduction in volume of 400 times its original state, enabling a greater quantity of energy to be stored.

The huge potential, in environmental terms, arising from the use of LNG is reflected in the achievement of the following objectives:

- reduction of CO₂ emissions (-26% obtained compared with a Euro V vehicle);
- reduction of PMx emissions (-99% obtained compared with a Euro V vehicle);
- noise reduction of around 3-6 dB compared with a diesel vehicle of equal power.

Overall, LNG accounts for 2.4% of the total 4,085 journeys. Consequently, the transfers carried out by DCM using the various transport means that have a low environmental impact (LNG and inter-modal transport) account for 14.5% of total transfers in Italy (+4% compared with 2017).

Sustainable pallet management

In 2018, the Group continued to extend its collaboration with the supplier PAKi, a pallet transport company, to also include Greece.

PAKi's extensive network enables it to recover pallets from unloading bays and transfer them to its own storage facility or one belonging to a customer that is closer, and, at the same time, deliver the same type of pallets from its closest recovery points to our loading bays.

This mechanism enables us to significantly reduce the number of kilometres travelled across Europe. In 2018, the number of pallets managed using the 'PAKi method' almost doubled compared with the previous year, rising from 85,025 to 160,126 pallets transported.

COUNTRIES	PAKi METHOD		
	2016	2017	2018
EXPORTS*	44,900	49,846	61,123
Italy	0	35,179	91,393
Greece	0	0	5,610
TOTAL	44,900	85,025	160,126

* Germany, Austria, Belgium, the Netherlands and Switzerland



Over 15,000

Visitors to Galleria Campari in 2018



Campari Art Prize

Created in 2017



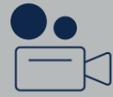
In 2018 +29%

Negroni Week participants compared with 2017



2017 restoration and rediscovery of Cinzano Archive

As part of the celebrations for its 260th anniversary



2018 Campari is the main sponsor of the 75th Venice International Film Festival

The Campari Award 'Passion for Film' was created

COMMUNITY INVOLVEMENT



ELEGANCE

CORDIAL CAMPARI

ELEGANCE
The word 'Elegance' is written in a small, red, serif font on a white background, positioned above a block of red text.



COMMUNITY INVOLVEMENT

Again in 2018, culture was an essential component of Campari Group's DNA. The 'Campari' name has always been associated with the world of art, design and cinema. The promotion of culture and its dissemination also means focusing on

people's education and well-being. The Group is sensitive to the needs of the communities in the countries in which it has a significant presence. The main community involvement projects that it has undertaken are described below.



Galleria Campari

Galleria Campari was launched in 2010 on the brand's 150th anniversary. This interactive, multi-media museum is dedicated to the relationship between the Campari brand and its communication through art and design.

Galleria Campari owes its strength to the uniquely rich Campari archive, a veritable cross-cultural heritage, containing over 3,000 works on paper; original posters from the Belle Époque; posters and advertisements from the 1930s to the 1990s, signed by major artists such as Marcello Dudovich, Leonetto Cappiello, Fortunato Depero, Franz Marangolo, Guido Crepax and Ugo Nespolo; sketches and commercials filmed by Federico Fellini and Singh Tarsem among others; and items signed by designers including Matteo Thun, Dodo Arslan, Markus Benesch and Matteo Ragni.

Galleria Campari is a way of relating, in an across-the-board and tangible way, through objects and images, many lively and real 'stories' of art, architecture, entrepreneurship, design, a region, communication, our habits, our places, how we were then and how we are now.

The Museum can be visited via a system of free guided tours, which must be booked in advance, led by the company's employees. In 2018, it had over 15,000 visitors.

In addition to showcasing its own permanent collection, Galleria Campari organises short-term exhibitions and educational and research events and also promotes publications on the history of art and design as a means of corporate communication. It lends its own artefacts to other museums and supports external projects featuring material from the Campari collection, providing historical and critical analysis.

Dissemination of culture and exhibitions

In 2018, Galleria Campari contributed to many events and organised several special openings, under the aegis of national and international initiatives promoted by the municipality of Milan. These included: Museo City, European Museum Nights, European Heritage Days and the Business Culture Week (which formed part of the Museimpresa national circuit). Moreover, this year, the Museum took part in the first edition of Open House Milan, an international event dedicated to architecture, offering visitors free guided tours of the building designed by Mario Botta.

To emphasise its link with the city of Milan, from March to May 2018, Galleria Campari partnered with the Corriere della Sera Foundation, one of the most important cultural institutions in the city. The two organisations presented 'Arte Quotidiana' ('Daily Art'), a series of three conversations held at the Sesto San Giovanni headquarters. Starting from the observation that art and design tend to increasingly come out of institutional places to permeate the surrounding reality, the three conversations showed how art shapes our everyday life.

Exhibitions at Campari headquarters

An exhibition entitled 'Since our stories all sound alike' opened to the public from 23 May to 23 September. This was the first personal exhibition in Italy of Hungarian artist Sári Ember (1985), winner of the first Campari Art Prize, an accolade born out of the collaboration with Artissima at the 24th Trade Fair. The exhibition, curated by Ilaria Bonacossa, director of Artissima, showed a series of site-specific artworks in ceramic, stone and marble, which, through lines and

shapes, evoked faces, busts and masks, lost identities and bearers of personal and collective stories. At the end of the exhibition, the work entitled 'Triple mask in grey' was acquired by Galleria Campari and has become part of the Museum's collection.

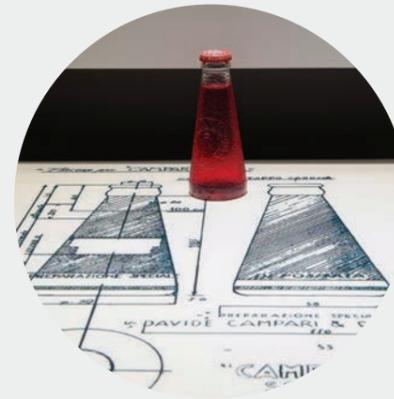
The new exhibition 'Fashion stories. Campari and style', curated by journalist Renata Mohlo, which opened to the public on Friday 5 October 2018, is dedicated to the exploration of one of the core components of the Campari universe: the strong relationship between brand and fashion, namely the expression of art and costume. The exhibition showcased the brand's ability to express its identity and to remain contemporary in over 150 years of history with a sophisticated approach which has been both consistent over the decades and in step with the times. Divided into four themed sections – Elegance, Shape and Soul, Futurism and Lettering – the exhibition provides a dialogue between 100 of Galleria Campari's artworks with models and cartoons from fashion houses, museums and foundations (A.N.G.E.L.O. Vintage Archive, Laura Biagiotti, Giorgio Armani, Roberto Capucci, Raffaella Curiel, Fendi, Gianfranco Ferrè and Salvatore Ferragamo). Another exhibition shows a series of elegant photographs by Giovanni Gastel, along with fashion magazine covers (including *Vogue*, *W Magazine*, *Vanity Fair*) which have been re-imagined in pop style by designer Ana Strumpf.



