

**CAMPARI
GROUP**

**SUSTAINABILITY
REPORT
2017**

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

TOASTING LIFE TOGETHER

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BUILDING MORE VALUE TOGETHER

The Sustainability Report is the perfect tool to convey the values that represent us, demonstrating the huge efforts made by all Camparistas to achieve increasingly ambitious goals with passion and conviction.

We took many steps forward during the year. First of all, there was the feedback obtained from the corporate social responsibility (CSR) questionnaire, sent to the entire management team, which confirmed the relevance of the CSR topics we have focused on to date, also taking account of the specific features of the various countries in which the Group operates.

We also expanded the Group's policies and established a Sustainability Committee, tasked with more effectively defining and coordinating the global sustainability guidelines, which are cross-cutting and aligned with the business strategy.

Also worthy of mention is the extension of our data collection and monitoring platform (Enablon) – already adopted by the quality, health, safety and environment (QHSE) function – to all the business units and corporate functions, in order to better define our medium-/long-term global improvement targets.

All these efforts dovetail perfectly with the spirit of Building More Value Together, which represents our Group's biggest challenge in the next few years. This is an important 'architecture' that serves as the foundation for Campari Group's strategic pillars, setting out our priorities for all Camparistas and coordinating our key projects in the years to come. Proactivity, confidence, communication and strong team spirit are the core elements that will allow us to build more value together.

Further evidence of Campari Group's increased focus on sustainable growth is the recent incorporation of CSR objectives into the Group's Strategic Plan. We have decided to prioritise the integration of cross-functional objectives and processes in various regions, continuing to make People – both Camparistas and consumers – our main focus. As well as the professional skills of each individual, we want to emphasise collaboration and interaction: the only way to maximise the value generated, ensuring the best possible results, is by working together.

For this reason, we have decided to add the word 'Together' to our universe of values. Having a team philosophy means being able to harness a wealth of resources, energy, skills, ideas, visions and different solutions that, once integrated and developed, are certain to ensure the continuous growth and long-term sustainability of our business.

The growth of our increasingly extensive and complex portfolio and the resulting geographic expansion must necessarily be accompanied by the creation of an agile and well-functioning structure, where all the parts of the mechanism, working together, help to improve the operation of the machine.

The 2017 Sustainability Report contains the most important activities carried out during the year, as well as the figures and key economic, environmental and social information about Campari Group. This course of action is a distinguishing feature of our history that is made up of initiatives, goals and objectives and leads us, day after day, to strengthen the foundations of the large and sustainable 'cathedral' we are building together.

LUCA GARAVOGLIA



NOTE ON METHODOLOGY

The transposition of EU Directive 95/2014 and the resulting entry into force of Legislative Decree 254 of 30 December 2016 introduced a requirement for large public enterprises to draw up a non-financial declaration, specifically relating to environmental, social and employment matters, as well as respect for human rights, and anti-corruption and bribery issues. For each of these issues, and based on the materiality principle, a description of the strategies and key impacts produced by the Company is provided.

The declaration, which is to be drawn up every financial year 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. The need that led to the establishment of specific regulatory provisions relating to non-financial disclosure was engendered by stakeholders' growing demand for transparency of information provided by companies. Companies are operating in an environment where the economic and financial information reported in financial statements is no longer sufficient to describe their activities in a complete and exhaustive way and to fulfil the requirements of shareholders and stakeholders. Moreover, by making the reporting of specific socio-environmental themes mandatory and ensuring that the non-financial declarations of different companies in different territories are more uniform and comparable, the European laws will have a significant impact on the promotion and enhancement of corporate projects and experiences in relation to social responsibility.

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.

The process of defining the material issues was also reviewed and refined through a comprehensive benchmarking activity vis-à-vis competitors in the sector, and on the basis of the results of a sustainability questionnaire distributed to the Group's entire management.

Campari Group's Sustainability Report was drawn up according to the GRI Sustainability Reporting Standards, the new 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 includes all the companies and business units (BUs) of Campari Group, with the sole exception of environmental data related to Fratelli Averna S.p.A. and to the offices of the Group (except for the headquarters). The indicators relating to health and safety in the workplace (HS) have also been extended to all the business units this year. Furthermore, according to the GRI Standard reporting methodology, it has to be stressed that the scope of the report refers to the Group's companies at December 31st, 2017.

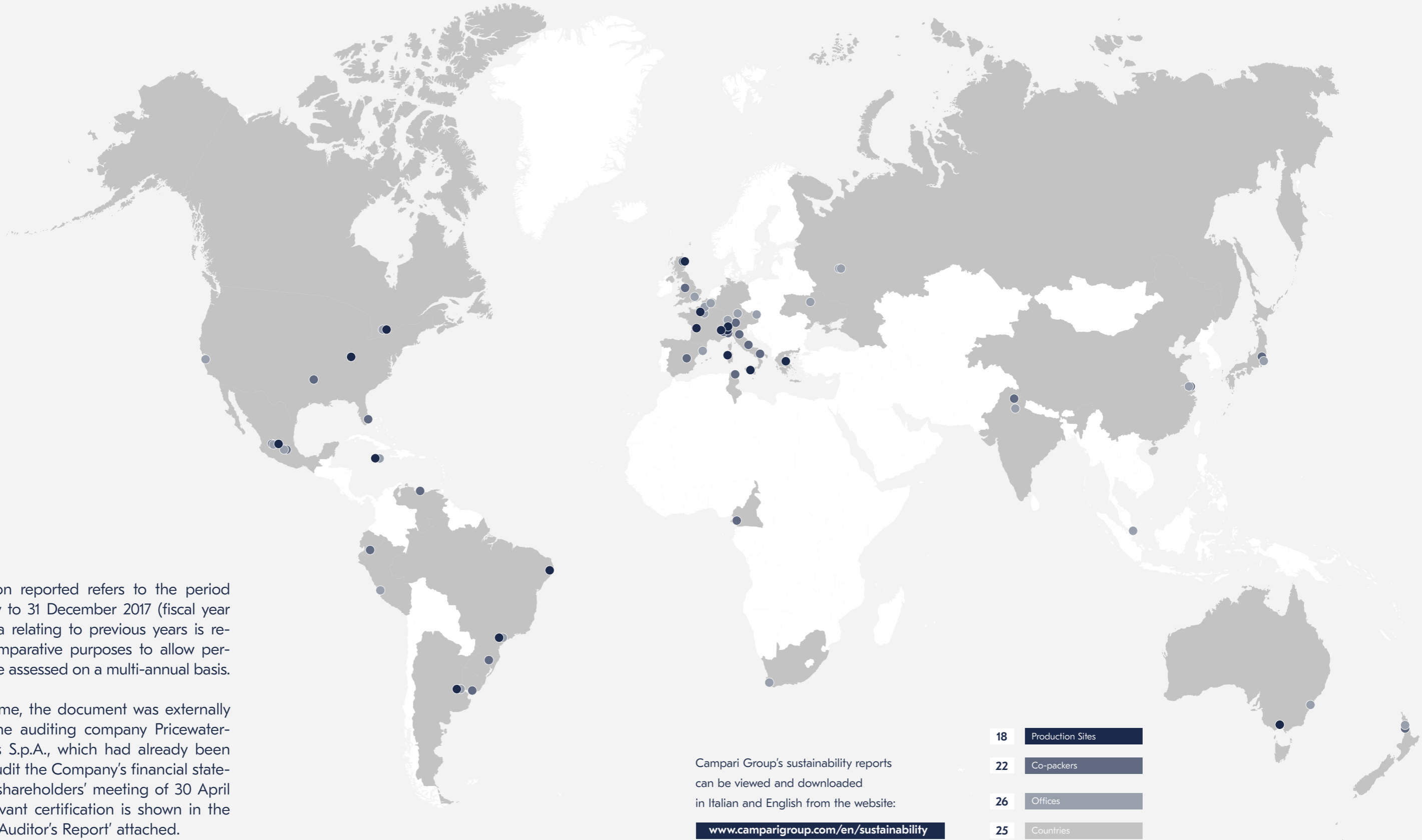
Disclaimer

The official text is the Italian version of the document. Any discrepancies or differences arisen in the translation are not binding and have no legal effect. In case of any dispute on the content of the document, the Italian original shall always prevail.

NOTE ON METHODOLOGY

The information reported refers to the period from 1 January to 31 December 2017 (fiscal year 2017); any data relating to previous years is reported for comparative purposes to allow performance to be assessed on a multi-annual basis.

For the first 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 IDENTITY

ABOUT US

Campari Group, a leading company in the global 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, Campari Group is now the sixth-largest branded spirits group in the world and employs more than 4,000 people. Our main competitors are:

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

MANUFACTURING PLANTS

18

HEADQUARTERED IN

**SESTO
SAN GIOVANNI
(MI)**

PROPRIETARY DISTRIBUTION NETWORK IN

20 COUNTRIES

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

**ITALIAN STOCK
EXCHANGE**

OUR GUIDELINES

The Group Essence, Mission and Values were reviewed in 2017.

The new Toasting Life Together Essence highlights how our brands and drinks play a positive role in enhancing sociable occasions, encour-

aging friendly interaction and celebrating life in a positive and – of course – responsible way.

A new Mission: The Smallest Big Company in the Spirits Industry, combining iconic brand building with the passion of all Camparistas.

**CAMPARI
GROUP**

PASSION

INTEGRITY

PRAGMATISM

TOGETHER

Our values

As pointed out by our CEO during the welcome speech at the 2017 Group Management Convention, 'Passion', 'Integrity' and 'Pragmatism' are core principles of our enterprise and, therefore, a source of timeless and continuous inspiration. The 'Together' value captures and communicates the importance of conducting Campari Group's business according to a 'team philosophy' that involves a constant interaction between skills and abilities, at all levels and in all functions.

A new Corporate Identity

The need to instil a common identity in all of the individuals that make up 'the Campari Group universe' has been increasingly apparent for some time. The natural progression was the formalisation of a new corporate identity, able to support the growth of the enterprise over the coming decades, whilst also expressing the uniqueness and heritage that mark out the Group in its entirety. A cohesive ecosystem,

therefore, conveying both the Company's history, roots and Italian character on the one hand, and its modernity and innovative, international and open attitude on the other. An evolution with such an impact and broad reach has naturally extended into the area of sustainability, which has therefore seen changes in the language used to express it, as well as in the structure and design of the related report.

OUR HISTORY

Hohenstein, Dudovich, Depero, Cappiello...
The greatest artists of the period helped, with their artworks, to define the identity and evolution of the Campari brand.



1860

Drink-maker Gaspare Campari invented the eponymous aperitif with its unmistakable red colour.



1915

A pillar of the world of Italian aperitifs, the 'Camparino' bar, opened its doors in the Galleria Vittorio Emanuele II, in Milan's city centre.



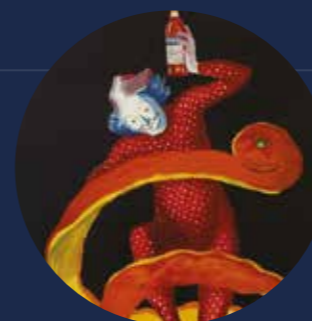
1904

The first Campari plant opened at Sesto San Giovanni.



40'S
50'S - 60'S

The strong link with art culminated in 1964 with Bruno Munari's artwork 'Declinazione grafica del nome Campari' (Graphic declination of the Campari name).



1900
10'S - 20'S

Early posters, such as Leonetto Cappiello's Lo Spiritello, conveyed the spirit of Campari.



1990'S

Ugo Nespolo created Campari's poster, inspired by the 1990 FIFA World Cup, which took place in Italy.



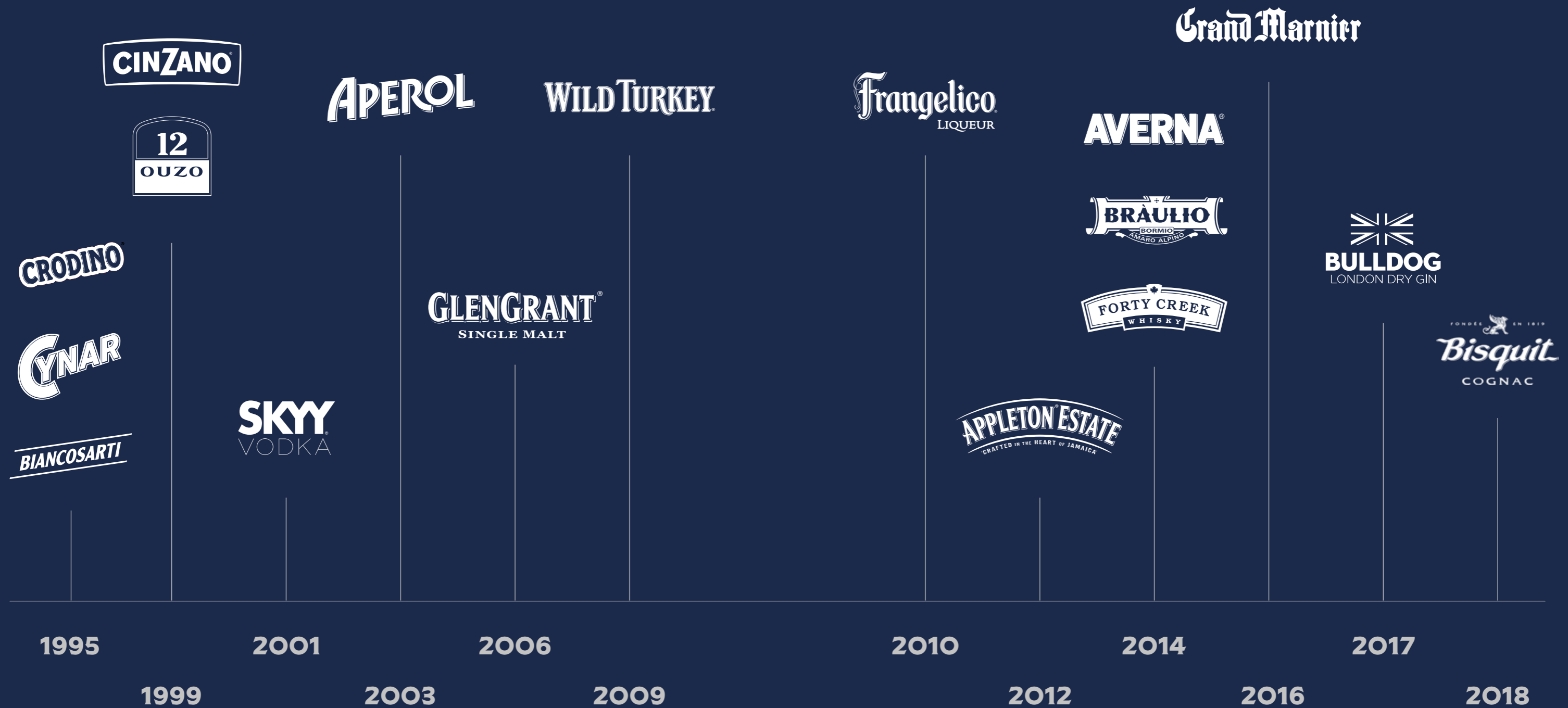
1984

The great Italian film-maker, Federico Fellini, shot his first television advertisement for Campari.

OUR HISTORY

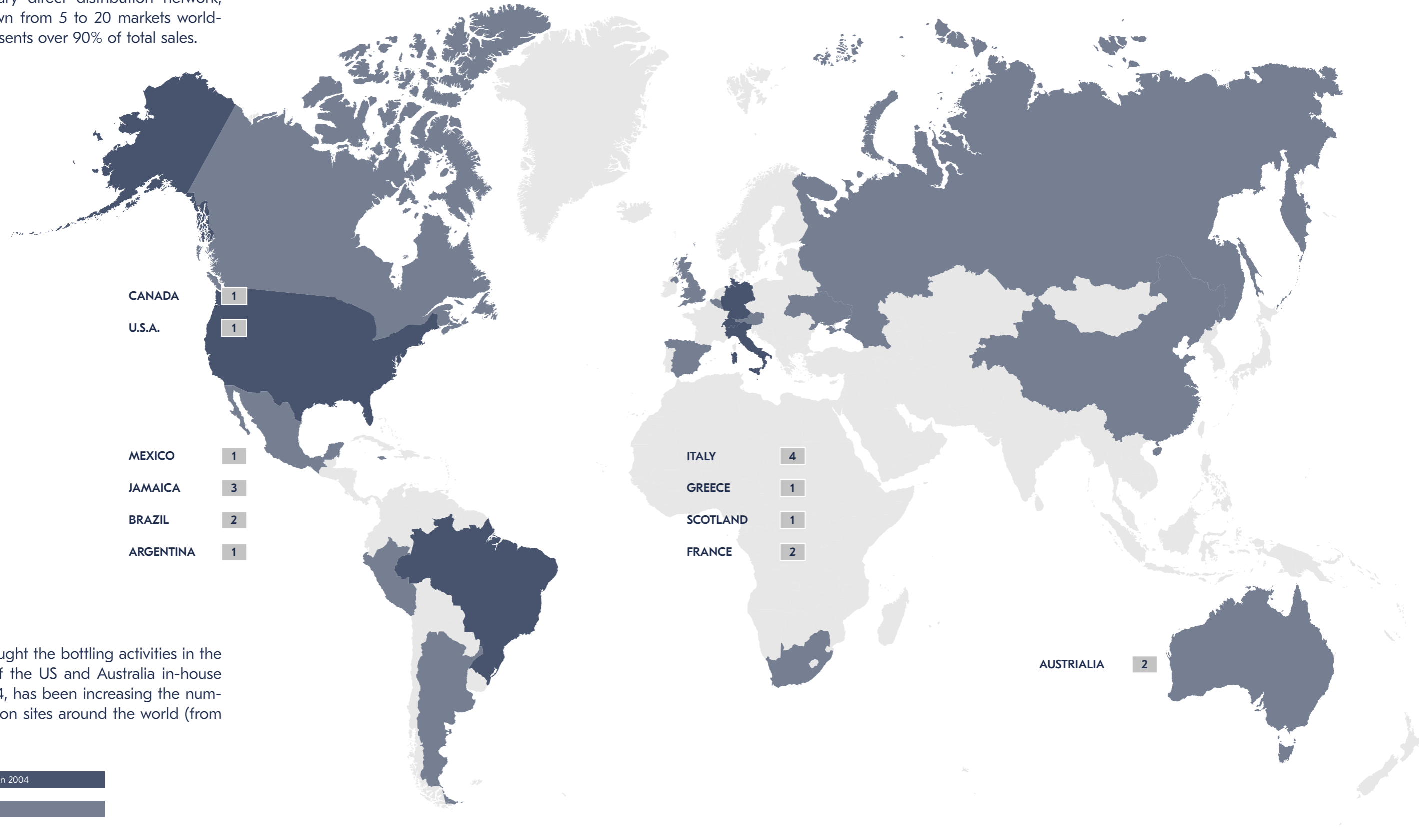
In 1995, Campari completed its first acquisition, marking the start of a strategy that still today combines 50% organic growth with 50% acquisition-driven growth.

Since then, every brand that has joined the Group has brought with it a unique history and identity.



CAMPARI GROUP WORLDWIDE

Since 2004, Campari Group, headquartered in Sesto San Giovanni (Milan), has been developing a proprietary direct distribution network, which has grown from 5 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 8 to 18):

Distribution subsidiaries in 2004

Expansion since 2004

GROWTH STRATEGY

In 2017, Campari Group's consolidated net sales were € 1,816.0 million, up by +5.2% compared with 2016. Organic sales growth was +6.3%, driven by the ongoing outperformance of the high-margin global priority brands (+7.7%) and regional priority



With reference to the transactions completed since the beginning of 2017, having distributed Bulldog London Dry Gin since 2014 via its

own distribution network, the Group acquired ownership of the brand for € 82.3 million (including the estimated earn-out) in February 2017. Campari Group has thus strengthened its presence in the premium gin category and enhanced its premium offering in the on-trade channel. Created in 2007 by the US entrepreneur and former investment banker Anshuman Vohra, who will remain in the role of founder and brand ambassador, Bulldog is the fourth-largest premium gin in the world, according to International Wine and Spirit Research. It is based on a unique blend of 12 botanical ingredients from eight countries and distilled four times in traditional copper stills in the world's leading gin distillery, located in the UK. It is now available in 95 countries, with a strong concentration in Europe, and its main markets are Spain, Benelux, the UK, Global Travel Retail and the US.

Bob Kunze-Concewitz, Chief Executive Officer, said: *'This agreement is an opportunity to consolidate our presence as players in the attractive category of super premium gins with a proprietary brand that offers significant growth potential. By acquiring a rapidly growing, profitable brand with growing margins, this agreement is fully in line with Campari's acquisition criteria in terms of brand type and distribution synergies.'*

brands (+13%) in the core markets. The exchange rate effect was slightly negative (-0.8%), while the perimeter effect (-0.4%) was mainly related to the acquisition of Grand Marnier, net of the disposal of low-margin non-strategic businesses.



In July 2017, the sale of the Château de Sancerre winery to Maison Ackerman has been finalized for € 20.1 million, marking Campari

Group's complete exit from the still wines business, in line with the strategy of rationalising non-strategic activities and increasing its focus on the core business of spirits. The Château de Sancerre winery, which became part of the Group's perimeter with the acquisition of Grand Marnier (completed in June 2016), includes the Sancerre wines as well as buildings, vineyards, winemaking and production facilities and warehouses.



Just a month later, Campari Group sold, for € 139.8 million¹, Carolans, the second best-selling Irish whiskey cream in the world, and

Irish Mist, the first liqueur to be made in Ireland, both acquired in 2010, to Heaven Hill Brands. Carolans and Irish Mist are historic brands that strongly complement the extensive portfolio of leading brands of Heaven Hill, which is the largest independent family-owned US company operating in the alcoholic distillates sector and sixth by size in the United States. As part of the transaction, an exclusive multi-year distribution agreement was signed, under which Campari Group will continue to distribute Carolans and Irish Mist in the international markets outside the United States and Ireland.

Campari Group's growth strategy combines organic growth, pursued through strong brand building, and external growth via acquisitions



The last sale in 2017 was of the 'Lemonsoda' business (in the Group's portfolio since 1995), completed on 2 January 2018, for € 80.0

million² to Royal Unibrew A/S, a Danish company operating mainly in the beer sector, with leadership positions mainly in Northern Europe and Italy and in the international malt beverages markets. In addition to the Lemonsoda, Oransoda, Pelmosoda and Mojito Soda brands, grouped under the Freedea brand, 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. Again with a view to rationalising strategic activities, 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.

Since early 2017, non-strategic activities have therefore been sold for a total value of approximately € 310 million, helping to expedite the process of reducing the Group's financial debt (€ 981.5 million at 31 December 2017 before the proceeds from the disposal of the Lemonsoda business, net of the Bisquit acquisition, both finalized in January 2018).

focused on the core business of spirits, in order to achieve or improve on its critical mass in the key geographical markets.



Lastly, on 20 December 2017, Campari Group announced the final transaction of the year, which was its acquisition of Bisquit Dubouché et

Cie., a cognac producer, for € 52.5 million from South African group Distell. The transaction has been closed in January 2018. Founded in 1819 by Alexandre Bisquit, Bisquit is a renowned super premium cognac with a unique distillation process that allows for a more concentrated aroma and softness. The brand's offering includes a range of classic cognacs, such as Bisquit V.S. Classique, Bisquit V.S.O.P., Bisquit Prestige and Bisquit X.O., as well as special collections and limited editions. The main markets for the brand are Belgium, duty-free, Switzerland and South Africa, where, having recently set up a direct sales structure, Campari Group will further strengthen its distribution platform with this acquisition.

OUR BRANDS

Campari Group has a portfolio of

**OVER 50 PREMIUM
AND SUPER PREMIUM BRANDS**

GIN

COGNAC

WHISKY

VODKA

APERITIF

LIQUEURS & OTHERS

SPARKLING WINES RUM

TEQUILA



TOASTING LIFE TOGETHER

OUR BRANDS

GLOBAL PRIORITIES



APPLETON ESTATE

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.

In February 2017, Joy Spence, Master Blender at Appleton Estate and the world's first female Master Blender, with over 20 years of experience, was awarded with the Order of Distinction, given by the Government of Jamaica to citizens who have rendered important services for the country, in the rank of Officer (OD), in recognition of her contribution to the promotion of the Jamaican rum industry worldwide. In February, Joy Spence had already received the award of Most Influential Rum Blender in the past ten years.



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%.

In 2017, Aperol was named Liquor Brand of the Year at ALIA (Australian Liquor Industry Awards). The award follows numerous marketing and commercial initiatives in the Australian market in recent years, including sponsorship of the Australian Tennis Open.



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.

Since 1855, Wild Turkey has been the authentic Kentucky Straight Bourbon Whisky, for which the original process of distillation and ageing 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.

Since 2016, Oscar-winning actor Matthew McConaughey has been the new creative director and star of Wild Turkey's new communications campaign, which tells the story of this iconic American whisky together with the Russell family, which founded the distillery in Lawrenceburg.



GRAND MARNIER

Campari Group acquired Grand Marnier in July 2016, when it took over the Société des 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. The first manufacturing plant was established in Sesto San Giovanni, Milan, in 1904. 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.

On 24 January 2017, the lead story of the global initiative, 'Campari Calendar (R)evolution', a new version of the previous 'Campari Calendar' project, developed with the short film Killer in Red, written and directed by Paolo Sorrentino and featuring Clive Owen, was unveiled in Rome.



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 grain 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'.

OUR BRANDS

REGIONAL PRIORITIES

The regional priority brands include Espòlon, GlenGrant, Bulldog and the Italian bitters (Averna, Brulio and Cynar). Although they are currently sold in specific markets, each of them offers significant opportunities for international expansion.

GOVERNANCE MODEL³

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

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.

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).

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 assigned broad strategic powers by the Company. It has 11 members, including four women. Powers of representation of the Company at institutional level have been conferred on the Chairman of the Board, who is also the controlling shareholder.

THE TABLE BELOW SHOWS THE MEMBERS OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2017

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 DIRECTOR	AnnaLisa Elia Loustau

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

Board Committees

The Board of Directors is divided into two committees: the Control and Risks Committee and the Remuneration and Appointments 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.

THE TABLE BELOW SHOWS THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS AS AT 31 DECEMBER 2017

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, system of internal control and risk management and the 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.

Any reports of unlawful and/or irregular conduct continue to be managed through Campari Safe Line (whistleblowing), a communication channel available to Camparistas and external stakeholders to report any violations or suspected violations of the Group's Code of Ethics and Business Conduct Guidelines or other irregularities in the application of internal procedures. Pursuant to Law 179 of 30 November 2017 on the 'Provisions for the protection of individuals reporting offences or irregularities that have come to light in the context of a public or

private employment relationship' (the 'Law on whistleblowing'), Campari Safe Line allows stakeholders to use multiple channels to make reports (hotline, mailbox, sending letters, web and fax communication) while ensuring the confidentiality of those making the reports.

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.

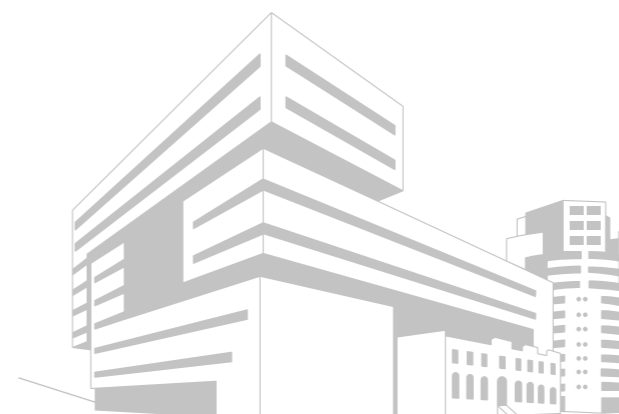
The Company has appointed one supervisory body, namely the members of the Board of Statutory Auditors, to verify the effectiveness of the Model and ensure that it is updated.

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 2017.

CAMPARI GROUP

SOCIOGRAM as at 31/12/2017



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

CAMPARI SERVICES S.r.l. Sesto San Giovanni - Italy	100%	CAMPARI SERVICES AMERICA LCC San Francisco - USA	100%
FRATELLI AVERNA Caltanissetta - Italy	100%	MARNIER LAPOSTOLLE INC New York - USA	100%
NETTUNO S.r.l. Sesto San Giovanni - Italy	100%	GRANDES MARQUES NEDERLAND B.V. Paris - France	85,71%
CAMPARI INTERNATIONAL S.r.l. Sesto San Giovanni - Italy	100%	SOCIÉTÉ CIVILE IMMOBILIÈRE DU VAL Paris - France	100%
SOCIÉTÉ DES PRODUITS MARNIER LAPOSTOLLE S.A. Paris - France	71,16%	J. WRAY & NEPHEW Ltd. Kingston - Jamaica	100%
SORFINN Ltd. Dublin - Ireland	100%	CAMPARI PERU S.A.C. Lima - Peru	(4)
CAMPARI DISTRIBUTION IRELAND Dublin - Ireland	100%	GREGSON'S S.A. Montevideo - Uruguay	*** 100%
CAMPARI BENELUX S.A. Bruxelles - Belgium	(1)	CAMPARI DEUTSCHLAND GmbH Oberhaching - Germany	100%
CAMPARI ESPAÑA S.L. Barcelona - Spain	100%	CAMPARI AUSTRIA GmbH Vienna - Austria	100%
CAMPARI do BRASIL Ltda. Barueri (SP) - Brazil	100%	CAMPARI UKRAINE LCC Kiev - Ukraine	(3)
CAMPARI AMERICA LLC San Francisco - USA	100%	CAMPARI RUS OOO Moscow - Russian Federation	100%
GLEN GRANT Ltd. Rothes - Scotland	100%	FORTY CREEK DISTILLERY Ltd. Grimsby - Canada	100%
DI.C.I.E. HOLDING B.V. Amsterdam - The Netherlands	100%	CAMPARI SCHWEIZ A.G. Baar - Switzerland	100%
		CAMPARI JAPAN LIMITED Tokyo - Japan	100%
		CAMPARI MEXICO S.A. de C.V. Jalisco - Mexico	100%
		KALOYIANNIS KOUTSIKOS DISTILLERIES S.A. Volos - Greece	100%
		CAMPARI (BEIJING) TRADING CO. Ltd. Beijing - China	100%
		CAMPARI INDIA PRIVATE Ltd.y Ltd. S.A. New Delhi - India	100%
		CAMPARI SOUTH AFRICA Pte Ltd. Cape Town - South Africa	100%
		CAMPARI ARGENTINA Pte Ltd. Buenos Aires - Argentina	(2)
		CAMPARI AUSTRALIA Pte Ltd. Sidney - Australia	100%
		CAMPARI SINGAPORE Pte Ltd. Singapore	100%
		CAMPARI NEW ZEALAND Pte Ltd. Auckland - New Zealand	100%

NOTE

(1) Campari Benelux S.A.
61% Davide Campari-Milano S.p.A.
39% Glen Grant Ltd.

(2) Campari Argentina S.A.
98,81% DI.C.I.E. Holding B.V.
1,19% Campari do Brasil

(3) Campari Ukraine LLC
99,00% DI.C.I.E.
1,00% Campari RUS LLC

(4) Campari Peru SAC
99,81% Campari Espana S.L.
0,19% Campari do Brasil Ltda.

*** Company in liquidation

RISK MANAGEMENT

Campari Group has implemented a tool to identify, assess and monitor corporate risk. This tool is based on the logic of the Control Risk Self Assessment (CRSA), 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 2016, approximately 100 Camparistas from 24 of the Group's legal entities were involved in the CRSA, and the risk catalogue was updated to include 111 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 CRSA process conducted in 2016 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 environmental risk, compliance and personnel management, in terms of both health and safety and guaranteeing workers' rights. The risk catalogue also includes specific issues related to CSR and, in particular, to the safety of the work environment, environmental protection and food safety.

Specifically, environmental risk in terms of generally unpredictable and/or seasonal events or conditions that might adversely affect business continuity was included in the catalogue in 2016. 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, backup scenarios and global insurance policies. In 2017, two new risk categories were recognised:

- risks relating to the Company's dependence on key customers;
- cyber-security risks.

Main risks for the Group:

A. Risks relating to international trade and operations in emerging markets

In line with its international growth strategy, the Group currently operates in numerous markets, and plans to expand in certain emerging countries, especially in Eastern Europe, Asia, Latin America and Africa. Operating in emerging markets means that the Group is vulnerable to various risks relating to its activities in these areas, including exposure to an often unstable local political and economic environment, exchange rate fluctuations (and related hedging difficulties), export and import quotas, and limits or restrictions on investment, advertising or the repatriation of dividends.

B. 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 2017, 79% 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.

C. Risks relating to market competition

In the alcoholic beverage segment there is a high level of competition and a large number of operators. The main competitors are large international groups involved in the current wave of mergers and acquisitions, which are operating particularly aggressive competitive strategies at global level. The Group's competitive position vis-à-vis the main 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 significant.

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

An important success factor in the alcoholic beverage industry is the ability to interpret consumer preferences and tastes and to continually adapt sales strategies to anticipate market trends and strengthen and consolidate the image of its products. Campari Group's ability to interpret and anticipate the tastes and expectations of consumers significantly reduces the risk that they may become disaffected. Moreover, the unfavourable economic situation in certain markets may adversely affect the confidence of consumers, making them less likely to buy drinks.

E. 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.

F. 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. Efforts by legislators to contain binge drinking, particularly by young people, might entail the adoption of restrictive measures for the advertising and sale of alcoholic beverages that might also have an impact on responsible consumers and therefore on the business.

G. Tax risks

The Group operates in many countries with different tax regulations. In many jurisdictions, distillates and wines are subject to import and excise duties, some of which could have an adverse effect on demand. Any tax increases and penalties in the product sector in which Campari Group operates could result in decreasing sales volumes. The Group regularly reviews its business strategy in light of regulatory changes and assesses the adequacy of tax provisions for potential negative outcome of tax inspections.

H. Risks relating to environmental policy

With regard to the risks associated with environmental policy, 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.

I. Risks relating to product compliance and safety

Procedures have 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, for example, withdrawing and recalling products from the market.

J. Risks relating to employees

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.

K. Environmental and geopolitical risks

The execution of Group strategies and manufacturing activities may be subject to the effects of natural events and geopolitical risks. Environmental changes, some of which could have a significant impact, could interfere with the local supply chain, as well as harm some customers. Given their unpredictability, it is particularly complex to put in place all measures aimed at preventing or mitigating such events. However, the Group monitors environmental and geopolitical risks, putting in place emergency plans and continuously developing plans to deal with such crises. The Group's priorities include the evaluation of compliance with international standards of back-up scenarios and global insurance policies in order to always ensure business continuity.