Travelling exhibitions

From 4 July to 16 September, Galleria Campari, in collaboration with Campari UK and the Estorick Collection of Modern Italian Art in London, organised an exhibition entitled 'The Art of Campari'. The first exhibition in a foreign museum, attracting nearly 5,000 visitors, it was dedicated exclusively to the story of the communication of the Campari brand. 40 original posters from the Belle Époque in the 1890s were on display, along with vintage artefacts relating to the 'bar world'. Galleria Campari also took part in several major exhibitions, offering free loans of some of its artworks. These included:

- the Salvatore Ferragamo Museum, Florence, for the exhibition 'Italy in Hollywood';
- MUST-Museo del Territorio (Territorial Museum), Vimercate, for the exhibition 'Fortunato Depero. Futurism and Advertising'.



For Camparistas

To encourage our headquarters staff to take an interest in the cultural activities promoted by the Company and become involved in them, in 2018, Galleria Campari organised a series of sessions devoted to informing people about the exhibition initiatives under way. In 2018, Galleria Campari also collaborated with the HR team to provide induction sessions for newly-recruited staff.

Galleria Campari is not only a space associated with the brand and its history but also a centre for research and cultural production aimed at developing the relationship between Campari and contemporary art, making the latter part of our daily life.



Artissima

In 2018, Galleria Campari continued its collaboration with Artissima, International Fair of Contemporary Art, Turin, by holding the second edition of the Campari Art Prize. The art fair is one of the most important in Europe and was visited by over 54,000 people.

The winner of the 2018 prize was Rodrigo Hernández, an artist aged under 35, represented by the Madragoa Gallery, Lisbon. The artist was recognised for the specific communication dimension and narrative capacity of the work. In 2019, Rodrigo Hernández will have his own personal exhibition promoted at Galleria Campari.



Cinzano Archive

Through a range of posters designed by major artists of the last century, documents, plates, diplomas, photographs, bottles and historic PoS material, the Cinzano Archive relates nearly 300 years of history of a brand that has successfully interwoven its business path with the evolution of Italian and international customs and traditions.

In 2017, as part of the celebrations for its 260th anniversary, a major work of restoration and re-discovery of Cinzano material was carried out; it was then shown to the public for the first time after many years in an exhibition entitled 'Cinzano: from Turin to the World. Journey of discovery of an Italian icon'.

In 2018, two major initiatives involving the material from the Archive were staged in Italy and abroad:

- 'Cinzano: Journey of discovery of an Italian icon', 20-25 April, and Festival Next Vintage (Belgioioso Castle, Pavia);
- 'Anticipation of the Aftertaste', 12 October-11 November, MMOMA-Moscow Museum of Modern Art, where we recounted the history, through the exhibition, of one of the most famous Italian brands in Russia.

On the launch of the new vintage Cinzano Cuvée Vintage Alta Langa D.O.C.G (2013), an exhibition entitled 'Cinzano 260. A tale of Italian authenticity' was organised exclusively for Campari employees.



Rome Film Festival

As further confirmation of the increasingly strong link with film-making, Campari chose to partner with another very important cultural event in the Italian and international film calendar, as sponsor of the Rome Film Festival at the Auditorium Parco della Musica.

The Campari brand was the star of the 'Red Room', a genuine cinema lounge and meeting place for festival-goers. Lastly, Campari sponsored the award-ceremony at Villa Medici honouring veteran film director Martin Scorsese,

Campari meets the Venice Film Festival

For years, the cinema has successfully portrayed the essence of Campari, using ever-new language. The numerous collaborations with internationally renowned directors and actors have helped shape and give meaning to 'Campari Red Passion'. In 2018, to strengthen its links with the world of cinema, Campari took part, as main sponsor, in the 75th International Film Festival, organised as part of the Venice Biennale. The Campari Lounge, situated near the red carpet, welcomed over 50,000 guests, who were treated to a real 'Campari experience', with aperitifs offered in perfect Italian style during a time of discovery, tasting and sharing.

Campari then launched, in conjunction with the Biennale, the Campari 'Passion for Film' award. The aim of the award, created in 2018, was to highlight the role of scriptwriters, set designers, composers and photography directors: artists and authors who, together with the director, play a part in the creation of a cinematographic work. Bob Murawski, editor of the remake of 'The Other Side of the Wind' by Orson Welles, won the award.

who received a Lifetime Achievement Award from Paolo Taviani, thus contributing to the celebration of one of the greatest film directors in the history of global cinema.

Two awards also went to *Sirena* ('The mermaid') and *Il carillon e la montagna* ('The carillon and the mountain'), the winning short movies in the new 'Created by Passion' competition, promoted by Campari in conjunction with the Civic School of Cinema Luchino Visconti, to recognise young talents who have best interpreted the Red Passion values in the emerging Italian cinema.



Negroni Week

For the sixth consecutive year, Campari Group promoted Negroni Week, the week dedicated to the cocktail of the same name, in collaboration with *IMBIBE* magazine. The aim of this initiative, which has been taking place internationally since 2015, is to raise funds for charities and NGOs. Bars, restaurants and sales outlets in 69 countries took part, donating part of the proceeds from the sale of the historic cocktail to charitable causes. Participants: over 9,985 traders, representing a rise of 29% over 2017.

High levels of participation ensured the campaign was a success, with over US\$585,800 raised. For the second year in a row, the Kettner Exchange of San Diego (US) was named top fundraiser, having raised over US\$10,000.

The US, Germany, Argentina, Greece and Canada were the five countries with the highest number of participants. Social media were once again crucial in promoting the campaign: 'Negroni Week' received over 32,000 online mentions and the related hashtag was used more than 26,000 times on Instagram.



Campari Barman Competition: sixth edition

The finals of the 2019 Campari Barman Competition were held for the first time in Florence at the historic *Teatro Odeon*, where Stefano Cattaneo, 21, after an exciting challenge focusing on the most creative re-interpretations and twists on the historic Negroni cocktail, was judged best bartender of the year. In addition to a financial prize, the winner was awarded a one-year work program with Campari covering a wide range of aspects.