L. 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. The Group, operating in different areas of the world, has also adopted a specific human rights policy aimed at mitigating possible legislative gaps in these areas.

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 increasing dependence on technology in the performance of corporate activities. In particular, the major risks associated with cyber-security include potential reputational damage caused by breaches/theft of sensitive data, the unavailability of online services due to a cyber attack and the increased cost of resolving these issues. In order to ensure business continuity, the Group has for some time been implementing a disaster recovery and business continuity system to ensure, however, that the main IT systems are available. Furthermore, during 2016, Campari Group set up the Group Privacy and Data Protection Function (GPDP) pursuant to the European Data Protection Regulation and launched a structured and integrated process for managing cyber-security risks.

N. Exchange rate and other financial risks

Around 58.4% of the Group's consolidated net sales in 2017 came from outside the European Union. With the growth in the Group's international operations in areas outside the Eurozone, a significant fluctuation in exchange rates could hit the Group's activities and operating results. However, the establishment of Group entities in countries such as the United States, Brazil, Australia, Argentina, Russia and Switzerland allows this risk to be partly hedged, given that both costs and income are denominated in the same currency. Exposure to foreign exchange transactions generated by sales and purchases in currencies other than the Group's functional currencies therefore represented an insignificant proportion of consolidated sales in 2017.

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 at 31 December 2017.

Lastly, the risk of corruption was analysed and assessed for each of the 24 legal entities included in the perimeter. In Italy, in particular, pursuant to Legislative Decree 231 of 2001, the 231 Model, which governs control systems, was approved by the Board of Directors. 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 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 represent-

atives 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

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 2017, 66 out of 67 applications, totalling € 214,250, were approved.

These break down as follows:

APPLICATIONS APPROVED	TYPE	ECONOMIC VALUE (€)
31	SCHOLARSHIPS AND AWARDS	€52,500
22	NURSERY/KINDERGARTEN FEES	€29,250
6	MORTGAGE SUBSIDIES	€81,000
5	ONE-OFF APPLICATIONS-ITALY	€26,500
2	ONE-OFF APPLICATIONS-ABROAD	€25,000
66	TOTAL	€214,250

In Argentina, furthermore, Fondazione Campari has continued to fund two initiatives: Becas abanderados argentinos, a scholarship project for the University of San Andrés in Buenos Aires; and High School, a high school diploma programme for manual workers at the Capilla del Señor site.

Campari Foundation Mexico

Fundación Campari was created in Mexico in mid-2016 with the objectives of supporting education and health and combating poverty, especially in the Arandas region, where Campari Mexico's production facility is located. In 2017, the High School programme was also extended to Arandas' manual workers, with a contribution of € 9,000.

J. Wray & Nephew Foundation

The J. Wray & Nephew Jamaica Foundation works primarily to foster social inclusion, culture and education in the Jamaican territory. In 2017, it carried out a series of initiatives with a total value of € 92,000. One new project that should be highlighted is the 'Post GSAT Train-Boree', organised in partnership with Nestlé Jamaica, in which 286 pupils from three elementary schools in Kingston celebrated the end of their GSAT exams with their first train journey, from Spanish Town to Lin-

stead, ending the day with a trip to Hope Zoo in Kingston. JWN Foundation hosted a self-defence workshop led by boxing champion Alicia Ashley for women in the local community. Recently, the music workshop Expressions through Art was organised with internationally renowned musician Jody Linscott, to provide an outlet for children in the surrounding communities and explore their talent. The Foundation also held its first fundraising event, Protecting Our Children, to raise awareness about growing levels of child abuse in the Kingston area. The event was attended by Senator Parnell Charles Jr., the Jamaican Justice Minister.

As part of the JWN Foundations' Scholarship Awards Program, 140 scholarships were awarded totalling JMD 11.7 million. The JWN Foundation also renewed its scholarship programme, establishing a five-year plan for 100 students in local communities in Kingston, Clarendon and St. Elizabeth.

Lastly, the Jamaican foundation held its annual Christmas party for more than 780 children from local schools. The various Christmas Treats sessions had the theme of 'Building Your Spirit-Dare to Be...' to encourage self-esteem and self-confidence in pupils from local schools.



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 particular, we focus our efforts on five strategic pillars, via which Campari Group expresses its ongoing commitment to creating value in every area of business:

- Our people;
- Responsible marketing and practices;
- Quality, health, safety and environment;
- Responsible sourcing & distribution;
- Commitment to communities.

Through the conduct of its business, Campari Group contributes to the achievement of 11 of the 17 Sustainable Development Goals (SDGs)⁴ 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"> • Equal opportunities • Equal pay 	<ul style="list-style-type: none"> • Human rights (non-discrimination/harassment and abuse 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"> • Economic value generated and distributed • Job creation • Management of diversity and equal opportunities • Employee training and development • Human rights policies 	<ul style="list-style-type: none"> • Hiring, 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"> • Management of diversity and equal opportunities • Equal pay • Human rights policies 	<ul style="list-style-type: none"> • Economic impact on communities • Investment for the local community • Activities of the Foundations
	<ul style="list-style-type: none"> • Air emissions and quality • Energy consumption and energy efficiency • Renewable energy 	<ul style="list-style-type: none"> • Water consumption and water resources management • Waste, discharges and soil pollution • Materials consumption • Environmental expenses and investment • Sustainable sourcing
	<ul style="list-style-type: none"> • Emissions • Energy consumption and energy efficiency 	<ul style="list-style-type: none"> • Renewable energy • 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

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 11 November 2015. The Code reaffirms the principles of fairness, loyalty and professional correctness 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 in the sense of 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 it 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 website⁵.

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 employees, in several languages, via the main internal communication tools. They were also published in the Governance and Sustainability sections on the Group's website⁶.

During the year, the process to review the Supplier Code was also started and will be completed by the end of the first quarter of 2018. The document, which was implemented globally in 2013, summarises the founding principles and values that underpin every business relationship. 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. In addition, starting in 2018 and over the next few years, the Group will start to extend the range of the suppliers to which the Supplier Code applies, including non-product-related suppliers.

Governance of sustainability

The Sustainability Committee was established in 2017. 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 divisions. They meet periodically to carry out advisory and proactive functions 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 met for the first time on 6 October 2017. The members are:

- Global Public Affairs & CSR Senior Director
- Managing Director Italian Icons
- Head of Group Human Resources
- Global Procurement Senior Director
- Global QHSE Director
- Investor Relations & Corporate Finance Senior Director
- Corporate Communication Manager

At the first meeting, the members of the committee were updated on the gap analysis performed, the main critical issues that emerged and the improvement measures to be developed. They also defined the main activities that the Sustainability Committee is to carry out in subsequent meetings:

- update the sustainability policy and the global objectives (Sustainability Plan) to take account of Group strategy;
- review the implementation of sustainability policy in business initiatives;
- review and evaluate the profit and not-for-profit sustainability initiatives, also in regard to individual local projects;

- monitor the Company's position in the financial markets on sustainability issues and the requirements of ethical investors;
- evaluate the Company's possible participation in international sustainability initiatives;
- update and validate the materiality matrix;
- appoint 'sustainability ambassadors' in the various regions, tasked with reporting to the committee on the initiatives and activities carried out or that are scheduled to be carried out locally;
- plan internal training sessions on CSR, thereby helping to disseminate the culture of sustainability within the Company;
- report to the Control and Risks Committee on the activities carried out.

The fact that the function assigned to coordinating Public Affairs & CSR reports directly to the Chairman of the Board of Directors confirms the importance that sustainability now has within Campari Group.

The incorporation of Corporate Social Responsibility objectives into the Group's strategic priorities represents another step forward made by the Company towards developing a sustainable business. The CSR corporate team, with the help of other corporate management teams, has identified global and cross-divisional 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 STAKEHOLDERS⁷

ECONOMIC VALUE GENERATED BY CAMPARI GROUP (EUR millions)

Revenues **+€ 1,816.0 million**
 Financial income **+€6.5 million**

ECONOMIC VALUE DISTRIBUTED BY CAMPARI GROUP (EUR millions)

Operating costs

- Cost of goods sold **-€ 741.1 million** (including -€ 78.4 million in personnel costs)
- Advertising and promotional costs **-€ 342.5 million** (including -€ 10 million in personnel costs)
- Overheads **-€ 338.1 million** (including -€ 207.5 million in personnel costs and adjustments to operating income (charges) +13.9 million)

Previous costs include total personnel costs (€ 287.0 million), indirect taxes other than income taxes (including property taxes) of -14.9 million and gifts and donations (€ 768k).

- dividends distributed **-€ 52.1 million**
- financial charges **-€ 58.3 million**
- direct taxes **-€ 41.3 million**

The economic value generated by the Group during 2017 was +€1822.5 million, while the economic value distributed in 2017 was +€ 1,573.4 million. Considering also the amortisation of € 57.1 million, and the

write-downs of fixed assets, provisions net of the use of provisions: € 10.8 million, the value retained, given by the difference between the economic value generated and the economic value distributed, was equal to +€ 317.0 million.

(EUR MILLIONS)	2017	2016	2015
Net sales	1,816.0	1,726.5	1,656.8
Contribution margin	732.4	676.0	630.8
Adjusted EBITDA	437.6	405.3	380.1
EBITDA	451.4	372.1	357.1
Result from recurring activities	380.5	352.5	332.7
Operating result = EBIT	394.3	319.4	309.8
Net profit	356.4	166.3	175.4
Free cash flow	227.0	243.2	200.0
Net financial debt/(cash)	981.5	1,192.4 ⁸	825.8
Shareholders' equity	1,942.6	1,900.0	1,745.8

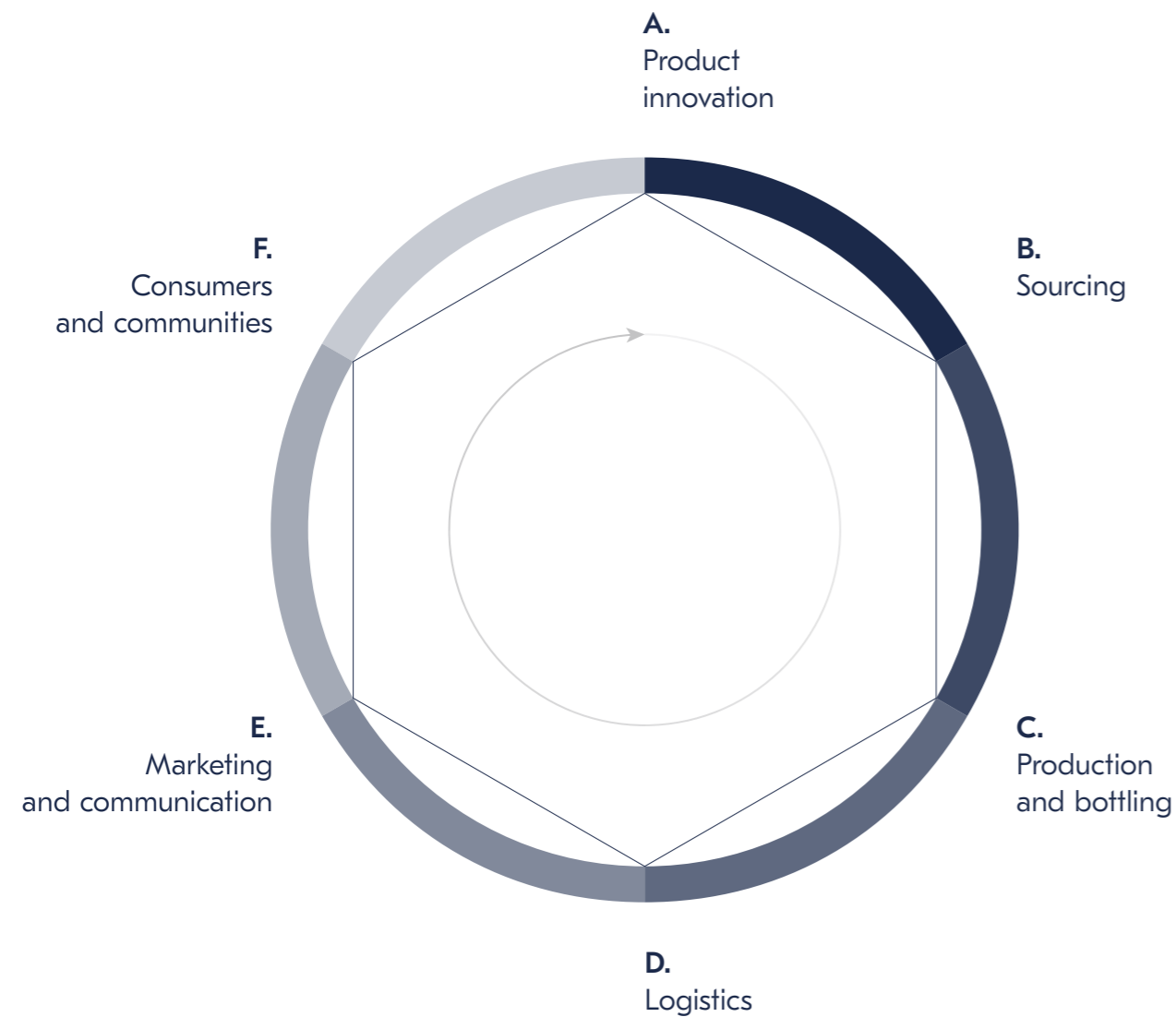
⁷ It should be noted that above values financial figures are extracted coming from the Campari Group income statement, classified by function destination. With regards to financial charges and income and expenses, dividends and income direct taxes, reference was made on to the cash basis principle and not on to the cost basis accrual principle.

⁸ For information on reclassifications of opening book values, see 'Reclassifications of opening book values' in the Annual financial report at 31 December 2017.

OUR STAKEHOLDERS

STAKEHOLDER	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; events.	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 CSR themes and their impact on corporate strategy, targets and planned activities, involvement of senior management in business sustainability issues.
Camparistas	CSR questionnaire; biannual survey on internal morale (Great Place to Work 2016); internal and external training courses; performance appraisal; internal communication tools (press review, intranet, mailing); internal social network 'Yammer'; 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; terms and conditions of contracts; 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 programme; company testimonials at educational institutions; guided tours for students at Galleria Campari; company testimonials.	Partnerships and projects; financing.

THE VALUE CHAIN OF OUR PRODUCTS



Campari Group manages its value chain responsibly, and aims to promote sustainable growth with a focus on the long term. Over the years, the Group has created a model that strikes a balance between economic benefits and social benefits by defining a production chain that is increasingly sustainable in all its main phases thanks to all the company functions' support involved in the process of value creation.

MATERIALITY ANALYSIS

Materiality analysis is a useful exercise for identifying and prioritising the most important topics and determining the organisation's ability to create value for itself and for the society in which it operates.

During the year, the Group updated its materiality matrix thanks to the greater involvement of internal stakeholders, particularly Group management. More than 500 Camparistas with managerial responsibilities received a questionnaire

on Corporate Social Responsibility containing 42 statements and scored the importance of each aspect in each specific local context from 0 ('not important') to 5 ('extremely important'). This analysis allowed us to check whether the aspects identified as material by head office are also perceived as important and urgent in all of the Group's regions and business units.

Each question in the CSR Survey related to a specific aspect across a total of five issues analysed:

- | | |
|--|---|
| 1 Economic and social responsibility
Commitment to the local communities | 4 Social responsibility
Our people |
| 2 Quality, environment, health and safety | 5 Social responsibility
Marketing, responsible practices and consumer information |
| 3 Responsible sourcing | |

With a response rate of almost 50% of the population (248 managers responded), this can be considered a positive result as it is the first time we have extended internal engagement on sustainability issues to the entire Group. The other internal sources we analysed included the Group's Strategic Plan, internal policies and guidelines and the 2016 sustainability report.

In addition to the internal contributions received, external preliminary analysis provided another useful tool for determining the importance of sustainability issues for stakeholders. This included an analysis of the media and industry

regulations, and a benchmarking of companies operating in the alcohol and spirits sector which are recognised for best practice in sustainability. Furthermore, materiality was also reviewed in light of recent regulatory provisions on non-financial reporting and the aspects highlighted by Legislative Decree 254/16.