The Campari Barman Competition, organised by Campari Academy, each year attracts extremely high numbers of male and female bartenders who have mixed over 400 cocktail recipes. The sixth Campari Barman Competition attracted over 1,500 entrants, an absolute record, showing the extent to which it is increasingly becoming a point of reference for the world of mixology. The latest edition chose to celebrate Negroni on the 100th anniversary of the birth of this iconic cocktail, created in 1919 by Count Camillo Negroni in Florence, and which has Campari as its key ingredient together with gin and red vermouth.



Corporate volunteering and charitable activities

The Group's initiatives on behalf of the local communities in the territories in which the company has established its own premises continued to increase.

Australia

Campari Australia takes part in 'Australian Charities Fund 1 Million Donors', a program that aims to sign up one million Australians by 2020 who choose to donate to charity via payroll giving (the amount to be donated appears as one of the deductions on the payslip).

Through this Workplace Giving Program, Campari Australia donated over \$28,000 in 2018 to various charities chosen by employees.

Stati Uniti

In October 2018, Matthew McConaughey and Eddie Russell helped celebrate National First Responders Day with Wild Turkey Bourbon as part of the 'Wild Turkey Gives Back' campaign. The American actor and the Master Distiller wanted to personally give thanks, by providing a roast dinner, to police officers, fire-fighters, emergency operators, and emergency room doctors and nurses, who were on the front lines following Hurricane Harvey in Houston, Texas.

Another similar initiative by Wild Turkey is its collaboration with Team Rubicon, an NGO that provides emergency assistance to people affected by natural disasters.

Argentina

Campari Argentina continues its partnership with Techo, a non-profit organisation that provides support to families living in extreme poverty in Latin America and the Caribbean.

Some Camparistas have participated as volunteers in the construction of a house in Buenos Aires for a low-income family. The activity provided an excellent opportunity for team members to interact with each other, promoting critical reflection and offering a concrete way of mitigating poverty.

CORRELATION TABLE TO THE L.D. 254/16

ASPECT - LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IMPACT BOUNDARY	IDENTIFIED RISKS	POLICIES ADOPTED	GRI/COMPANY SPECIFIC INDICATOR/DISCLOSURE	PERIMETER OF REPORTING
ENVIRONMENTAL	Water consumption and management	Internal (Campari Group); External (local communities)	Risks relating to environmental policy; Environmental and geopolitical risks (Sustainability report, paragraph 'Risk management')	Since 2013, Campari Group has adopted a QHSE (Quality, Health, Safety & Environment) policy that governs and protects the environment, health and safety of its employees and consumers as well as the quality and food safety of products. The Group's industrial management has implemented dedicated procedures relating to safety and qualitative controls in the area of environmental pollution and the disposal of solid waste and waste water. The objective of this structure is to continuously monitor and update the Group's business activities based on the legislation in force in the individual countries in which it operates. With this goal, also in 2018 the Group continues its path of triple certifications ISO 22000 (Food Safety), OHSAS 18001 (Health and Safety) and ISO 14001 (Environmental Management). A structural element of the design, implementation and management of QHSE systems is the global risk assessment procedure 'Risk Based Thinking Management', which allows the organisation's activities to be guided in an organic way. (Sustainability report, paragraph 'Sustainability policies')	303; DMA GRI Content Index	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method. Exception: all environmental data, including those related to energy consumption and emissions, do not include the offices of the Group (except for the headquarters).
	Energy consumption and management	Internal (Campari Group); External (local communities)			302; DMA GRI Content Index	
	Waste, spills and soil pollution	Internal (Campari Group); External (local communities)			306; DMA GRI Content Index	
	Emissions	External (local communities)			305; DMA GRI Content Index	
	Sustainable packaging and materials	Internal (Campari Group); External (consumers)			DMA GRI Content Index	
	Governance and accountability	Internal (Campari Group); External (Institutions)			307; DMA GRI Content Index	
	Environmental expenditure and investments	Internal (Campari Group); External (local communities)			DMA GRI Content Index and company specific disclosure p. 102	

ASPECT - LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IMPACT BOUNDARY	IDENTIFIED RISKS	POLICIES ADOPTED	GRI/COMPANY SPECIFIC INDICATOR/DISCLOSURE	PERIMETER OF REPORTING
SOCIAL	Marketing and responsible communication	Internal (Campari Group); External (consumers, trade associations; bartenders)	Risks relating to legislation in the beverage industry (Sustainability report, paragraph 'Risk management'). Reputational risk	Campari Group continues to promote a culture of quality and responsibility, including via communications projects and actions carried out in collaboration with the main trade associations. Since 2010, the Group has had a voluntary Code on Commercial Communications to ensure its communications comply with standards of legality, decency, honesty and fair business practices. Furthermore, the Responsible Serving Guidelines aims at defining the essential guidelines for the responsible serving of alcoholic beverages (Sustainability report, paragraph 'Responsible marketing and practices-Responsible communication')	417; DMA e company specific indicator p. 93-94	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method.
	Responsible serving	Internal (Campari Group); External (consumers, trade associations; bartenders)			DMA e company specific indicator p. 93-94	
	Governance and accountability	Internal (Campari Group); External (Institutions)			417; DMA e company specific indicator p. 93-94	
	Alcohol abuse consequences	Internal (Campari Group); External (consumers, trade associations; bartenders)			DMA e company specific disclosure p. 93-94	
	Food safety	Internal (Campari Group); External (consumers)			416; DMA GRI Content Index	
	Product quality	Internal (Campari Group); External (consumers)			416; DMA GRI Content Index	
	Customer satisfaction and complaints	Internal (Campari Group); External (consumers)			416; 418-1; DMA GRI Content Index	
	Privacy and customer data security	Internal (Campari Group); External (customers and consumers)	Risks relating to product compliance and safety (Sustainability report, paragraph 'Risk management')	In 2018, through its Group Privacy and Data Protection (GPDP) function, Campari Group managed a project to align with the new European personal data protection regulations (the 'GDPR' or 'Regulations'). With regard to the new Regulations, a Data Protection Officer (DPO) was appointed and an organisational model for personal data protection was defined, identifying roles and responsibilities in both the corporate governance functions and in the business functions, where personal data is actually used. At the same time, Campari Group has defined a series of policies to manage GDPR requirements and has also introduced a tool to manage and track the main activities, as required under GDPR, to effectively demonstrate compliance with these Regulations.	418-1; DMA GRI Content Index	
	Supply chain transparency and traceability	Internal (Campari Group); External (suppliers, distributors, commercial partners)		Since 2012, Campari Group has adopted a Supplier Code which establishes the principles and ethical values that the Group's suppliers undertake to respect through the relative subscription. Furthermore, to guarantee greater transparency of the supply chain, the recent procedure for prequalification of new suppliers, formalized in 2017, envisages the adhesion of the same suppliers to Sedex, a platform through which suppliers will share company information and practices relating to four key areas: business ethics, labor standards, health and safety and the environment. Finally, the principles and provisions of the Code of Ethics and the Employees and human rights policy also apply with reference to the Group's suppliers. (Sustainability report, chapter 'Responsible sourcing & distribution')	308-1; 204-1; 414-1; DMA GRI Content Index, company specific disclosure p. 90-91	

ASPECT - LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IMPACT BOUNDARY	IDENTIFIED RISKS	POLICIES ADOPTED	GRI/COMPANY SPECIFIC INDICATOR/DISCLOSURE	PERIMETER OF REPORTING
SOCIAL	Initiatives for the community	External (local communities, schools and universities)	Risks of barriers to entry into new markets or development in already-guarded markets due to the difficulty of integration into the local social fabric or lack of collaboration and dialogue with local communities. Reputational risk.	The Group manages relations with local communities and territories where it operates in full respect of customs and traditions, strictly observing local regulations. The Group contributes to the economic development of the territories directly through its own activity, thus contributing to local economic development, and through the development of specific projects of social inclusion. In consideration of the fact that this way of operating is part of the normal running of the Group's business in all its geographies, Campari Group does not consider it appropriate to adopt an ad hoc policy.	413; DMA GRI Content Index, company specific disclosure p. 50-51	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method.
	Indirect economic impact on communities	External (local communities)			203; DMA GRI Content Index	
	Relationships with local community	External (local communities, Institutions)			413; DMA GRI Content Index	
	Corporate volunteering	External (local communities)			DMA and company specific disclosure p. 119	
	Direct economic value generated and distributed to stakeholders	Internal (Campari Group); External (local communities)			201; DMA Annual report	
	Protection of the artistic and cultural heritage	Internal (Campari Group); External (Local communities)			DMA and company specific disclosure p. 115	
EMPLOYMENT	Protection of employees' health and safety in the workplace	Internal (Campari Group)	Risks relating to employees (Sustainability report, paragraph 'Risk management')	Since 2013, Campari Group has adopted a QHSE (Quality, Health, Safety & Environment) policy that governs and protects the environment, health and safety of its employees and consumers as well as the quality and food safety of products. With this goal, also in 2018 the Group continues its path of triple certifications ISO 22000 (Food Safety), OHSAS 18001 (Health and Safety) and ISO 14001 (Environmental Management). Moreover, after launching two pilot programmes in 2017 for the prevention of injury risk, a behavioral leadership program aimed at preventing accidents has been launched in 2018.	403; DMA GRI Content Index	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method.

ASPECT - LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IMPACT BOUNDARY	IDENTIFIED RISKS	POLICIES ADOPTED	GRI/COMPANY SPECIFIC INDICATOR/DISCLOSURE	PERIMETER OF REPORTING
EMPLOYMENT	Training and employees development	Internal (Campari Group)	Risks related to the inability of being responsive in seizing new opportunities, coping with uncertainty and adapting to change (Sustainability report, paragraph 'Our people-Human capital: training and professional development')	The Code of Ethics reaffirms the Group's principles and commitment with respect to the themes relating to human resources and the work environment. Moreover, to demonstrate the importance of these issues for the company, it was decided to formalize in 2017 a specific policy on employees and human rights, thus defining the Group's position with respect to issues related to human rights, working conditions, training and to the employees well-being	404; DMA p. 75-77; 85	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method.
	Awareness on sustainability topics	Internal (Campari Group)			404; DMA p. 85	
	Attraction and talent development	Internal (Campari Group)			404; DMA p. 75-77; 85	
	Employee satisfaction	Internal (Campari Group)	Supporting the Group's development by investing in its own resources, being able to respond to the needs of its employees and creating a healthy and positive work environment are indispensable conditions for ensuring the Company's success and growth		DMA and company specific disclosure p. 65-67	
	Diversity, equal opportunities and inclusion	Internal (Campari Group)			405; DMA p. 68	
	Work-life balance	Internal (Campari Group)			401; DMA p. 80-83	
	Recruitment, turn over and pension policies	Internal (Campari Group)			401; DMA p. 68	
	Remuneration policies	Internal (Campari Group)			202; DMA p. 78-79, Remuneration report pursuant to article 123-ter of the TUF	

ASPECT - LEGISLATIVE DECREE 254/2016	MATERIAL TOPIC	IMPACT BOUNDARY	IDENTIFIED RISKS	POLICIES ADOPTED	GRI/COMPANY SPECIFIC INDICATOR/DISCLOSURE	PERIMETER OF REPORTING
RESPECT OF HUMAN RIGHTS	Policies on human rights	Internal (Campari Group); External (suppliers, distributors, commercial partners)	Risk of failure to comply with laws and regulations (Sustainability report, paragraph 'Risk management'). Reputational risk	Among the measures implemented to mitigate this risk, specific policies have been formalized (i.e. Employees' & Human Rights Policy, Code of Ethics, Business Conduct Lines, Supplier Code). Campari Group also 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 assures legal compliance to national legislations relating to human rights in those countries where we operate. In case of differences between the content of our policies and national regulations, the Group always apply the most stringent requirements.	407-408-409-412; DMA GRI Content Index, Employees' and human rights policy	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method.
	Governance and accountability	Internal (Campari Group)				
	Risk management	Internal (Campari Group)				
ANTI CORRUPTION AND BRIBERY	Anticorruption	Internal (Campari Group); External (Institutions, suppliers, distributors, commercial partners)	Risk of failure to comply with laws and regulations (Sustainability report, paragraph 'Risk management'). Reputational risk	The main tools for mitigating corruption risk are the Code of Ethics, the Business Conduct Guidelines and ongoing training of employees to keep them periodically updated on the Group's policies. In Italy, in particular, pursuant to Legislative Decree 231 of 2001, the 231 Model, approved by the Board of Directors, represents a formalisation of existing management structures, procedures and controls. Moreover, the Group ensures the respect of national regulations with respect to human rights in those countries where it operates. In case of differences between the content of our policies and national regulations, the Group always apply the most stringent requirements.	205; DMA p. 42-47, The organisational, management and control model (ex D.Lgs 231-01)	The perimeter of the Non Financial Disclosure corresponds to that of the Consolidated Financial Statements of Campari Group, including all the legal entities consolidated through the full consolidation method.
	Governance and accountability	Internal (Campari Group)				
	Risk management	Internal (Campari Group)				