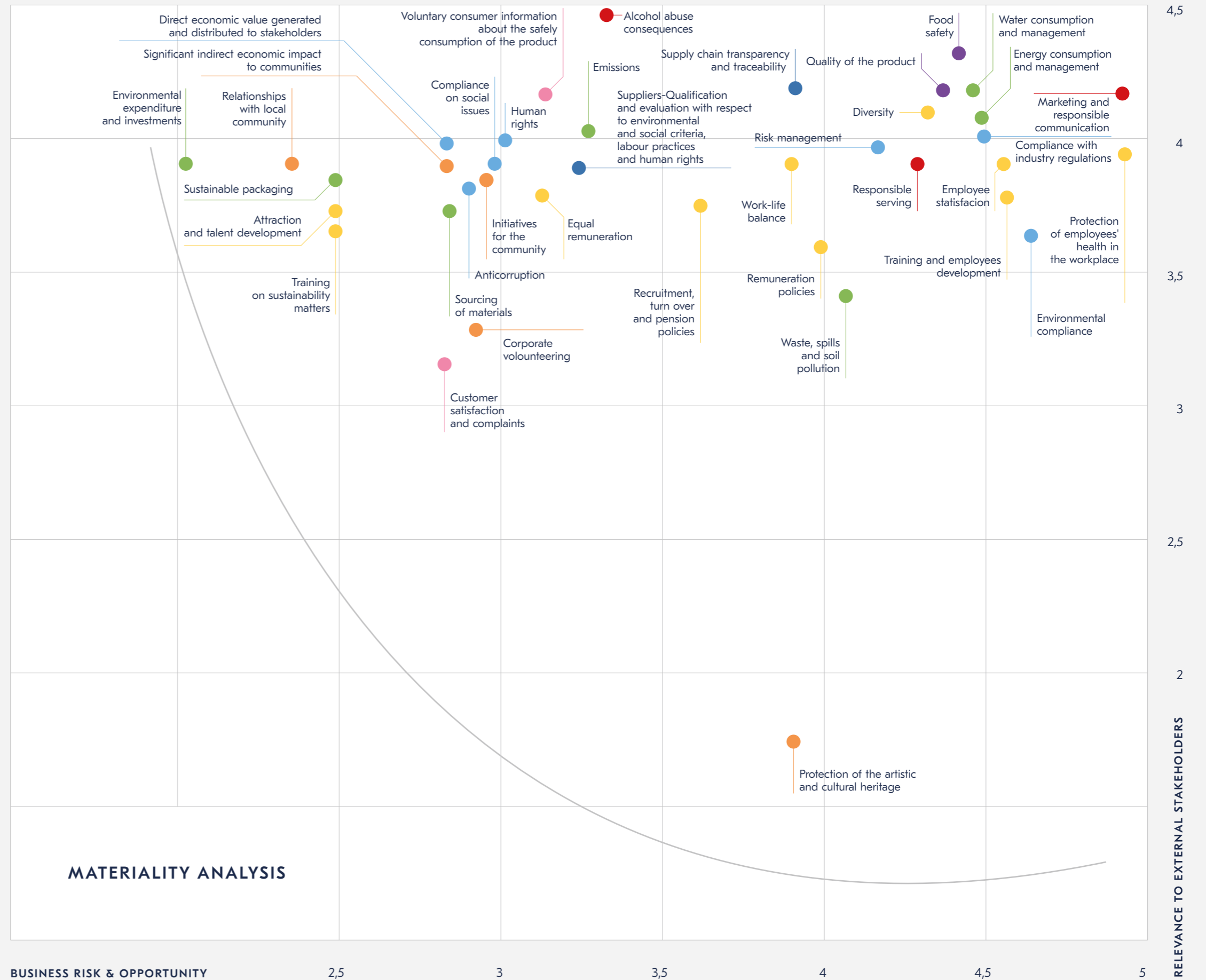
In accordance with GRI Standards on applying the principle of materiality, each issue has been assessed and prioritised in terms of the extent of its economic, environmental and social impact on the organisation or on the basis of its ability to influence the choices and decisions of stakeholders.

The core sustainability areas for Campari Group

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. Of particular note are the 'Responsible drinking' issues. Campari Group has already turned its attention to these and intends to increase its focus on them in the near future. Whilst the consequences of abusing alcoholic beverages are among the major problems highlighted by external stakeholders, responsible marketing together with responsible serving activities are certainly among the priorities on which management intends to concentrate.

LEGENDA

- Business, governance & compliance
- Human resources
- Environment
- Product responsibility
- Responsible drinking
- Clients and consumers
- Supply chain
- Community





4.111

Camparistas globally



64

Nationalities



42%

Of new hires are woman



92%

Camparistas that believe in the future of Campari Group*



82%

Camparistas that want to work in Campari Group for a long time*



88%

Camparistas stating that people are treated fairly regardless of their ethnicity*

OUR PEOPLE



5,5%

voluntary turnover



3,4 milioni

million invested in training

+26% compared with 2016



* Survey GPTW 2016

OUR PEOPLE

As the first and most direct ambassadors of Campari Group, Camparistas, who embody our corporate values, are essential resources for ensuring the Group's growth.

At 31 December 2017, the Group's total headcount was 4,111, including 3,811 permanent employees.

COMPANY POPULATION BY REGION, GENDER AND PROFESSIONAL CATEGORY

REGION AND GENDER	PERMANENT		FIXED-TERM		TOTAL
	FULL TIME	PART-TIME	FULL TIME	PART-TIME	
Asia-Pacific	192	4	7	1	204
Male	117	-	6	-	123
Female	75	4	1	1	81
Europe, Middle East and Africa	1,234	59	28	2	1,323
Male	758	9	11	1	779
Female	476	50	17	1	544
Global functions	191	7	2	-	200
Male	113	3	-	-	116
Female	78	4	2	-	84
North America	1,657	5	259	-	1,921
Male	1,090	1	197	-	1,288
Female	567	4	62	-	633
South America	462	-	1	-	463
Male	333	-	1	-	334
Female	129	-	-	-	129
TOTA	3,736	75	297	3	4,111

Campari Group and Camparistas: a continuous dialogue

Campari Group's continuous growth contributes significantly to a progressive expansion in workforce diversity and complexity. The Human Resources (HR) function, whose primary role is to attract, develop and involve individuals to support the organisation's growth, is undergoing a transformation in order to equip itself to appropriately support the Group's development.

In order to define a corporate culture based on the global growth of all Camparistas, the HR department is expanding the number and scope of its activities, focusing more on its role of supporting line management. In particular, we are pro-

gressively digitalising the Human Resources IT system so that it can support global processes and practices in a harmonised and synchronised way, thanks to the SAP Success Factors digital platform. It was decided to adopt this global infrastructure by developing it in several phases: in 2017, the system for managing the performance of Camparistas was implemented, and systems to manage the recruitment, compensation and development of talents will also be launched in the next few years. With the introduction of a global performance management process, Campari Group aims to further assist Camparistas worldwide with their career paths and professional growth,

aiming to adopt a more integrated approach to managing individual and team performance. With this type of tool, employees and managers can evaluate their performance, update their documents in real time and share personal development plans with their respective managers. The new solution will allow both the HR function and line managers to focus on high value-added activities and strategic decisions, while at the same time giving Camparistas more autonomy in terms of their growth and development, thus allowing them to focus more on the needs of an increasingly diverse workforce.

In a period in which digital technologies and social media are continuously present in every moment of our lives, including at work, Campari Group has launched its new corporate social network, Yammer. Yammer is a common

space where all Camparistas can share information, ideas and opinions, and can work together without the limits of time, space or hierarchy.

WHY YAMMER

THREE MAIN NEEDS:

- the need for social sharing among Camparistas: allowing for easier and more open communication within the Company, getting closer to the way we communicate in our private lives;
- internal and external collaboration in projects: facilitating communication and collaboration among departments and within them, avoiding geographical and divisional barriers;
- team communication and efficiency: creating a single point of reference for collaboration on internal and external projects, due to the ease with which project teams can communicate, share files and ideas, and quickly add and update any new project participants.

MAIN BENEFITS:

- encourages a culture of sharing, helping to break silos and improving communication between geographical regions and departments;
- an ideal platform for sharing ideas, best practices and problem-solving;
- a useful tool for identifying experts on specific subjects and creating 'communities';
- allows leaders and influencers to be identified and developed within the organisation;
- provides the opportunity of communicating in real time, using the Yammer mobile app.

In the firm belief that a company's success is increasingly linked to its ability to understand and respond to the expectations of the people that belong to it, Campari Group has been carrying out an Employee Survey every two years since 2008. During 2017, the Group kept on working on data from the 2016 Camparista Survey, which was carried out in partnership with

the Great Place to Work Institute (GPTW). Thanks to its particularly positive results, Campari Spain was certified as a Great Place to Work in the local market by the GPTW Institute in 2017. In addition, and for the second time, Campari Argentina was awarded among the 2017 Best Workplaces Argentina contest in Argentina.



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.

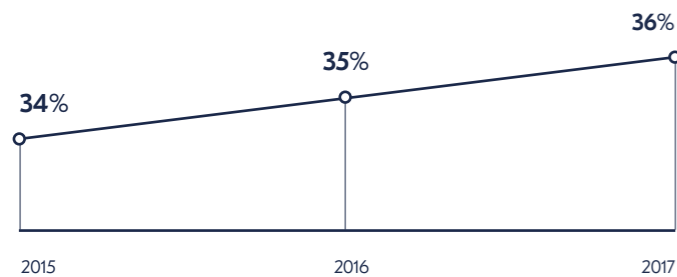
CAMPARI GROUP NATIONALITIES



PERMANENT CAMPARISTAS BY REGION AND GENDER

REGION	MEN	WOMEN	TOTAL	% WOMEN
Asia-Pacific	117	79	196	40%
Europe, Middle East and Africa	767	526	1,293	41%
Global functions	116	82	198	41%
North America	1,091	571	1,662	34%
South America	333	129	462	28%
TOTAL	2,424	1,387	3,811	36%

FEMALE EMPLOYEES AS A PERCENTAGE OF TOTAL HEADCOUNT

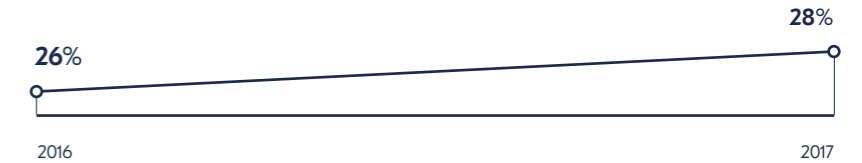


Excluding the Product Supply Chain function (which includes the manufacturing plants), female Camparistas represent 45% of the total workforce. The distribution of women in senior management and management positions is also in line with last year.

PERMANENT CAMPARISTAS BY EMPLOYEE CATEGORY AND GENDER

PROFESSIONAL GRADE	MEN	WOMEN	TOTAL	% WOMEN
Management & above	369	142	511	28%
Senior Professional	297	240	537	45%
Professional	430	344	774	44%
Specialist/Generic Staff	392	440	832	53%
Blue Collar	934	220	1,154	19%

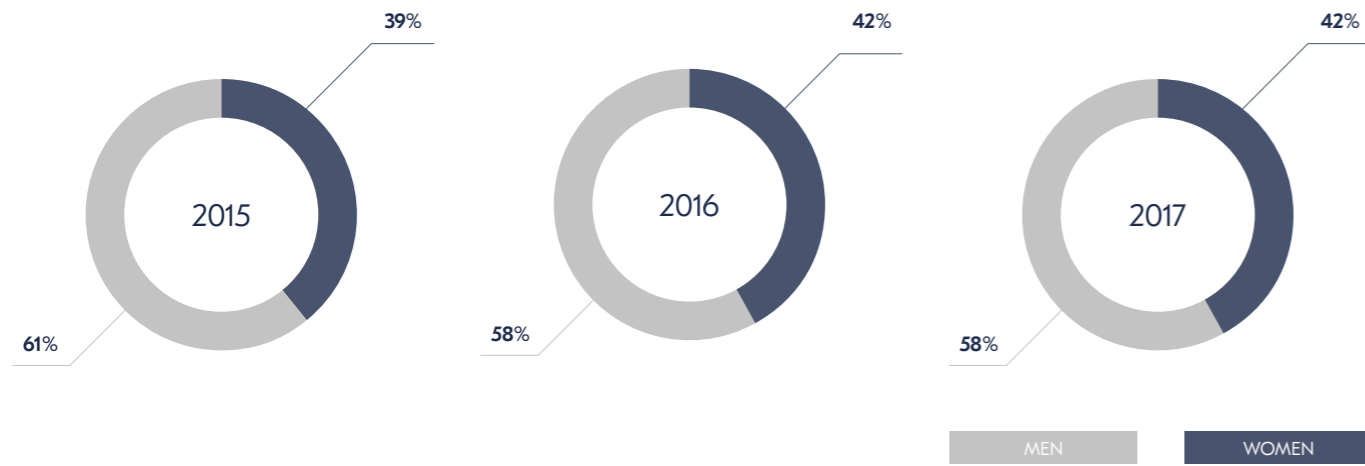
Furthermore, to be noted a gradual increase in numbers of women in the workforce, reinforcing Group's commitment to gender equality.



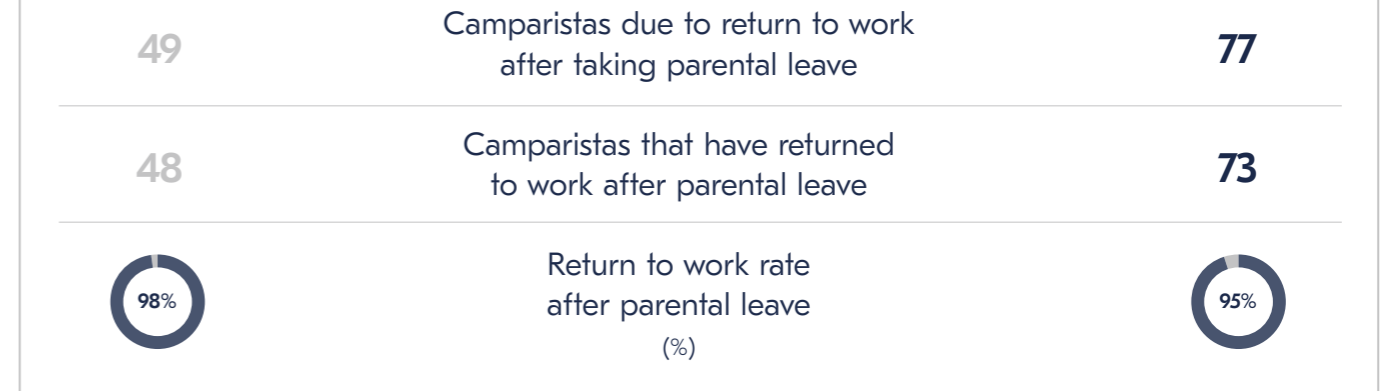
NEW CAMPARISTAS HIRED BY REGION AND GENDER

REGION	MEN	WOMEN	TOTAL	% WOMEN
Asia-Pacific	23	17	40	43%
Europe, Middle East and Africa	89	61	150	41%
Global functions	14	11	25	44%
North America	116	92	208	44%
South America	37	25	62	40%
Total	279	206	485	42%

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



RETURN TO WORK RATE BY GENDER



TURNOVER BY REGION AND GENDER

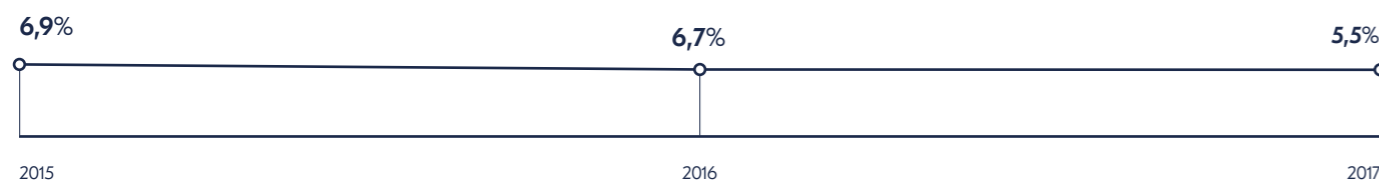
REGION	MEN	WOMEN	TOTAL	% WOMEN
Asia-Pacific	37	11	48	23%
Europe, Middle East and Africa	143	72	215	33%
Global functions	2	3	5	60%
North America	100	76	176	43%
South America	26	19	45	42%
Total	308	181	489	37%

The continuing decline in the percentage of voluntary turnover, which was below 6% in 2017, and the particularly high rate of return after parental leave, are proof of the Group's real commitment to creating an excellent work environment that Camparistas are less inclined to leave.

NEW CAMPARISTAS HIRED BY REGION AND AGE BRACKET

REGION	UNDER 30	BETWEEN 30 AND 50	OVER 50	TOTAL
Asia-Pacific	14	25	1	40
Europe, Middle East and Africa	51	85	14	150
Global functions	9	15	1	25
North America	84	121	3	208
South America	23	39	-	62
Total	181	285	19	485

VOLUNTARY TURNOVER: TREND



TURNOVER OF PERSONNEL BY REGION AND AGE BRACKET

REGION	UNDER 30	BETWEEN 30 AND 50	OVER 50	TOTAL
Asia-Pacific	7	29	12	48
Europe, Middle East and Africa	20	122	73	215
Global functions	0	4	1	5
North America	33	112	31	176
South America	8	32	5	45
Total	68	299	122	489

PERMANENT CAMPARISTAS BY AGE BRACKET

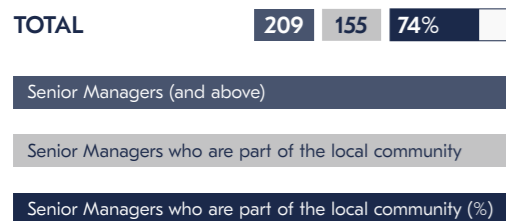
REGION	UNDER 30	BETWEEN 30 AND 50	OVER 50
Asia-Pacific	27	156	13
Europe, Middle East and Africa	139	793	361
Global functions	20	130	48
North America	261	1,069	332
South America	70	311	81
Total	517	2,495	835

Permanent Camparistas (%)



Although there is not a formal policy, the Company tends to favour the hiring of managers who reside in the countries they operate in.