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSIONS
GENERAL STANDARD DISCLOSURE				
ORGANIZATIONAL PROFILE				
102-1	Name of the organization	Note on methodology (p. 6-8); Chapter 'Governance model' (p. 38-41)	www.camparigroup.com/en/our-group	
102-2	Activities, brands, products and services	Chapter 'Our brands' (p. 22-23)	www.camparigroup.com/en/brands	
102-3	Location of headquarters	Chapter 'Campari Group worldwide' (p. 24-25)	www.camparigroup.com/en/our-group/worldwide-presence	
102-4	Location of operations	Chapter 'Campari Group worldwide' (p. 24-25)	www.camparigroup.com/en/our-group/worldwide-presence	
102-5	Ownership and legal form	Chapters 'About us' (p. 10); 'Governance model' (p. 38-41); Report on Corporate Governance and Ownership Structure	www.camparigroup.com/en/governance	
102-6	Market served	Chapter 'Campari Group worldwide' (p. 24-25)	www.camparigroup.com/en/our-group/worldwide-presence	
102-7	Scale of the organization	Chapters 'Creating value for stakeholders' (p. 54); 'Our people' (p. 60-73); Sociogram (p. 41); Annual report. The number of bottles produced by the Group in 2018 was 847,892,586 bottles	www.camparigroup.com/en/our-group/our-group/campari-group-glance www.camparigroup.com/en/investor/results-centre	
102-8	Number of employees by employment contract and type, region and gender	Chapter 'Our people' (p. 60-84). Reported data refer to employees with permanent contracts		
102-9	Description of the organization's supply chain (activities, primary products, types and total number of suppliers engaged, the geographic location of suppliers, the monetary value of payments made to suppliers)	Chapter 'Responsible practices', paragraph 'Responsible sourcing' (p. 90-91); chapter 'Environment', paragraph 'Logistics and sustainable distribution' (p. 108-111)		
102-10	Significant changes to the organization's size, structure, ownership, or supply chain, during the reporting period	Note on methodology (p. 6-8); chapter 'Growth strategy' (p. 26-27). In relation to the structure and characteristics of the supply chain there are no significant changes compared to the previous year	www.camparigroup.com/en/investor/strategy/acquisitions-and-disposals	
102-11	Precautionary Principle or approach	Chapter 'Risk management' (p. 42-47)	www.camparigroup.com/en/governance/risk-management	
102-12	Adoption of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	Chapter 'Sustainability for the Group' (p. 50-53); 'Sustainable Development Goals' (p. 50-51); Employees and human rights policy (notes p. 2-3)	www.camparigroup.com/sites/default/files/downloadpage/campari_group_employees_and_human_rights_policy_-_en.pdf	
102-13	List of the main memberships of industry or other associations, and national or international advocacy organizations	Chapter 'Responsible practices', paragraph 'Responsible consumption: communications and promotions initiatives' (p. 96-97)		

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSIONS
STRATEGY				
102-14	Statement from senior decision-maker	Letter from the Chairman 'Building more value together' (p. 4-5)		
102-15	Key impacts, risks, and opportunities	Chapter 'Risk management' (p. 42-47)	www.camparigroup.com/en/governance/risk-management	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	Paragraphs 'Internal audit system' (p. 40); 'Main risks for the Group' (p. 43-47); 'Sustainability policies' (p. 52-53); chapter 'Quality of our products', paragraph 'Certifications' (p. 92); chapter 'Responsible practices', paragraphs 'Responsible sourcing', 'Responsible communications' and 'Responsible serving' (p. 93-95); chapter 'Environment', paragraph 'Certifications' (p. 107)	www.camparigroup.com/en/governance www.camparigroup.com/sites/default/files/downloadspage/codeoncommercialcommunication_0.pdf www.camparigroup.com/it/sostenibilita/qhse-qualita-salute-sicurezza-ambiente/qhse-policy	
102-17	Mechanisms for advice and concerns about ethical and lawful behavior, and organizational integrity and for reporting concerns about unethical or unlawful behavior, and organizational integrity	Paragraphs 'Internal audit system' (p. 40); 'Sustainability policies' (p. 52)	wrs.expolink.co.uk/campari	
GOVERNANCE				
102-18	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics.	Chapter 'Governance model' (p. 38-41); paragraph 'Sustainability policies' (p. 53); Report on Corporate Governance and Ownership Structure	www.camparigroup.com/en/governance/governance-system	
102-20	Executive-level responsibility for economic, environmental, and social topics and whether post holders report directly to the highest governance body	Chapter 'Governance model' (p. 38-41); paragraph 'Sustainability policies' (p. 53); Report on Corporate Governance and Ownership Structure	www.camparigroup.com/en/governance/governance-system/governance-report	
102-22	Composition of the highest governance body and its committees	Chapter 'Governance model' (p. 38-41); paragraph 'Sustainability policies' (p. 53); Report on Corporate Governance and Ownership Structure	www.camparigroup.com/en/governance/governance-system/governance-report	
102-23	Chair of the highest governance body	Chapter 'Governance model'; paragraph 'Board of Directors' (p. 38); Report on Corporate Governance and Ownership Structure, paragraph 'Board of Directors - Composition'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-24	Nomination and selection processes for the highest governance body and its committees	Report on Corporate Governance and Ownership Structure, paragraph 'Board of Directors'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-25	Processes for the highest governance body to ensure conflicts of interest are avoided and managed; whether conflicts of interest are disclosed to stakeholders	Report on Corporate Governance and Ownership Structure, paragraphs 'Board of Directors', 'Directors' interests and transactions with related parties'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-26	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	On 29 April 2016, the Board of Directors also tasked the Control and Risks Committee with overseeing sustainability issues in connection with the Company's operations and its interaction with stakeholders. Report on Corporate Governance and Ownership Structure, paragraph 'Board Committees'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-27	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	The Sustainability function reports periodically to the Control and Risks Committee on sustainability issues usually on the occasion of Board of Directors meetings		

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSIONS
102-29	Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities. Whether stakeholder consultation is used to support the identification of such topics and their impacts, risks, and opportunities	Report on Corporate Governance and Ownership Structure, paragraph 'Functions of the Control and Risks Committee'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-30	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	Report on Corporate Governance and Ownership Structure, paragraph 'Functions of the Control and Risks Committee'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-32	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered	Note on methodology (p. 6-8)		
102-33	Process for communicating critical concerns to the highest governance body	The Control and Risks Committee examines any reports of breaches of the Code of Ethics or Model 231 received by the email inbox organismo231@campari.com or the 'Campari Safe Line' whistleblowing service. Report on Corporate Governance and Ownership Structure, paragraph 'Functions of the Control and Risks Committee'	www.camparigroup.com/en/governance/governance-system/governance-report	
102-35	Remuneration policies for the highest governance body and senior executive	'Chapter 'Our people', paragraph 'Remuneration system' (p. 78-79); Remuneration report pursuant to article 123-ter of the TUF'	www.camparigroup.com/en/governance/committees/remuneration-appointment	
102-36	Process for determining remuneration	'Chapter 'Our people', paragraph 'Remuneration system' (p. 78-79); Remuneration report pursuant to article 123-ter of the TUF'	www.camparigroup.com/en/governance/committees/remuneration-appointment	

STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups engaged by the organization	Chapter 'Our stakeholders' (p. 55)		
102-41	Percentage of total employees covered by collective bargaining agreements	Chapter 'Our stakeholders' (p. 55)		
102-43	Approach to stakeholder engagement	Chapter 'Our stakeholders' (p. 55)		
102-44	Key topics and concerns that have been raised through stakeholder engagement	Chapter 'Our stakeholders' (p. 55)		

REPORTING PRACTICES

102-45	Entities included in the consolidated financial statements and whether any entities not covered by the sustainability report	Note on methodology (p. 6-8); Annual report		
102-46	Process for defining the report content and the topic Boundaries	Note on methodology (p. 6-8). For the preparation of the Sustainability Report, the Reporting Principles for defining report content and quality have been applied, as defined by the GRI guidelines		
102-47	List of material topics	Chapter 'Materiality analysis' (p. 57-59)		
102-48	Effect of any restatements of information given in previous reports, and the reasons for such restatements	This Report is the second document on sustainability prepared in accordance with the GRI Standards and certified by an external audit firm		
102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	In this Report, Campari Group reports for the second year the list of material issues and the topic boundaries		

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSIONS
102-50	Reporting period	Note on methodology (p. 6-8)		
102-51	Date of most recent previous report	19 March 2018		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the sustainability report	csr@campari.com		
102-54	Claims of reporting in accordance with the GRI Standards	Note on methodology (p. 6-8)		
102-55	GRI Content Index			
102-56	External assurance	Note on methodology (p. 6-8); opinion by PwC attached		

SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC PERFORMANCE

ASPECT: ECONOMIC PERFORMANCE

DMA	Management approach disclosures	Annual report	www.camparigroup.com/en/investor/results-centre	
201-1	Direct economic value generated and distributed	Chapter 'Creating value for stakeholders' (p. 38)		

ASPECT: MARKET PRESENCE

DMA	Management approach disclosures	Chapter 'Our people', paragraph 'Remuneration system' (p. 78-79)		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Chapter 'Our people', paragraph 'Remuneration system' (p. 78-79); Employees & human rights policy, paragraph 6		
202-2	Proportion of senior management hired from the local community	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 66-74)		

ASPECT: INDIRECT ECONOMIC IMPACTS

DMA	Management approach disclosures	The Group is committed to fostering development in the local markets in which it operates, not only directly, through its own activity, but also by developing specific social inclusion projects		
203-2	Significant identified indirect economic impacts of the organization, including their significance	Chapters 'The Foundations' (p. 48-49) and 'Community involvement' (p. 112-121)		The current data collection systems do not allow the socio-economic impact on the region to be measured

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSIONS
ASPECT: PROCUREMENT PRACTICES				
DMA	Management approach disclosures	Chapter 'Responsible practices', paragraph 'Responsible sourcing' (p. 90-91)		
204-1	Proportion of spending on local suppliers for significant locations of operation	Chapter 'Responsible practices', paragraph 'Responsible sourcing' (p. 90-91)		The current data collection systems do not permit detailed analysis of the percentage spent on local suppliers.
ASPECT: ANTI-CORRUPTION				
DMA	Management approach disclosures	Paragraph 'Risk management (p. 42-47); The organisational, management and control model (ex D.Lgs 231-01)	www.camparigroup.com/en/governance/rules-and-procedures/model-231	
205-1	Total number and percentage of operations assessed for risks related to corruption and Significant risks related to corruption identified	Paragraph 'Risk management' (p. 42-47)		
205-2	Communication and training about anti-corruption policies and procedures	The adoption of Model 231 and subsequent additions or amendments are notified to all staff in the company, with the link clearly indicated on the Company's website www.camparigroup.com , from which the text of Model 231 can be downloaded. New employees will be given a set of information documents, including, for example, the Code of Ethics, Model 231 and the national collective labour agreement (CCNL). This set of information documents is intended to provide employees with the knowledge that the Company considers of primary importance. The content and delivery of training activities aimed at raising awareness of the regulations contained in the Decree are tailored to the different roles of employees and the level of risk in the area in which they work, and also take into account whether or not they act as representatives of the Company. It should be noted that all the members of the Board of Directors have received specific training on anti-corruption policies and procedures	www.camparigroup.com/en/governance/rules-and-procedures/model-231	The current data collection systems do not permit detailed analysis of the number of employees that have received specific training on anti-corruption policies and procedures. The Group reserves the right to identify methodologies to collect such data in the next few years
205-3	Confirmed incidents of corruption and actions taken	In 2018, there were no reports of corruption incidents		

CATEGORY: PERFORMANCE ENVIRONMENTAL

ASPECT: ENERGY

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
302-1	Energy consumption within the organization	Chapter 'Environment', paragraph 'Energy' (p. 102)		
302-3	Energy intensity	Chapter 'Environment', paragraph 'Energy' (p. 102)		

ASPECT: WATER

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
303-1	Water withdrawal by source	Chapter 'Environment', paragraph 'Water' (p. 103-104)		
303-3	Water recycled and reused	Chapter 'Environment', paragraph 'Water' (p. 103-104)		

ASPECT: EMISSIONS

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
305-1	Direct (Scope 1) GHG emissions	Chapter 'Environment', paragraph 'Atmospheric emissions' (p. 106)		
305-2	Energy indirect (Scope 2) GHG emissions	Chapter 'Environment', paragraph 'Atmospheric emissions' (p. 106)		

ASPECT: EFFLUENTS AND WASTE

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
306-1	Water discharge by quality and destination	Chapter 'Environment', paragraph 'Water' (p. 103-104)		In calculating the water discharges from the Novi Ligure facility alone, estimates of discharges from the collection of rainwater were also included, as required by the local environmental protection supervisory body
306-2	Waste by type and disposal method	Chapter 'Environment' paragraph 'Waste'(p. 105). Waste disposal methodologies are determined on the basis of organizational information from or from external companies in charge of waste management.		Hazardous waste is not subdivided by destination due to its low relevance
306-3	Total number, total volume and impacts of recorded significant spills by location and material	Chapter 'Environment', paragraph 'Spills' (p. 107)		