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



CANADA 4 2 50%

UNITED STATES 33 23 70%

JAMAICA 19 15 79%

MEXICO 3 2 67%

ARGENTINA 7 7 100%

BRAZIL 5 4 80%

PERÙ 1 0 0%

AUSTRIA 1 1 100%

BELGIUM 1 1 100%

FRANCE 7 5 71%

GERMANY 5 3 60%

UNITED KINGDOM 7 0 0%

ITALY 93 78 84%

SPAIN 3 0 0%

SWITZERLAND 2 0 0%

UKRAINE 1 1 100%

SOUTH AFRICA 2 2 100%

RUSSIA 6 5 83%

CHINA 1 0 0%

SINGAPORE 1 0 0%

AUSTRALIA 7 6 86%



Brazil

Campari Brazil is encouraging HR practices aimed at promoting diversity within its current and potential pool of employees. In particular, benefiting from the consultancy of EmpregueAfro and TransEmpregos, the Group in Brazil is fostering the inclusion in the workplace of African descent and transgender employees.

'Equality' and 'inclusion' were also the key themes of the 'DiversityBbox' workshop held at the São Paulo offices with the aim of raising the awareness of employees and inspiring them so that they are not only prepared to interact with a diverse team, but also to promote such diversity in the workplace.

South Africa

In South Africa, all companies with a workforce and net turnover above a certain threshold are legally required to present hiring plans that reflect the demographic composition of the economically active population and to implement proactive occupational practices that increase the representation of specific minorities. Campari Group's South African office has therefore introduced the 'Employment Equity Planning Dashboard', with the aim of ensuring that the principles of equality and fairness are incorporated in all occupational aspects, including the hiring, training, promotion and retention of the workforce. Campari South Africa has also launched a partnership with Altitude, a local company that specialises in helping to reintegrate workers with disabilities.



Australia

In 2017, Campari Australia launched a collaboration with Serendis, a leading organisation in the development of cutting-edge mentoring programmes and structured strategies to promote corporate growth through inclusion. Of the various programmes developed, Campari Australia is taking part in the 'Women in Drink Mentoring' programme. Serendis has also helped Campari Australia to outline a clear and balanced framework of how the culture of inclusion is perceived and effectively spread throughout the workplace, and then to identify the levers and opportunities to increase the organisation's ability to innovate while valuing different individuals and cultures. The survey focused on analysing the following specific areas:

- level of understanding, awareness and commitment to developing a diverse work environment;
- perception within the Group of the management team's approach to inclusion;
- synergies and discrepancies between the perceptions of management and employees relating to the culture of inclusion.

After an initial assessment, Serendis formulated a robust, detailed strategy to encourage diversity and inclusion for Campari Australia, setting out a clear vision and identifying the actions needed to achieve it.

Human capital: training and professional development

Campari Group believes in developing the skills of its people as a driver to increase its effectiveness in the market and its responsiveness in seizing new opportunities, coping with uncertainty and adapting to change. This development is reflected in three main areas: functional, inter-functional and leadership excellence. Increasingly sophisticated Academies are developing aligned and efficient organisations and increasingly up-to-date functional skills. Especially designed training courses are aimed at augmenting awareness and inter-functional knowledge, allowing individual Camparistas to identify ways in their daily work to

add value to other functions, thereby generating a potentially infinite source of possibilities to create value. Pursuing leadership excellence in Campari Group means developing individuals who, through engagement, managerial competence and their way of living Campari values, can help develop the business and all other Camparistas. A cocktail of training based on experiences, new digital tools and mutual everyday examples is the way we will achieve this goal in Campari Group.

HUMAN CAPITAL: TRAINING AND PROFESSIONAL DEVELOPMENT

	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA-PACIFIC	AFRICA	TOTAL
Management	10,643	6,255	4,247	4,401	471	26,017
Men	6,996	4,701	3,292	2,281	367	17,636
Women	3,647	1,554	955	2,121	104	8,381
Non Management	23,790	28,218	16,234	5,287	858	74,386
Men	14,606	19,463	11,660	3,049	630	49,408
Women	9,184	8,754	4,574	2,238	228	24,978
TOTAL	34,432	34,473	20,481	9,688	1,329	100,403
Men	21,602	24,164	14,952	5,330	997	67,044
Women	12,831	10,309	5,529	4,359	332	33,359



Some initiatives to promote diversity in the countries where the Group operates:

United States

Out of the Employee Survey carried out in 2016, Campari America has identified 'diversity' and 'inclusion' as two key areas of interest. In 2017, it therefore introduced the 'Diversity Dashboard', a document that identifies measures to track and monitor the demographic composition of the workforce, new hires/promotions and outgoing personnel. In addition, a training course on 'unconscious prejudices' has been scheduled for the first quarter of 2018, with the aim of raising awareness, in order to create an inclusive culture that identifies and helps to eliminate unintentional prejudices and preconceptions.

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)	23.2	17.95	44.24	47.49	35.92	24.44
Men	24.69	18.76	44.77	43.33	52.47	25.41
Women	21.07	16.29	42.86	53.81	18.44	22.69
Management	37.34	47.03	84.94	129.45	47.1	50.82
Non Management	19.84	15.78	39.31	31.1	31.78	20.68

Main global training programmes



Campari Way of People Management

The Campari Way of People Management programme continued in various countries in 2017. The programme is designed to build solid and consistent common ground among countries and cultures about what a Campari manager IS and DOES. Based on 360-degree feedback and coaching, it focuses on what constitutes the real basis for developing the managerial style of our Camparistas: the Camparistas themselves.



Campari Way of Coaching

Campari Group is continuously 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 programme in selected business units with the aim of implementing a coaching culture within the entire business. During the course of the year, a new edition was started in North America.



Campari Lead to Succeed

The Lead to Succeed programme continued with its development centre and in 2017 introduced an innovative workshop in which 28 senior Support Functions leaders helped to 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 programme's various initiatives.



Finance Academy and Finance for Non Finance

The fourth edition of the Finance Academy, an in-depth strategic alignment programme, has begun. In 2017, the Finance function led the Group's developmental training at cross-functional level. A new e-learning module – 'Finance for Non-Finance Basics' – was created to help introduce financial and accounting concepts to employees who might have to deal with issues in this area. In addition, a more advanced 'Finance for Non-Finance' classroom-based programme was developed and run locally by senior finance managers.



Commercial Academy

The Commercial Academy is a comprehensive training programme 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 programme 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 very 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, on the one hand, help stimulate individual curiosity and responsibility as a driver of professional development, and on the other, serve as a tool for greater knowledge-sharing among colleagues and as a managerial lever.



Marketing Academy

The Marketing Academy, Campari Group's first functional academy, was completely revamped and relaunched in 2017, with all business units taking part in a global coordinated effort. The programme is aimed at establishing a common language and approach for all Camparistas in marketing teams in the Campari world.

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 define 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 the management to achieve long-term results.

Breaking down remuneration in this way ensures a balance between the interests and the short- and long-term prospects of the Company. The

two medium- and long-term programmes 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 honesty, 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.

RATIO OF STANDARD PAY FOR NEW HIRES AND THE MINIMUM LOCAL PAY, BY COUNTRY AND BY GENDER

COUNTRIES	MEN (%)	WOMEN (%)
Argentina	235.77%	235.77%
Australia	141.85%	141.85%
Brazil	167.88%	179.72%
Canada	100%	100%
Germany	240%	240%
Jamaica	200.18%	200.18%
Italy	110.08%	117.74%
Russia	294.09%	294.09%
United States	192.67%	192.67%

The male/female ratio for the average remuneration of Camparistas on permanent contracts, 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 85% of the entire population of Camparistas.

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

COUNTRIES	MANAGEMENT	SENIOR PROFESSIONALS	PROFESSIONALS	SPECIALIST GENERIC STAFF	BLUE COLLARS
Argentina	81.2%	90.6%	85.0%	96.4%	98.3%
Australia	93.5%	100.2%	110.5%	87.3%	89.5%
Brazil	104.0%	104.5%	85.8%	90.2%	-
Canada	68.1%	93.0%	111.4%	84.5%	89.5%
Germany	113.2%	95.9%	89.6%	97.8%	-
Jamaica	119.8%	119.5%	100.6%	98.6%	119.9%
Italy	92.2%	97.8%	81.4%	104.4%	93%
Russia	88.9%	101.7%	95.6%	95.7%	-
United States	101%	91.7%	100.2%	106.2%	95.9%

It should be noted that the salaries of male and female employees 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 with a basic salary that takes account of their limited working experience.

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. Programmes 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 offering of fresh fruit and healthy snacks and drinks to Camparistas.

Main projects developed:

Australia

Campari Australia organised a workshop called 'Getting your Inbox to Zero' to help reduce work stress. The participants were taught how to empty their inboxes at the start of each day to enable them to keep their email flow under control and therefore concentrate better and increase productivity.

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 has developed global Smart Working guidelines that will be deployed locally during 2018.

South Africa

Following the success of the Discovery Health education sessions held in 2017, Campari South Africa plans to organise a day dedicated to the well-being of Camparistas in 2018, called 'Employee Wellness Day'. On this day, Camparistas will take part in information sessions on wellness in the workplace delivered by an external health

services provider. As part of its promotion of the pension programme for Camparistas, Campari South Africa will also hold an 'Employee Retirement Planning Day' to enable every Camparista to spend a day planning their retirement.

Mexico

The Campari Challenge fitness programme continued in 2017. Campari Challenge is a health competition in which teams of four employees, with the support of external specialists, follow a six-week sports programme that includes cardiovascular exercises and a nutritional plan, to help them improve their physical condition and develop healthier habits and lifestyles. A nutritionist assesses the results of all the participants every week and sets training and diet programmes according to their physical ability. The winning Camparistas will receive a prize for best team and a prize for best individual performance.

Italia

A new fitness centre has been opened at the head office at Sesto San Giovanni which is about 40% bigger than the old centre. The company gym, which is open in the early morning, at lunchtime and after working hours, comprises a weights/equipment room and a room for courses that can respectively accommodate 50 and 35 people. Another 12 meeting rooms have also been created. The creation of these new spaces is part of the 'Building More Value Together' programme and aims to facilitate team meetings and activities to encourage communication and teamwork.

Industrial relations

Davide Campari-Milano S.p.A. recognises the importance of developing proper and credible relations with social partners, recognising their very important role in improving competitiveness and employment in the context of the company's specific decision to be socially responsible.

Trade union relations must, therefore, be consistent and coherent with 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.

The employees of Davide Campari-Milano S.p.A. are subject (in addition to the interconfederal agreements and the regulations of the National Collective Labour Contract) to the supplementary, company-level bargaining agreement, which is currently being renewed, having expired at the end of 2017. Two national collective labour agreements currently apply: one for the food industry (covering nearly all employees) and

another for the tertiary sector, in addition, of course, to the agreement for executives of industrial companies.

In 2017, about 22% of all Camparistas were members of trade unions. No conflicts have arisen in recent years, even though there have been a number of reorganisations and sales of companies and business divisions. The fact that no strike days or hours were proclaimed is testament to the good relations and social responsibility of the parties (company and trade unions). Several times in recent years, when dealing with significant corporate transactions, we have gone

beyond the provisions of art. 47 of Law 428 of 29 December 1990 (notification of intention to transfer, sale or lease the company, or a business division, 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.



100%

ATL
Communication
containing
a responsible
drinking
message



2010

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 alco-
holic drinks in all
our events



30

Associations
and Social
Aspect
Organization
in 19 countries

RESPONSIBLE MARKETING AND PRACTICES



RESPONSIBLE MARKETING AND PRACTICES

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 Code on Commercial Communications to ensure its communications comply with standards of legality, decency, honesty and fair business practices. Every year, the Group monitors the adoption and consequent 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.

SUBSCRIBERS TO THE CODE ON COMMERCIAL COMMUNICATIONS IN 2017 (%)



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 the methods of consumption shown in the commercial communication of its products, which always focus on moderation and conviviality.

In broad terms, the Code stipulates that Campari Group's commercial communication

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

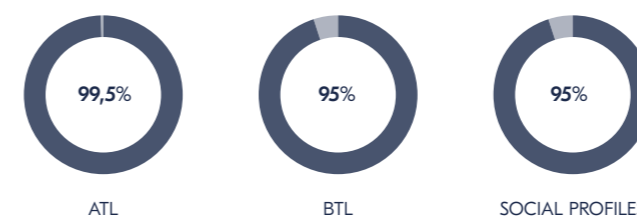
lead the public to believe that alcoholic drinks may have therapeutic properties

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 the legal age to consume alcohol. The guidelines also establish regular monitoring of user comments, and the removal of any posts that do not comply with the provisions of the Code.

Since 2017, in line with the provisions of the Code, ATL (above the line)⁹ and BTL (below the line)¹⁰ communication and the social profiles (i.e. Facebook, Twitter) of our brands have carried messages about responsible consumption (RDM-Responsible Drinking Message). This excludes communication channels relating to the Group's non-alcoholic products (i.e. Crodino, Crodino Twist, Crodino Spritz):

EXISTENCE OF AN RDM (%)



To further increase its effectiveness, the Code has established an internal evaluation committee ('Committee') made up of representatives of Group Strategic Marketing, Corporate Communications, Corporate Legal and Public Affairs&CSR. The Committee's activities are aimed at monitoring compliance of above-the-line communication with the guidelines of the Code. In 2017, 54 advertising campaigns were submitted to the internal committee for approval.

With regard to marketing and commercial communication activities, including advertising, promotion and sponsorship, no cases of non-compliance occurred that involved legal actions or cease and desist orders. A legal notice was

received from the Canadian regulatory agency, AGCO (Alcohol and Gaming Commission of Ontario), due to an advertisement placed by one of our external partners within two hundred metres of a school. Following notification from the local authority, the advertisement in question was immediately removed without any ensuing sanctions.

We also voluntarily introduced 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 programme 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 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; this is shared with the participants of all our training courses at our Academy and applied at all our events.

Responsible Serving Guidelines

In almost 95% of the 2,600 events held in 2017, the Responsible Serving Guidelines were shared with the bartenders who worked for the Group, who thus became direct promoters of a message of responsibility to the end consumer.

1 Be aware of the legal drinking age in the country you are serving. Just asking the client's age is often seen as 'not doing enough'. Always ask for identification if the client looks under legal drinking age, with at least 2/3 years as 'buffer'.

2 Prevent undue offences, annoyance, disturbance, noise or any kind of inconvenience to people who live or work in areas close to your premises. Discuss with staff about improvements that can be made to enhance preventive measures for any problem that may arise.

3 Recognize the early symptoms of excessive alcohol consumption and discuss with your manager and/or colleagues when it's advisable not to serve any more drinks to customers showing impaired speech, lack of balance and/or coordination etc.

4 Always maintain responsible behaviour: do not drink alcohol when working over the counter. Always respect alcohol consumption guidelines.

5 Do not promote, advertise or conduct your operations in a way that could encourage the excessive consumption of alcohol or that discourages a responsible attitude towards consumption.

6 Encourage soft, relaxed, social and responsible drinking in a friendly and chilled atmosphere. Therefore keep good standards of cleanliness, be friendly with your customers and always promote food with drinks.

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 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 30 trade associations and Social Aspect Organisations in 19 countries, and its managers play a key role in some of these. Campari Group is also a member of SpiritsEurope, the European association of producers of alcoholic beverages, which represents 31 national associations in 24 countries and the 8 main players in the spirits sector.

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 2017, initiatives and projects related to the responsible consumption of alcoholic products were carried out in the various markets in which the Group operates.

Italy - Campari Academy Truck Tour

With a specially fitted-out truck travelling around Italy in search of the art of 'drinking well', Campari Group presented itself as a reference point for training and the dissemination of the culture of quality drinking, responsibly. Also in 2017, around 5,000 bartenders and connoisseurs from the sector participated for free in courses, seminars and master classes, which this year devoted extensive coverage to how to pair cocktails and gourmet recipes correctly, emphasizing the association between the consumption of alcoholic beverages and the rituals of meals and conviviality. Providing training to bartenders, professionals who play an increasingly central and almost educational role vis-à-vis customers, is a way of having a significant impact on end consumers, ensuring that they can enjoy, in an informed way, cocktails that best bring out the quality of the individual ingredients. The second edition of the tour took place in 23 stops in the same number of Italian cities as part of the #Beremeglio project launched by Federvini (the Italian federation for producers, exporters and importers of alcohol) and FIPE (the Italian federation for catering es-



Italy - UGO

tablissements) to support responsible consumption and quality of service in Italian public establishments. At the tour launch in Piazza Duomo, Milan, a round table was held inside the Campari Academy truck, during which the Group confirmed its commitment to training professionals to spread the values of drinking responsibly.

At the last two editions of the Campari Barman Competition Finals, held at the Sesto San Giovanni (Milan) headquarters, Campari Group offered the UGO service; the replacement drivers, in blue bow ties, took evening guests home who, knowing that they had exceeded the limit, asked for the service, which includes transporting both the person and their car. The partnership has also been extended to other events, such as the Jägermeister Darker Night, and will be repeated at future editions of the Barman Competition.

Spain - Menores: ni una gota

In Spain, in collaboration with the country's Ministry of Health and industry association FEBE (Federación Española de Bebidas Espirituosas), Campari Group promotes the 'Minors: not a single drop. More than 100 reasons why minors shouldn't drink alcohol' (Menores: ni una gota. Más de 100 razones para que un menor no beba alcohol) initiative, to counter the consumption of alcohol among minors. The campaign aims to inform and raise public awareness, through various communication channels, about the risks to health and development related to underage alcohol consumption. As part of the campaign, well-known psychologist and educator Rocío Ramos Paul has written a guide specifically aimed at parents, providing them with tips and tools to deal with and prevent alcohol consumption among their children. To reach children directly, on the other hand, rap and hip hop artist Rayden has been brought into the project. His songs convey positive messages to help increase young people's self-esteem and self-confidence so that they can face and overcome the typical problems of adolescence without fear. In addition, journalists, singers, actors, athletes and other celebrities continue to lend their image to this campaign, providing parents and children with advice and motivation to tackle alcohol abuse.