ASPECT: ENVIRONMENTAL COMPLIANCE

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
307-1	Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	Chapter 'Environment', paragraph 'Non-compliance with regulations and penalties' (p. 106)		

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

DMA	Management approach disclosures	Chapter 'Responsible practices', paragraph 'Responsible sourcing' (p. 90-91)		
308-1	Percentage of new suppliers that were screened using environmental criteria	"Chapter 'Responsible practices', paragraph 'Responsible sourcing'. In 2017, the pre-assessment procedure for new suppliers (both Product Related and Non Product Related) was formalised. From 2018, membership of Sedex is one of the pre-requisites for qualifying as a Campari Group supplier. This platform makes it possible to assess suppliers on environmental issues (e.g. waste, raw materials, water, pollution, emissions, renewable and non-renewable energy, biodiversity, environmental impact). It should be noted that during 2017 all Product Related suppliers have been evaluated on the basis of Sedex questionnaires"		The current data collection systems do not permit to calculate the number of Non Product Related suppliers not qualified through Sedex

CATEGORY: SOCIAL PERFORMANCE

ASPECT: EMPLOYMENT

DMA	Management approach disclosures	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 66-74)		
401-1	New employee hires and employee turnover by age group, gender and region	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 66-74)		
401-3	Parental leave and return to work rate	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 66-74). All employees are entitled to parental leave in compliance with applicable local regulations		The current data collection systems do not permit to calculate the retention rate. The Group reserves the right to identify a global procedure for the calculation of such indicators in the next few years

ASPECT: LABOR/MANAGEMENT RELATIONS

DMA	Management approach disclosures	Chapter 'Our people', paragraph 'Industrial relations' (p. 84)		
402-1	Minimum notice periods regarding operational changes and whether the notice period and provisions for consultation and negotiation are specified in collective agreements	Chapter 'Our people', paragraph 'Industrial relations' (p. 84). The Group applies local regulations in relation to the minimum notice period for operational changes		

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
403-1	Workers representation in formal joint management-worker	Chapter 'Our people', paragraph 'Health and safety-HSE committees' (p. 87). All the workers in production units are represented by the HSE committees		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and gender	Chapter 'Our people', paragraph 'Health and safety-HSE committees' (p. 87)		The current data collection systems do not permit to calculate the rate of absenteeism. Regarding the other requests of the indicator it is not possible to obtain the level of detail foreseen by the standard

ASPECT: TRAINING AND EDUCATION

DMA	Management approach disclosures	Chapter 'Our people', paragraph 'Human capital: training and professional development' (p. 75-77)		
404-1	Average hours of training per year per employee, by gender and employee category	Chapter 'Our people', paragraph 'Human capital: training and professional development' (p. 75-77)		
404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 'Our people', paragraph 'Human capital: training and professional development' (p. 75-77)		No transition assistance programs are provided to facilitate the management of career endings resulting from retirement
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 'Our people', paragraph 'Campari Group and Camparistas: a continuous dialogue' (p. 63-65). The performance management system applies to all Group employees, with the exception of blue collars		

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

DMA	Management approach disclosures	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 66-74)		
405-1	Diversity of governance bodies and employees by gender, age group, other indicators of diversity where relevant	Chapter 'Governance model', paragraphs 'Board of Directors' and 'Board of Statutory Auditors' (p. 38-39); chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 66-74). Reported data refer to employees with permanent contracts		
405-2	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	Chapter 'Our people', paragraph 'Remuneration system' (p. 78-79)		

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

DMA	Management approach disclosures	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 assures legal compliance to national legislations relating to human rights in those countries where we operate. In case of differences between the content of our policies and national regulations, the Group always apply the most stringent requirements		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk and measures taken intended to support these rights	We declare that there are no real risks of breaches of collective association rights vis-a-vis the operations of the Group and its main suppliers in all its geographical regions, partly due to the measures implemented to minimise this risk (e.g. Code of Ethics, Employees and human rights policy, Supplier Code)	www.camparigroup.com/en/governance	

ASPECTO: CHILD LABOR

DMA	Management approach disclosures	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 assures legal compliance to national legislations relating to human rights in those countries where we operate. In case of differences between the content of our policies and national regulations, the Group always apply the most stringent requirements		
408-1	Operations and suppliers at significant risk for incidents of child labor and measures taken to contribute to the effective abolition of child labor	We declare that there are no real risks for incidents of child labor vis-a-vis the operations of the Group and its main suppliers in all its geographical regions, partly due to the measures implemented to minimise this risk (e.g. Code of Ethics, Employees and human rights policy, Supplier Code). Furthermore, Campari Group does not employ underage workers	www.camparigroup.com/en/governance	

ASPECT: FORCED OR COMPULSORY LABOR

DMA	Management approach disclosures	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 assures legal compliance to national legislations relating to human rights in those countries where we operate. In case of differences between the content of our policies and national regulations, the Group always apply the most stringent requirements		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor and measures taken to contribute to the elimination of all forms of forced or compulsory labor	We declare that there are no real risks for incidents of forced or compulsory labor vis-a-vis the operations of the Group and its main suppliers in all its geographical regions, partly due to the measures implemented to minimise this risk (e.g. Code of Ethics, Employees and human rights policy, Supplier Code)	www.camparigroup.com/en/governance	

ASPECT: HUMAN RIGHTS ASSESSMENT

DMA	Management approach disclosures	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 assures legal compliance to national legislations relating to human rights in those countries where we operate. In case of differences between the content of our policies and national regulations, the Group always apply the most stringent requirements		
412-1	Operations that have been subject to human rights reviews or impact assessments	The risk of failure to comply with laws and regulations, including the Employees and human rights policy, is continuously monitored for all Group's legal entities and organizational activities. Paragraph 'Risk management' (p. 42-47)		

ASPECT: LOCAL COMMUNITIES

DMA	Management approach disclosures	Employees and human rights policy, paragraph 9. 'Community involvement'		
413-1	Operations with local community engagement, impact assessments, and development programs	Chapters 'The Foundations' (p. 48-49) and 'Community involvement' (p. 112-121)		

ASPECT: SUPPLIER SOCIAL ASSESSMENT

DMA	Management approach disclosures	Chapter 'Responsible practices' paragraph 'Responsible sourcing' (p. 90-91)		
414-1	New suppliers that were screened using social criteria	Chapter 'Responsible practices', paragraph 'Responsible sourcing' (p. 90-91). In 2017, the pre-assessment procedure for new suppliers (both Product Related and Non Product Related) was formalised. From 2018, membership of Sedex is one of the pre-requisites for qualifying as a Campari Group supplier. This platform makes it possible to assess suppliers on social issues (e.g. non-discrimination, child labor, forced or compulsory labor, working hours, wages, freedom of association and collective bargaining, complaint mechanisms, information about suppliers sourcings). It should be noted that during 2017 all Product Related suppliers have been evaluated on the basis of Sedex questionnaires		