Brazil - Separe, não pare

In Brazil, Campari Group is promoting the Separe, não pare movement. Launched by the United Nations Environment Agency and packaging coalition Coalizão Embalagens, of which ABRABE is part, its mission is to reduce the quantity of packaging sent to landfill by 22% by 2018. This environmental education project aims to inform and inspire the Brazilian population on how to properly separate and dispose of household waste. Separe, não pare is a digital campaign, developed by the TV1 Group with the participation of well-known local influencers. Through a dedicated information portal (www.separenaopare.com.br), people can also find useful advice on the correct separation of waste and the disposal of different types of packaging. Lastly, a range of specific initiatives has been developed, including a partnership with SECOVI-SP (the São Paulo state housing syndicate) to start a direct dialogue with condominiums and to arrange the staging of educational theatre shows in schools that focus on sustainable practices.

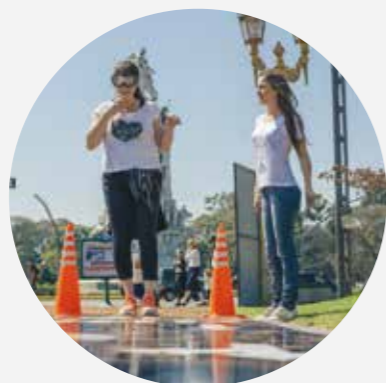
Brazil - Sem Excesso

The Sem Excesso (No Excess) project, which is promoted via ABRABE (the Brazilian Beverage Association) during the country's national traffic week, aims to raise awareness among the Brazilian population about the correct consumption of alcoholic beverages, particularly when driving. In addition to interacting with more than 3,000 people in the 61 venues involved in the initiative, in collaboration with YouTuber Lully and actor Bruno Guedes, messages of responsibility and safety were conveyed through multiple social networks, reaching more than 2.5 million people.



Argentina - #TomemosBuenasMedidas

To raise awareness of the importance of moderate consumption of alcohol, FAIBE, Argentina's spirits industry federation (Federación Argentina de la Industria de Bebidas Espirituosas), promotes the #TomemosBuenasMedidas initiative through various awareness-raising actions. In Buenos Aires, for example, a circuit has been installed with traffic lights, pedestrian crossings and other road signs. More than 1,500 people, wearing glasses simulating alcoholic inebriation, have experienced, while sober, the effects and sensation that alcohol can produce if consumed over the allowed limit. The adult participants then received a guide with useful advice to follow on consuming alcoholic beverages responsibly. A similar activity was also offered to more than 100 students of the Summa Institute of Buenos Aires and, subsequently, in a public park involving parents and children. During these occasions, famous Argentine influencers posted photos and videos of the event on social media, helping further spread the initiative on the web.



South Africa-prevention initiatives

Campari South Africa is a supporting member of the Association for the Responsible use of Alcohol (ARA), which conducts educational programmes, especially for rural areas. Through its participation, Campari South Africa supports in particular initiatives on fetal alcohol syndrome (FAS), to raise awareness of the importance of prevention of alcohol consumption during pregnancy.



Product innovation

A company that can reinterpret and enhance tradition is also a sustainable one. In a sector strongly linked to tradition, Campari Group always seeks to develop innovative projects to anticipate con-

sumers' requirements with quality products. To show that we have been paying attention, we report below some new product innovations in 2017:

Bourbon Whisky

In February 2017, the 'Whiskey Barons Collection' – a project created to celebrate two brands of bourbon, Bond & Lillard, from the pre-Prohibition period – was unveiled in the US. These high-quality bourbons, which are produced in the oldest distillery in Kentucky, reflect the authenticity of the product and the original packaging. In the same month, the bourbon Wild Turkey Master's Keep, a limited edition aged for 17 years, was launched on the US market. In December 2017, Wild Turkey Master's Keep Decades was named the no. 3 whiskey of the year by 'Whisky Advocate' magazine. In addition, in August 2017, Wild Turkey 'Master's Keep 1894' was launched exclusively for the Australian market. This is a limited edition Kentucky Straight Bourbon Whiskey, aged in barrels selected personally by Master Distiller Eddie Russell.

Appleton Estate

In early 2017, the Appleton Estate Joy Anniversary Blend was launched to celebrate the 20th anniversary of Joy Spence as master blender. This limited edition 25-year-old blend, prepared with selected rums, has a balanced taste with subtle oak notes.

Forty Creek Whisky

The tenth limited edition of Forty Creek Whisky, Founders Reserve, was launched in the first quarter of 2017. Created in honour of founder John K. Hall, a charismatic figure in the Canadian whisky industry, this rare whisky is infused with flavours of exotic spices and rich aromas of apricot and orange. In June 2017, the packaging of Forty Creek Confederation Oak Reserve was also redesigned to commemorate the 150th anniversary of Canadian independence. In October, the packaging redesign was also extended to the core whiskies category, Forty Creek Barrel Select and Forty Creek Copper Pot. In the fourth quarter, the eleventh edition of Forty Creek Heritage was launched throughout North America. The product is a unique blend of corn, rye and barley whiskies, aged in American toasted oak barrels, giving it a distinctive flavour.

Cinzano sparkling wine

In 2017, Cinzano, the historic brand from Piedmont, celebrated its 260th anniversary with the launch of Cinzano Cuvée Vintage Alta Langa D.O.C.G. Vintage 2009. The new premium spumante celebrates the artistic heritage, wine-making experience and territory of origin of the brand. Produced under the Alta Langa designation, the classic method par excellence of Piedmont, the spumante is made from Pinot Nero (85%) and Chardonnay (15%) grapes, with a special liqueur d'expedition added at the end. Cinzano Cuvée Vintage Alta Langa D.O.C.G. was awarded the silver medal in the bottle-fermented sparkling wines category at the 2017 International Wine & Spirits Competition (IWSC).



QHSE

QUALITY, HEALTH, SAFETY AND ENVIRONMENT



32.170 Hours

total QHSE
trainings

+41% compared
with 2016



304 Audits

QHSE



2.366.287 GJ

Energy
consumed



13.109.243 M³

Water
withdrawal



98%

Of waste are
classified as
non-hazardous



QUALITY, HEALTH, SAFETY AND ENVIRONMENT

Scope and methodology

The commitment to provide products that are safe and satisfy consumer requirements, the desire to ensure healthy and safe working conditions, and attention to the prudent use of natural resources were once again common threads in the global management of QHSE in 2017.

The methods for collecting and evaluating performance data – using the tried and tested Enablon platform, which has been extended to non-QHSE reporting areas – have been further refined and now allow strategic supervision of the complex organisational framework underlying

ing sustainability management; this is also in line with the provisions of European legislation on non-financial communications and its transposition into Italian law.

In 2017, in order to clarify the methodology further, the activities of the French plants of SPML were included in the reporting perimeter, the operations of the Canadian plant of Grimsby were fully integrated, the commercial activities in Canada were included, and health and safety data for workers in the Group's non-manufacturing sites around the world were aggregated. Lastly, in 2017, sugar cane production operations in Jamaica recommenced, which had a marked impact on the Group's total consumption of natural resources.

Tools and systems

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.

QHSE TRAINING ¹²		
14,977	Number of training hours-Health and Safety	22,351
1,814	Number of training hours-Environment	3,466
6,048	Number of training hours-Quality	6,353
22,839	Number of hours of QHSE training	32,170
9.75	Average hours of annual QHSE training per employee (man hours)	8.61

The QHSE training process keeps being robustly deployed as per planned. In 2017, in a significant increase on the previous year, over 32,000 training hours were given, involving sections of the company's workforce in different places and ways, some of them not directly related to production.

HSE COMMITTEES ¹³		
271	Number of workers on company-worker health and safety committees	391
12%	Percentage of workers on company-worker health and safety committees	16%
115	Number of workers on company-worker environmental committees	222
5%	Percentage of workers on company-worker environmental committees	9%

CERTIFICATIONS		
84%	Percentage of bottles produced in production units certified in accordance with the International Standard for Food Safety (ISO22000/BRC/IFS/WQA/HACCP/FSSC22000)	85%
63%	Percentage of bottles produced in production units certified in accordance with the International Occupational Health and Safety (BS OHSAS18001)	68%
69%	Percentage of bottles produced in production units certified in accordance with International Environmental Standards (ISO14001/EMAS/ISO50001)	76%

The increase in volumes produced in certified sites is mainly attributable to the inclusion of the French plants in the reporting perimeter.

QHSE AUDIT		
293	Number of QHSE audits	304

The number of QHSE audits of the Group's facilities, consisting of internal and third-party checks, has remained in line with the schedules set in internal planning and by voluntary international standards.

Quality

COMPLAINTS		
534	Total number of market complaints	613
102	Defect rate (parts per million)	98

The total number of complaints recorded in 2017 was higher than the previous year, due to the expansion of the reporting perimeter. However, the product defect index, which measures the percentage of bottles reported as defective compared to the total produced, decreased due to the continuous operational measures in progress to improve quality performance. Meticulous quality management ensured that there were no market recalls in 2017.

Health and safety

ACCIDENTS		
107	Number of accidents relating to Camparistas not resulting in absence from work	122
47	Number of accidents relating to Camparistas resulting in absence from work	45
90	Number of accidents related to male Camparistas	102
24	Number of accidents related to female Camparistas	35
154	Total number of accidents related to Camparistas	167
529	Number of lost days due to accidents to Camparistas	770
0	Number of occupational diseases related to Camparistas	5

37.51	Frequency rate of accidents to Camparistas	24.65
0.13	Severity rate of accidents to Camparistas	0.25
45	Total number of contractor accidents	68
86	Number of lost days due to contractor accidents	327
55.97	Contractor accident frequency rate	45.58
0.11	Contractor accident severity rate	0.48
0	Total number of supplier accidents	1
5	Total number of visitor accidents	6
1	Contractor deaths occurring at work	0
0	Employee deaths occurring at work	0

Following the expansion of the reporting perimeter to all non-industrial facilities, the total number of accidents increased. However, the frequency and severity rates¹⁴ confirm the good average performance of the Group, with no fatalities recorded in 2017. 2017 saw the launch, among other things, of two pilot programmes to prevent the risk of accidents: a safe driving programme in Italy and a programme related to work at height and in confined spaces in the United States, which will be extended to all of the Group's production units in the next two years.

The regional breakdown of accidents showed that 49% occurred in North America, 33% in Europe, 12% in Asia Pacific and 6% in South America. A detailed analysis of the main causes of accidents (collisions with fixed objects, slipping, impact during moving and handling) clearly shows how the focus of intervention should be on individual behaviour. For this reason, an extensive behavioural leadership programme will be launched in 2018, which will involve all organisational levels of industrial management in successive phases, starting with the global functions.

	EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA-PACIFIC
Number of lost days due to accidents to male Camparistas ¹⁵	268	107	87	2
Number of lost days due to accidents to female Camparistas	247	34	22	0
Total number of accidents related to male Camparistas	41	33	9	19
Total number of accidents related to female Camparistas	14	19	1	1
Number of occupational diseases related to male Camparistas	3	1	0	0
Number of occupational diseases related to female Camparistas	1	0	0	0
Number of lost days due to accidents to male contractors	83	93	0	0
Number of lost days due to accidents to female contractors	119	32	0	0
Total number of accidents to male contractors	10	31	1	0
Total number of accidents to female contractors	4	18	0	0
Total number of accidents to male suppliers	0	1	0	0
Total number of accidents to female suppliers	0	0	0	0

NEAR-MISS INCIDENTS

0	Number of near-miss health incidents involving Camparistas	3
97	Number of near-miss safety incidents involving Camparistas	110
0	Number of near-miss health incidents involving contractors	1
10	Number of near-miss safety incidents involving contractors	23
0	Number of near-miss health incidents involving suppliers	0
1	Number of near-miss safety incidents involving suppliers	1
0	Number of near-miss health incidents involving visitors	0
3	Number of near-miss safety incidents involving visitors	7

Training and awareness activities for mitigating the risk of accidents are also having a positive impact on the near-miss incidents indicator.

The high number of unsafe situations recorded in 2017 (486), mostly derived from employee reports, underline that there is high awareness in the organisation about the value of prevention.

Environment¹⁶

	ENERGY	
575,980	Total of petroleum distillate fuels (GJ)	473,663
398,824	Purchased natural gas (GJ)	445,195
3,499	Total fuels from natural gas processing and oil refining (GJ)	3,415
179,209	Purchased wood (GJ)	218,557
2,495	Energy produced from renewable sources (GJ)	1,029,771
179,645	Consumption of electricity (GJ)	192,353
2,207	Total heating consumption (GJ)	3,333
0	Total cooling consumption (GJ)	0
0	Total steam consumption (GJ)	0
1,339,363	Consumption of energy from non-renewable sources (GJ)	1,336,378
2,495	Consumption of energy from renewable sources (GJ)	1,029,909
1,341,858	Total energy consumption (GJ)	2,366,287

The reactivation of the Jamaican sugar plant increased the Group's overall energy requirement in 2017 compared with 2016, although this was lower than 2015's figure, when the sugar plant was functioning, despite the extension of the business reporting perimeter. Energy consumption performance per bottle produced was therefore 2.9 MJ (mega-joule). The energy cycle has proved to be particularly virtuous since the main source of supply (about 44% of the total requirement) is made up of renewable sources, particularly 'bagasse', a by-product of sugar cane processing. It should also be noted that consumption of petroleum distillate fuels was about 18% less than the previous year.

¹⁶ The assumptions and estimates of environmental indicators are based on trends, production and processes. Any conversions are performed using internationally recognised methods or the conversion system provided by the Enablon platform.

¹⁷ The energy intensity rate is calculated from the energy consumed within the organisation per unit produced, including petroleum distillate fuels, natural gas, fuels from natural gas processing and oil refining, wood, electricity, energy from heating, energy from cooling and energy from steam consumption.

WATER		
WATER WITHDRAWAL AND INTENSITY		
3,766,694	Rivers (m ³)	8,228,126
9,702,853	Groundwater (m ³)	3,971,418
3,197	Rainwater (m ³)	0
754,063	Municipal water supply (m ³)	837,971
65,302	Wastewater received from another organisation (m ³)	71,728
3,766,694	Total volume of surface water withdrawn (m ³)	8,228,126
14,292,109	Total volume of water withdrawn (m ³)	13,109,243
RECYCLED AND REUSED WATER ¹⁸		
221,856	Total volume of water reused by company for internal use (m ³)	192,471
221,856	Total volume of water reused by company and third-party organisations (m ³)	192,471
1.5	Percentage of recycled and reused water (%)	1.5
WATER DISCHARGES ¹⁹		
854,100	Wastewater discharged in bodies of surface water (m ³)	5,293,141
1,288,451	Wastewater discharged into groundwater (m ³)	1,271,902
266,328	Wastewater discharged into consortium plants (m ³)	213,733

¹⁸ Recycled and reused water was calculated on the basis of the volume of water required in the production cycle and the number of cycles in which the water is reused.

¹⁹ Waste water has been recorded according to local legislation, the availability of meters and the characteristics of the plants.

111,088	Wastewater discharged into municipal or other facilities (m ³)	149,147
-	Total volume of wastewater reused by/sent to another organisation (m ³)	47,730
1,637,424	Wastewater from production processes (m ³)	5,033,193
2,519,967	Total volume of water discharged (m ³)	6,975,653
3.4	Volume of water discharged per bottle produced (litres/bottle)	8.6
<p>The operation of the sugar plant in Jamaica has increased the withdrawal of surface water; however, progressive rationalisation of consumption has optimised its use, with about 16 litres of water used per bottle produced.</p>		
3,593	Total number of wastewater analyses	3,778
160,214	Total volume of physically treated water (m ³)	115,506
8,603	Total volume of chemically treated water (m ³)	5,918
404,540	Total volume of biologically treated water (m ³)	495,546
0	Total volume of chemically and biologically treated water (m ³)	0
157,340	Total volume of chemically and physically treated water (m ³)	225,784
<p>Constant attention is paid to the quality of wastewater, with the number of analyses increasing in 2017 to 3,778. Of 660 parameters analysed, the Group recorded only nine data-sets exceeding the limits for conferral to receiving surface water bodies and 12 to consortium plants.</p>		

ATMOSPHERIC EMISSIONS

The task of globally assessing the Group's atmospheric emissions has been entrusted to environmental consulting company Ramboll. Both greenhouse gas emissions and other emissions with a significant environmental impact were assessed. The data, reported in tonnes of CO₂ equivalent and grouped by energy source and purpose of reporting

(as required by the Greenhouse Gas Protocol of WRI (World Resources Institute) and WBCSD (as required by the Greenhouse Gas Protocol of WRI - World Resources Institute - and WBCSD - World Business Council on Sustainable Development)), demonstrate the low environmental significance of the Group's emissions.