ASPECT: CUSTOMER HEALTH AND SAFETY

DMA	Management approach disclosures	The Company tends to apply an integrated QHSE management system through a triple certification process with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) voluntary standards. Performance improvement targets were also defined to ensure continuous process and activity development. Improvement projects to support these targets were implemented both locally and globally		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 'Environment', paragraph 'Non-compliance with regulations and penalties' (p. 106)		

ASPECT: MARKETING AND LABELING

DMA	Management approach disclosures	Chapter 'Responsible practices', paragraph 'Responsible communications' (p. 93-95)		
417-1	Requirements for product and service information and labeling and percentage of significant product or service categories covered by and assessed for compliance with such procedures	All products are labelled in compliance with applicable legislation and produced according to the Group's quality standards. Responsible messages (e.g. pregnancy logo) are reported on a voluntary basis		
417-2	Incidents of non-compliance concerning product and service information and labeling	Chapter 'Responsible practices', paragraph 'Quality-Non-compliance with regulations and penalties' (p. 92)		
417-3	Incidents of non-compliance concerning marketing communications, including advertising, promotion, and sponsorship	Chapter 'Responsible practices', paragraph 'Responsible communications' (p. 93). Two incidents of non-compliance have been recorded in Austria: the first concerned the wording of the due date reported on the product Aperol Spritz; the second referred to the lack of translation into German of the information reported on the Aperol Soda packaging.		

ASPECT: CUSTOMER PRIVACYI

DMA	Management approach disclosures	Chapter 'Risk management', paragraph 'Main risks for the Group-Cyber-security risks' (p. 46)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2018, no complaints about breaches of customer privacy or losses of customer data were received		



DAVIDE CAMPARI-MILANO SPA

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED
NON-FINANCIAL DISCLOSURE PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE 254/2016
AND TO ARTICLE 5 OF CONSOB REGULATION 20267
ADOPTED BY RESOLUTION OF JANUARY 2018**

FOR THE YEAR ENDED 31 DECEMBER 2018

**Independent auditor's report on the consolidated non-financial disclosure
pursuant to article 3, paragraph 10 of Legislative Decree 254/2016 and to article 5 of Consob
Regulation 20267 adopted by resolution of January 2018**

To the board of directors of Davide Campari-Milano SpA

Pursuant to article 3, paragraph 10 of the Legislative Decree 254/2016 (hereinafter the "Decree") and to article 5 of CONSOB Regulation 20267/2018, we have performed a limited assurance engagement on the Sustainability Report - Consolidated Non-Financial Declaration of Davide Campari-Milano SpA and its subsidiaries (hereinafter the "Campari group") as of and for the year ended 31 December 2018, in accordance with article 4 of the Decree, approved by the board of directors of Davide Campari-Milano SpA on 5 March 2019 (hereinafter the "NFD").

Responsibility of the directors and of the board of statutory auditors for the NFD

The directors are responsible for the preparation of the NFD in accordance with article 3 and 4 of the Decree and with the Sustainability Reporting Standards, issued by Global Reporting Initiative in 2016 (hereinafter "GRI Standards").

The directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFD is free from material misstatement, whether due to fraud or unintentional errors. The directors are responsible for identifying the content of the NFD, within the matters mentioned in article 3, paragraph 1 of the Decree, considering the activities and characteristics of the group and to the extent necessary to ensure the understanding of the group activities, its trends, its results and related impacts. The directors are responsible for defining the business and organisational model of the group and, with reference to the matters identified and reported in the NFD, for the policies adopted by the group and for the identification and management of risks generated or faced by the group.

The board of statutory auditors is responsible for overseeing, in accordance with the law, the compliance with the Decree.

Auditors' independence and quality control

We are independent in accordance with the principles of ethics and independence disclosed in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, privacy and professional behaviour. Our audit firm adopts the International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control

PricewaterhouseCoopers SpA

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system which includes processes and procedures for the compliance with ethical and professional standard and with applicable laws and regulations.

Auditors' responsibility

We are responsible for expressing, on the basis of the work performed, a conclusion regarding the compliance of the NFD with the Decree and the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB), for limited assurance engagements. The standard requires that we plan and perform procedures to obtain a limited assurance that the NFD does not contain material errors. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (reasonable assurance engagement) and, therefore, do not provide us with a sufficient level of assurance to become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFD are based on our professional judgement and consisted of interviews, primarily with company personnel responsible for the preparation of the NFD, in the analysis of documents, recalculations and other procedures aimed at obtaining evidence as appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters reported in the NFD relating to the activities and characteristics of the group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree, with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, to assess its compliance with the Decree;
3. comparing the financial information reported in the NFD with the information reported in the group consolidated financial statements;
4. understanding of the following matters:
 - o business and organisational model of the group, with reference to the management of the matters specified by article 3 of the Decree;
 - o policies adopted by the group with reference to the matters specified by article 3 of the Decree, actual results and related key performance indicators;
 - o main risks, generated or faced by the group, with reference to the matters specified in article 3 of the Decree.

With reference to such matters, we have carried out some validation procedures on the information presented in the NFD and some controls as described under point 5. a) below;

5. understanding of the processes underlying the preparation, collection and management of the qualitative and quantitative material information included in the NFD. In particular, we have held meetings and interviews with the management of Davide Campari-Milano SpA and with

the management of Campari America LLC, Forty Creek Distillery Ltd, Campari Mexico Destiladora SA de CV and we have performed limited analysis and validation procedures, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFD.

Moreover, for significant information, considering the activities and characteristics of the group:

- at a group level,
 - a) with reference to the qualitative information included in the NFD, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures and limited tests, in order to assess, on a sample basis, the consolidation of the information;
- for the industrial sites located in Lawrenceburg (Kentucky, USA), Grimsby (Ontario, Canada), Arandas (Jalisco, Mexico), Novi Ligure (Italy), which were selected on the basis of their activities, their contribution to the performance indicators and their location, we carried out site visits during which we met local management and gathered supporting documentation regarding the compliance with procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that caused us to believe that the NFD of the Campari group as of 31 December 2018 and for the year then ended has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards, as described in the Note on methodology of the Sustainability Report - Consolidated Non-Financial Declaration.

Milan, 21 March 2019

Signed by

Paolo Caccini
(Partner)

Signed by

Paolo Bersani
(Authorized signatory)

This report has been translated into English from the Italian original solely for the convenience of international readers

TOASTING LIFE TOGETHER

CAMPARI GROUP

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