Combustion in thermal plants (t di CO ₂ e.)	63,531
Purchased electricity (t di CO ₂ e.)	18,785
Refrigerants (t di CO ₂ e.)	513

GHG emissions, scope 1 (t di CO₂ e.) **64,044**

GHG emissions, scope 2 (t di CO₂ e.) **18,785**

WASTE

25	Amount of hazardous waste produced (t)	134
28,124	Amount of non-hazardous waste produced (t)	65,503
28,149	Total amount of waste produced (t)	65,637
0.09	Percentage of hazardous waste produced	0.2
0.04	Amount of waste produced per bottle produced (kg/bottle)	0.1

Internal reuse (t)	0
External reuse (t)	25,147
Recovery, including energy recovery (t)	5,628
Composting (t)	2,782
Incineration (t)	11
Injection in deep ground (t)	0
Landfill (t)	6,027
On-site storage (t)	63
Fertilisation in agriculture (t)	23,430
Recycling (t)	1,658
Other destinations (t)	820

The amount of hazardous waste produced in 2017 remained at minimum levels and is mainly attributable to containers of hazardous substances, mineral oil filtration materials and laboratory reagents.

The total amount of waste sent to landfill was approximately 9% of total waste and is almost entirely attributable to Jamaica, where there is no regularly available recovery and recycling infrastructure.

SPILLS

4	Number of ground spills	2	
640	Volume of ground spills (litres)	100	
5	Number of spills in surface water	5	
191	Volume of spills in surface water (litres)	509	
1	Number of spills in municipal water supplies or other utilities	3	
5,000	Volume of spills in municipal or other facilities (litres)	220	
9	Number of air spills	12	
230	Volume of air spills (litres)	74	
19	Total number of spills	22	
Near-miss spills-oil	4	Near-miss spills-product	6
Near-miss spills-fuels	1	Near-miss spills-alcohol	10
Near-miss spills-waste	1	Near-miss spills-other	12
Near-miss spills-hazardous chemical substances	5	Total number of near-miss spills	39

TYPES OF SPILLED MATERIAL

Ground spills	Oil (2)
Surface water spills	Oil (3), waste (1), alcohol (1)
Spills in municipal water supplies or other utilities	Product (1), alcohol (2)
Air spills	Hazardous chemical substances (5), alcohol (1), other (6)

The total number of air spills is in line with the figures for previous years. They were all very minor episodes that were immediately resolved with prompt intervention to restore the original conditions.

The same holds true for near-miss air spills, which are now meticulously recorded in order to mitigate potential risks.

NON-COMPLIANCE WITH REGULATIONS AND PENALTIES

0	Number of monetary fines Health and Safety	0
0	Number of monetary fines Environment	0
0	Number of monetary fines Quality and Food Safety	0
0	Number of non-monetary penalties Health and Safety	0
7	Number of non-monetary penalties Environment	1
0	Number of non-monetary penalties Quality and Food Safety	0
0	Number of disputes managed via mediation Health and Safety	1
0	Number of disputes managed via mediation Environment	0
0	Number of disputes managed via mediation Quality and Food Safety	0
0	Number of complaints Health and Safety	0
1	Number of complaints Environment	0

The fact that there were only two cases of non-compliance with regulations and penalties recorded in 2017 shows the Group's high degree of adherence to applicable legislation in all the countries in which it operates.



Supplier Code

Signed by our suppliers since 2012



2016

Campari Group joined Sedex



345

Production sites of PR and NPR suppliers registered on Sedex



54%

Of transport in Europe is carried out intermodally



85.025

Pallets managed using the 'PAKY method'

RESPONSIBLE SOURCING & DISTRIBUTION



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. Responsible and transparent sourcing from commercial partners, which, in turn, share the same values, is a necessary condition for ensuring high-quality and safe products that create value in local economies. In 2017, the Global Procurement function expanded the number of suppliers under its area

of responsibility to include non-product-related suppliers, i.e. the suppliers of materials that are typically not related to the product, with a resulting increase in the number of subscribers to the Supplier Code. It should be noted that, since 2012, the Group has undertaken to provide its suppliers with the Supplier Code, with the requirement that they subscribe to it. In turn, it is the responsibility of the suppliers who have subscribed 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:

- 1** Correctness, loyalty and honesty
- 2** Objectiveness and immediate communication of real or potential conflicts of interest
- 3** Confidentiality
- 4** Transparency and completeness of information
- 5** Rejection and condemnation of any type of discrimination
- 6** Ban on forced or child labour
- 7** Health and safety in the workplace
- 8** Compliance with environmental law and ecological standards
- 9** Prevention and reduction of environmental pollution
- 10** Ban on unfair competition
- 11** Compliance with Campari Group’s Code of Ethics and its Quality, Health, Safety & Environment Policy



A new version of the Supplier Code has been created to bring it in line with the new business environment, and will be published and implemented in 2018. Suppliers will be asked to sign the new code in 2018.

Moreover, as already mentioned in the ‘Group policies’ section, the new policy on employees and human rights, based on the UN’s Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO), now also applies to our commercial partners.

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 programme. 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. To date, 345 production sites of Product-Related and Non-Product-Related suppliers used by the Group were registered on Sedex, and it is estimated that this number will increase in the next few quarters.

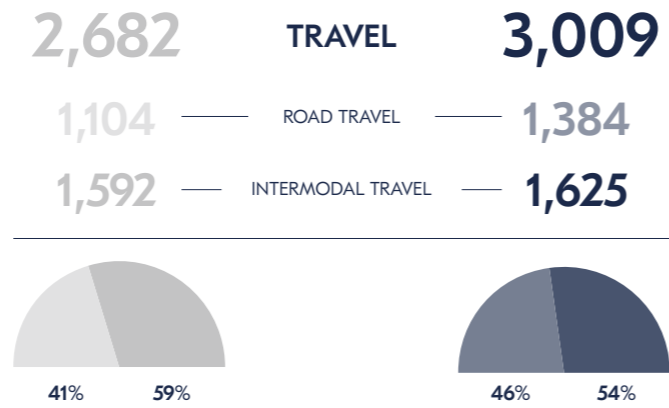
With the aim of reducing its environmental impact along the supply chain, Campari Group – other commercial parameters being equal (e.g. competitiveness, quality and availability of materials) – continues to look for local sourcing options.

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 2017, Campari Group thus continued developing the main innovations it had launched in 2016 in the sustainable distribution of its products, especially in Europe.

Intermodal transport

The concept of intermodal transport represents a significant opportunity in freight transport thanks to the use of multiple integrated modes of transport. In 2017, intermodal transfers represented 54% of transfers in Europe.

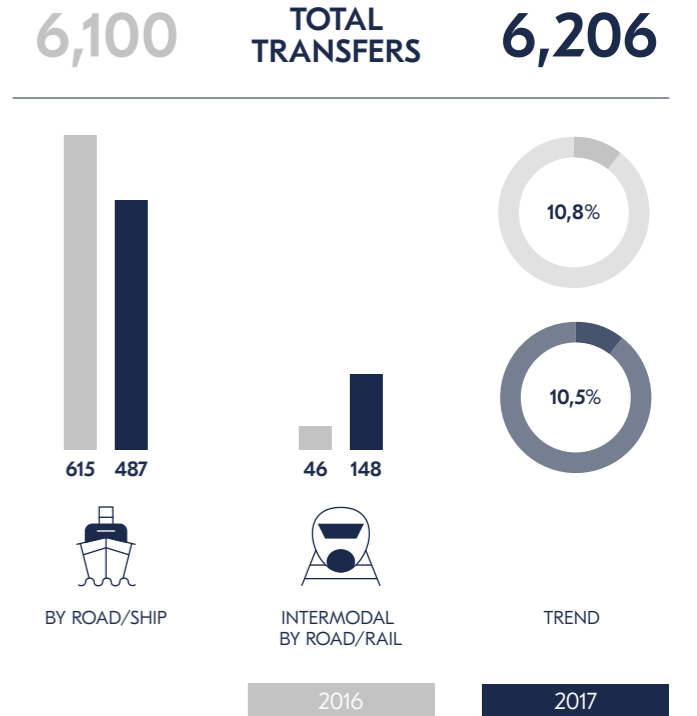


The slight decline on the year before is due to the closure of the main German rail freight line (Rail Freight Corridor 1) in August 2017. As a result of this unforeseen eventuality, the Group had to use alternative ways of transporting freight, notably by road.



2016 - Road transport
2016 - Intermodal transport

2017 - Road transport
2017 - Intermodal transport



Best practice in this area was noted in Latvia, where intermodal transfers rose from 1% to 22%.

In Italy, too, the Group continues to choose, wherever possible, intermodal transport as an alternative solution to road freight transport, building on the trend that started in 2016.

Around 10.5% of the 6,032 goods transfers were made by intermodal transport.

It should be noted that the reduction in road/ship transfers has been offset by greater use of the road/rail solution.

Eco-mobility

Campari Group continued its partnership with Berger, a particularly innovative operator in the field of sustainable transport and road transport. The Austrian company has a particular fleet of Euro VI vehicles, built using lightweight steel, thereby optimising container loads and enabling two more pallets to be transported than a standard vehicle.

Mag-Di

One of the new sustainable logistics activities implemented in 2017 is the Group's partnership with Mag-Di, an operator in the logistics and integrated services field since 1969. Mag-Di provides goods distribution services that have a low environmental impact in the city centres of the main Italian cities, by means of a proximity hub (goods sorting and warehousing facility near the distribution area) and using electric and bimodal trucks. In the urban centres of Rome (ZTL) and Milan (area C), therefore, Campari Group transports its products using an innovative ecological fleet.

Sustainable pallet management

In 2017, the Group extended its collaboration with the supplier PAKY, a pallet transport company, to include the Netherlands, Switzerland and Italy (central and southern regions). PAKY'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. In 2017, the number of pallets managed using the 'PAKY method' nearly doubled compared to the previous year, rising from 44,900 to 88,596 pallets:





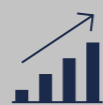
Over 14.000

Visitors to
Galleria Campari
in 2017



Campari Art Prize

Created
in 2017



+28%

Negroni Week
participants
compared with 2016



More than US\$7,2

Invested in the Joy
Spence Appleton
Estate Rum Experience
since 2012

COMMUNITY INVOLVEMENT

CAMPARI



COMMUNITY INVOLVEMENT

Campari Group's work for cultural and social development

Culture and arts have been in Campari Group's DNA right from the start. The 'Campari' name has always been associated with the world of art, design and cinema. Promoting and popularising culture also entails

taking an interest in peoples' education. The Group is sensitive to the needs of the communities in the countries in which it has a significant presence. The main initiatives are described below.



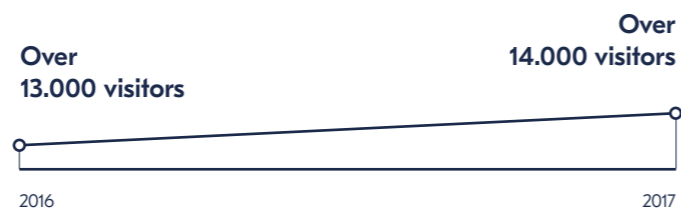
Galleria Campari

Galleria Campari, opened in 2010 to mark the 150 years since the company's foundation, is an ultra-modern museum freely open to the general public; it is a dynamic, interactive and multi-media space, dedicated to the communication of the Campari brand via art and design.

The gallery owes its strength to the uniquely rich Campari archives, 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.

Visiting the gallery means immersing oneself in an important chapter in the history of creativity, advertising, entrepreneurship and twentieth-century art; it welcomed over 14,000 visitors in 2017.

In addition to 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. It lends its own pieces for display to other museums and supports external projects featuring material from the Campari collection, providing historical and critical analysis.



Dissemination of culture and exhibitions

In 2017, Galleria Campari contributed to many events and organised several stand-alone exhibitions, some of them under the aegis of national and international initiatives. These included European Heritage Days, European Museum Nights and the Business Culture Week (which

formed part of the Museimpresa national circuit). The gallery also contributed to the programming of various cultural initiatives staged by the Milan municipal authority, including Milano Photo Week and Museo City.



Exhibitions at Campari headquarters

From 24 May to 23 September 2017, the exhibition 'Bike Passion. Dagli Album Campari una storia a due ruote' ('Bike Passion. A story on two wheels from the Campari Albums') was open to the public, attracting around 3,000 visitors.

The exhibition offered visitors the opportunity to immerse themselves in a fascinating chapter of the history of Campari, a brand that has witnessed the changing customs of Italy, by recounting, in a kind of travelogue, the country's deep sporting passion for some of Europe's most famous cycle races.



For Camparistas

Finally, to nurture headquarters-based Camparistas' interest in the cultural activities promoted by the company and involve them, the Group continued, in 2017, with the recreational initiative associated with the art works in Galleria Campari, 'Pausa-Pranzo-in-Galleria' ('Lunch Break in the Gallery'). Communications about content and the behind-the-scenes activities of Galleria Campari were also strengthened, using Yammer, the company's social network. The gallery therefore presents itself as a space associated with the brand, but also as a centre for research and cultural production, which cements the relationship between Campari and contemporary art, making the latter part of its daily business and communication with the public.

Travelling exhibitions

From 7 December 2017 to 18 February 2018, 'Bike Passion' became a travelling exhibition, stopping off at the Museo dei Campionissimi (Museum of Champions) in Novi Ligure (Alessandria). In 2017, Galleria Campari also loaned some of its artworks to a number of major exhibitions, including:

- the Magnani Rocca Foundation, Parma, for 'Depero il Mago' ('Depero the Magician') and 'Pubblicità! La nascita della comunicazione moderna 1890-1957' ('Publicity! The birth of modern communication 1890-1957');
- The Salvatore Ferragamo Museum, Florence, for '1927. Il ritorno in Italia' ('1927. Return to Italy').



Artissima

In 2017, Galleria Campari launched a three-year collaboration with Artissima, International Fair of Contemporary Art, Turin, via the creation of the Campari Art Prize. The art fair is one of the most important in Europe and was visited by over 52,000 people in 2017.

The winner of the 2017 award was Sári Ember (a Hungarian artist born in São Paulo in 1985). The artist was selected based on her research of the evocative power of storytelling, the dimension of communication and the narrative impact of her work. Sári Ember will receive a cash award and, in 2018, will have a solo show with a dedicated budget, the first in Italy, at Galleria Campari.



Negroni Week

For the fifth consecutive year, Campari Group promoted Negroni Week, 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 over 60 countries took part, donating part of the proceeds from the sale of the historic cocktail to charitable causes.

Participants: over 7,700 traders, representing a rise of 28% over 2016. High levels of participation ensured the campaign was a success, with USD 537,000 raised. The Kettner Exchange of San Diego (US) was named top fundraiser, having raised over USD 6,000. The US, Germany, Argentina, Canada and Greece were the five countries with the highest number of participants.

Social media were once again crucial in promoting the campaign: 'Negroni Week' received over 17,000 online mentions and the related hashtag was used more than 5,000 times on Instagram.



7,700
TRADERS

+28%
OVER 2016

COUNTRIES WITH THE HIGHEST NUMBER OF PARTICIPANTS

- | | | |
|-----------|-------------|----------|
| 1 U.S.A. | 3 ARGENTINA | 5 GREECE |
| 2 GERMANY | 4 CANADA | |

Joy Spence Appleton Estate Rum Experience



With the new Appleton Estate Rum Tour, now renamed the Joy Spence Appleton Estate Rum Experience (JS-AERE), after Master Blender Joy Spence, Campari Group has again demonstrated its commitment to contributing to Jamaica's economic and tourism development. Inaugurated for the first time in 1988 in St. Elizabeth, Nassau Valley, the Appleton Estate Rum Tour tells the story of rum and its unique production process via guided tours and tastings.

Based on the Group's recent investment in restructuring and expanding the facilities, totalling over USD 7.2 million since 2012, and the future upgrade of the rail line, JS-AERE has set itself the objective of quadrupling its visitor capacity to enable it to welcome over 200,000 tourists a year in its 26,000 square metres.

There will certainly be opportunities to partner with the local communities as a result of this development.



Corporate volunteering

Italy

The Company took the opportunity at the Global Procurement Meeting in June 2017 to carry out a corporate volunteering initiative along with volunteers from Legambiente. In this initiative, a number of Camparistas assisted with the creation of an urban garden in a Milan suburb, thereby helping to reclaim an unused and abandoned space and returning it to the residents. Apart from promoting the protection of urban green spaces and a healthy way of eating, the concept of urban gardens makes a positive contribution to social cohesion and helps improve citizens' quality of life.

The collaboration with Banco Alimentare continued this year, with the Company donating a plentiful supply of Crodino packs to the food bank. The Company then carried out a similar initiative, donating another substantial number of packs of Crodino and Lemonsoda to the 'charity supermarket' SoliDando. A completely innovative project made possible by the involvement of foundations, companies and volunteers, the charity supermarket can be accessed by over 300 families.

France

The French office has started a partnership with Groupe People&Baby, an organisation providing assistance and services for children. In addition to ensuring access to over 1,000 nursery schools, Groupe People&Baby provides an innovative educational offer and sustainable and organic children's food based on food traceability. Parents can monitor the activities of the nursery through a dedicated platform, via which they can, for example, download the daily menu or contact the nursery's staff directly. Furthermore, to promote the work-life balance, a French concierge service is being offered to Camparistas in France, including ironing and tailoring services, preparation of paperwork, postal delivery and collection services, telephone repairs and a car sharing service.

United States

For several years now, Campari America has been developing and disseminating on social media its '#Spirited' series, in which bartenders convey messages of responsibility: #SpiritedWomen highlighted the role and added value brought by women who work in the spirits sector; #SpiritedPride emphasised the positive impact that the LGBT community has had and continues to have on our sector. Publicised in 2017, #SpiritedConnections focuses on socially responsible baristas who, by integrating sustainability into their daily work, have created eco-friendly bars and premises with a low environmental impact.

Argentina

Campari Argentina has started a 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.

South Africa

In South Africa, Campari Group employed 20 people with disabilities for a four-month period as part of a project called The Altitude Programme, developed in collaboration with The Altitude Group, a company that specialises in providing work opportunities for people with disabilities.

Australia

With the 'Campari Workplace Giving' programme, Australian employees can make donations to charitable institutions of their choice through a salary deduction scheme. This Campari Australia initiative is part of the 'Australian Charities Fund 1 Million Donors', a national programme aiming to reach one million donor employees by 2020.

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 2017 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, paragraphs 'Sustainability policies'; 'QHSE - Quality, Health, Safety and Environment-Tools and systems')	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 Fratelli Aversa S.p.A. and 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	Internal (Campari Group); external (consumers)			DMA GRI Content Index	
	Environmental compliance	Internal (Campari Group); external (Institutions)			307; DMA GRI Content Index	
	Environmental expenditure and investments	Internal (Campari Group); external (local communities)			DMA GRI Content Index e company specific disclosure p. 72	

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. 64-65	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. 65-66	
	Compliance with industry regulations	Internal (Campari Group); external (Institutions)			417; DMA e company specific indicator p. 64-65	
	Alcohol abuse consequences	Internal (Campari Group); external (consumers, trade associations; bartenders)			DMA e company specific disclosure p. 64-66	
	Food safety	Internal (Campari Group); external (consumers)	Risks relating to product compliance and safety (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 2017 the Group continues its path of triple certifications ISO 22000 (Food Safety), OHSAS 18001 (Health and Safety) and ISO 14001 (Environmental Management).	416; DMA GRI Content Index	
	Quality of the product	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	
	Supply chain transparency and traceability	Internal (Campari Group); external (suppliers, distributors, commercial partners)			308-1; 204-1; 414-1; DMA GRI Content Index, company specific disclosure p. 86-87	

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. 32-33	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. 97	
	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 (Institutions, local communities, suppliers, distributors, commercial partners)			DMA and company specific disclosure p. 92-95	
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 2017 the Group continues its path of triple certifications ISO 22000 (Food Safety), OHSAS 18001 (Health and Safety) and ISO 14001 (Environmental Management). Moreover, 2017 saw the launch of two pilot programmes to prevent the risk of accidents and an extensive behavioural leadership programme, to be launched in 2018, has been defined.	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. 55	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.
	Training on sustainability matters	Internal (Campari Group)			404; DMA p. 72	
	Attraction and talent development	Internal (Campari Group)			404; DMA p. 55-57	
	Employee satisfaction	Internal (Campari Group)	DMA and company specific disclosure p. 47			
	Diversity	Internal (Campari Group)	DMA and company specific disclosure p. 48			
	Work-life balance	Internal (Campari Group)	401; DMA p. 47/60			
	Recruitment, turn over and pension policies	Internal (Campari Group)	401; DMA p. 48			
	Remuneration policies	Internal (Campari Group)	202; DMA p. 58, Remuneration report pursuant to article 123-ter of the TUF			
	Equal remuneration	Internal (Campari Group)	405; DMA p. 58, Remuneration report pursuant to article 123-ter of the TUF			
			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			

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')	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.
	Anticorruption	Internal (Campari Group); external (Institutions, suppliers, distributors, commercial partners)	Risk of failure to comply with laws and regulations (Sustainability report, paragraph 'Risk management')	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. 28, 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.
ANTI-CORRUPTION AND BRIBERY	Compliance on social issues	Internal (Campari Group); external (Institutions, suppliers, distributors, commercial partners)	Risk of failure to comply with laws and regulations (Sustainability report, paragraph 'Risk management')	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. 28, 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.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSION
GENERAL STANDARD DISCLOSURES				
ORGANIZATIONAL PROFILE				
102-1	Name of the organization	Note on methodology (p. 6-9); chapter 'Governance model' (p. 24)	http://www.camparigroup.com/en/our-group	
102-2	Activities, brands, products and services	Chapter 'Our brands' (p. 20)	http://www.camparigroup.com/en/brands	
102-3	Location of headquarters	Chapter 'Campari Group worldwide' (p. 16)	http://www.camparigroup.com/en/our-group/worldwide-presence	
102-4	Location of operations	Chapter 'Campari Group worldwide' (p. 16)	http://www.camparigroup.com/en/our-group/worldwide-presence	
102-5	Ownership and legal form	Chapters 'About us' (p. 10); 'Governance model' (p. 24); Report on Corporate Governance and Ownership Structure	http://www.camparigroup.com/en/governance	
102-6	Market served	Chapter 'Campari Group worldwide' (p. 16)	http://www.camparigroup.com/en/our-group/worldwide-presence	
102-7	Scale of the organization	Chapters 'Creating value for stakeholders' (p. 38); 'Our people' (p. 44); sociogram; Annual report. The number of bottles produced by the Group in 2017 was 950.371.000 bottles, of which 138.848.000 produced by co-packers	http://www.camparigroup.com/en/our-group/our-group/campari-group-glance ; http://www.camparigroup.com/en/investor/results-centre	
102-8	Number of employees by employment contract and type, region and gender	Chapter 'Our people' (p. 44). 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 sourcing & distribution' (p. 84-89)		
102-10	Significant changes to the organization's size, structure, ownership, or supply chain, during the reporting period	"Chapter 'Growth strategy' (p. 18). In relation to the structure and characteristics of the supply chain there are no significant changes compared to the previous year	http://www.camparigroup.com/en/investor/strategy/acquisitions-and-disposals	
102-11	Precautionary Principle or approach	Chapter 'Risk management' (p. 28-29)	http://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. 34-37); 'Sustainable Development Goals' (p. 34-35); Employees and human rights policy (notes p. 2-3)	http://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 marketing and practices', paragraph 'Responsible consumption: communications and promotions initiatives' (p. 66-67)		

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSION
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. 28-32)	http://www.camparigroup.com/en/governance/risk-management	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	Paragraphs 'Internal audit system' (p. 26); 'Main risks for the Group' (p. 29); 'Sustainability policies' (p. 36); chapter 'Responsible marketing and practices', paragraphs 'Responsible communications' and 'Responsible serving' (p. 64-67); chapter QHSE, paragraph 'Certifications' (p. 73); chapter 'Responsible sourcing & distribution', paragraph 'Responsible sourcing' (p. 86-87)	http://www.camparigroup.com/en/sustainability/qhse-quality-health-safety-and-environment/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. 26); 'Sustainability policies' (p. 36)	https://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. 24-27); paragraph 'Sustainability policies' (p. 37); Report on Corporate Governance and Ownership Structure	http://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. 24-27); paragraph 'Sustainability policies' (p. 37); Report on Corporate Governance and Ownership Structure	http://www.camparigroup.com/en/governance/governance-system/governance-report	
102-22	Composition of the highest governance body and its committees	Chapter 'Governance model' (p. 24-27); paragraph 'Sustainability policies' (p. 37); Report on Corporate Governance and Ownership Structure	http://www.camparigroup.com/en/governance/governance-system/governance-report	
102-23	Chair of the highest governance body	Chapter 'Governance model' (p. 24-27); paragraph 'Sustainability policies' (p. 37); Report on Corporate Governance and Ownership Structure	http://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'	http://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'	http://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'	http://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 CSR 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	OMISSION
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'	http://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'	http://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. 6-9)		
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'	http://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. 58-59); Remuneration report pursuant to article 123-ter of the TUF	http://www.camparigroup.com/en/governance/governance-system/governance-report	
102-36	Process for determining remuneration	Chapter 'Our people', paragraph 'Remuneration system' (p. 58-59); Remuneration report pursuant to article 123-ter of the TUF	http://www.camparigroup.com/en/governance/governance-system/governance-report	

STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups engaged by the organization	Chapter 'Our stakeholders' (p. 39)		
102-41	Percentage of total employees covered by collective bargaining agreements	Chapter 'Our stakeholders' (p. 39)		
102-43	Approach to stakeholder engagement	Chapter 'Our stakeholders' (p. 39)		
102-44	Key topics and concerns that have been raised through stakeholder engagement	Chapter 'Our stakeholders' (p. 39)		

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements and whether any entities not covered by the sustainability report	Note on methodology (p. 6-9); Annual report		
102-46	Process for defining the report content and the topic Boundaries	Note on methodology (p. 6-9). 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. 41)		
102-48	Effect of any restatements of information given in previous reports, and the reasons for such restatements	This Report is the first 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 first year the list of material issues and the topic boundaries		

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSION
102-50	Reporting period	Note on methodology (p. 6-9)		
102-51	Date of most recent report	16 March 2017 as an integral part of the Annual report at 31 December 2016		
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. 6-9)		
102-55	GRI Content Index	p. 108-131		
102-56	External assurance	Note on methodology (p. 6-9); opinion by PwC attached		

SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC PERFORMANCE

ASPECT: ECONOMIC PERFORMANCE

DMA	Management approach disclosures	Annual report	http://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. 58-59);		
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. 58-59); 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. 48-54)		

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. 32) and 'Community Involvement' (p. 90-97)		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	OMISSION
ASPECT: PROCUREMENT PRACTICES				
DMA	Management approach disclosures	Chapter 'Responsible sourcing & distribution', paragraph 'Responsible sourcing' (p. 86-87)		
204-1	Proportion of spending on local suppliers for significant locations of operation	Chapter 'Responsible sourcing & distribution', paragraph 'Responsible sourcing' (p. 86-87)		The current data collection systems do not permit detailed analysis of the percentage spent on local suppliers. The Group reserves the right to identify methodologies to collect such data in the next few years
ASPECT: ANTI-CORRUPTION				
DMA	Management approach disclosures	Paragraph 'Risk management' (p. 32); The organisational, management and control model (ex L. D. 231-01)	http://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. 32)		
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	http://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 2017, there were no reports of corruption incidents		

CATEGORY: PERFORMANCE ENVIRONMENTAL

ASPECT: ENERGY

DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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 QHSE, paragraph 'Environment-Energy' (p. 77). The sources of the conversion factors derive from universally recognized methodologies (studies from the IOWA State University and University of California)		
302-3	Energy intensity	Chapter QHSE, paragraph 'Environment-Energy' (p. 77)		

ASPECT: WATER

DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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 QHSE, paragraph 'Environment-Water' (p. 78-79)		
303-3	Water recycled and reused	Chapter QHSE, paragraph 'Environment-Water' (p. 78-79)		

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSION
ASPECT: EMISSIONS				
DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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 QHSE, paragraph 'Environment- Atmospheric emissions' (p.); e. Source of the emission factors: GHG Protocol_Stationary Combustion Tool_version 4.1, TERNA - Atmospheric emission factors of CO2 for total gross production, GHG Protocol_Transport Tool_version 2.6, GLs for National Greenhouse Gas Inventories; f. Consolidation approach for emissions: financial control; g. in the calculation of the CO2 equivalent, emissions deriving from productive activities and the consumptions of the headquarters have been considered		
305-2	Energy indirect (Scope 2) GHG emissions	Chapter QHSE, paragraph 'Environment- Atmospheric emissions' (p.); e. Source of the emission factors: GHG Protocol_Stationary Combustion Tool_version 4.1, TERNA - Atmospheric emission factors of CO2 for total gross production, GHG Protocol_Transport Tool_version 2.6, GLs for National Greenhouse Gas Inventories; f. Consolidation approach for emissions: financial control; g. in the calculation of the CO2 equivalent, emissions deriving from productive activities and the consumptions of the headquarters have been considered		

ASPECT: EFFLUENTS AND WASTE

DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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 QHSE, paragraph 'Environment-Water' (p. 78-79)		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. This approach led to an over-estimate of around 17,000 m ³ compared with the GRI guidelines in 2017

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR REFERENCE TO EXTERNAL SOURCES	DIRECT REFERENCE	OMISSION
306-2	Waste by type and disposal method	Chapter QHSE, paragraph 'Environment-Waste' (p.). Waste disposal methodologies are determined on the basis of organizational information from or from external companies in charge of waste management. Data is partially unavailable for 2016		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 QHSE, paragraph 'Environment-Spills' (p. 82)		

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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	Percentage of new suppliers that were screened using environmental criteria	Chapter QHSE, paragraph 'Environment-Non-compliance with regulations and penalties' (p.)		

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

DMA	Management approach disclosures	Chapter 'Responsible sourcing & distribution' paragraph 'Responsible sourcing' (p. 86-87)		
308-1	Percentage of new suppliers that were screened using environmental criteria	"Chapter 'Responsible sourcing & distribution' paragraph 'Responsible sourcing' (p. 86-87). 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 the calculation of the number of Non Product Related suppliers that have not been qualified through Sedex

CATEGORY: SOCIAL PERFORMANCE

ASPECT: EMPLOYMENT

DMA	Management approach disclosures	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 48-53)		
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. 48-53)		
401-3	Parental leave and return to work rate	Chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 51). All employees are entitled to parental leave in compliance with applicable local regulations		The current data collection systems do not permit to calculate the number of employees that took parental leave and 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. 60-61)		
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. 60-61). The Group applies local regulations in relation to the minimum notice period for operational changes		

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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 QHSE, paragraph 'HSE committees' (p. 73). 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 QHSE, paragraph 'Health and safety' (p. 74-76)		The current data collection systems do not permit to calculate the rate of absenteeism. The Group reserves the right to identify a global procedure for the calculation of such indicator in the next few years. 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. 55-57)		
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. 55-57)		
404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 'Our people', paragraph 'Human capital: training and professional development' (p. 55-57)		No transition assistance programs are provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 'Our people', paragraph 'Campari Group and Camparistas: a continuous dialogue' (p. 47). 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. 48)		
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. 24-25); chapter 'Our people', paragraph 'Diversity and inclusion in the workplace' (p. 48-53). 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. 58-59)		

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)	http://www.camparigroup.com/en/governance	

ASPECT: 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	http://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)	http://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		

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. 32) and 'Community Involvement' (p. 90-97)		

ASPECT: SUPPLIER SOCIAL ASSESSMENT

DMA	Management approach disclosures	Chapter 'Responsible sourcing & distribution' paragraph 'Responsible sourcing' (p. 49)		
414-1	New suppliers that were screened using social criteria	Chapter 'Responsible sourcing & distribution' paragraph 'Responsible sourcing' (p. 86-87). 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		The current data collection systems do not permit the calculation of the number of Non Product Related suppliers that have not been qualified through Sedex

ASPECT: CUSTOMER HEALTH AND SAFETY

DMA	Management approach disclosures	With the aim of providing safe products that meet consumers' expectations, and a healthy and safe working environment, as well as developing sustainable and responsible relations with the world around it, the Company applies an integrated QHSE management system. To this end, the process to obtain triple certification with the ISO 22000 (food safety), OHSAS 18001 (health and safety at work) and ISO 14001 (environment) standards continued in 2017. 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 QHSE, paragraph 'Non-compliance with regulations and penalties' (p. 83)		

ASPECT: MARKETING AND LABELING

DMA	Management approach disclosures	Chapter 'Responsible marketing and practices', paragraph 'Responsible communications' (p. 64-67)		
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 QHSE, paragraph 'Non-compliance with regulations and penalties' (p. 83)		
417-3	Incidents of non-compliance concerning marketing communications, including advertising, promotion, and sponsorship	Chapter 'Responsible marketing and practices', paragraph 'Responsible communications' (p. 64-65)		

ASPECT: CUSTOMER PRIVACY

DMA	Management approach disclosures	Cyber-security risks (p. 31)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2017, no complaints about breaches of customer privacy or losses of customer data were received		



Daive Campari-Milano SpA

**Independent auditor's report on the consolidated
non-financial declaration**

pursuant to art. 3, paragraph 10 of Legislative Decree 254/2016 and to art. 5
of Consob Regulation 20267

for the year ended 31 December 2017



Independent auditor's report on the consolidated non-financial declaration

pursuant to art. 3, paragraph 10 of Legislative Decree 254/2016 and to art. 5 of Consob Regulation 20267

To the board of directors of Davide Campari-Milano SpA

Pursuant to article 3, paragraph 10 of the Legislative Decree 254 of 30 December 2016 (the Decree) and to article 5 of CONSOB Regulation 20267, we have performed a limited assurance engagement on the sustainability report - consolidated non-financial declaration of Davide Campari-Milano SpA and its subsidiaries (the Campari group) as of and for the year ended 31 December 2017, in accordance with article 4 of the Decree, approved by the board of directors of Davide Campari-Milano SpA on 27 February 2018 (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 (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 Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for the compliance with ethical and professional standards 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, with 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 (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 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;

PricewaterhouseCoopers SpA

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4. understanding of the following matters:
- business and organisational model of the group, with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the group with reference to the matters specified by article 3 of the Decree, actual results and related key performance indicators;
 - 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 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 J Wray & Nephew Ltd 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 following industrial sites of Novi Ligure (Italy), Canale (Italy) and Kingston (Jamaica), which were selected on the basis of their activities, their contribution to the performance indicators at consolidated level and their location, we carried out testing procedures 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 2017 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 - non-financial declaration.



Other aspects

With respect to the year ended 31 December 2016, Campari group prepared a report denominated Sustainable Campari whose information has been included, for comparative purposes, in the NFD. Comparative information was not subject to audit.

Milan, 13 March 2018

Signed by

Paolo Caccini
(Partner)

Signed by

Paolo Bersani
(Partner)

This report has been translated into English from the original version, which was issued in Italian, solely for the convenience of international readers.

TOASTING LIFE TOGETHER

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