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Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001

(hereinafter, for the sake of brevity, the “Model”)

adopted by

Pernod Ricard Italia S.p.A.

(hereinafter, for the sake of brevity, “PRI” or “PR Italia” or “Company”)

LIST OF CHANGES		
Version	Date	Description of the change
0	11.10.2012	First draft
1	14.10.2013	The crimes set forth in articles 25 undecies, duodecies were added and articles 25 and 25 ter of Italian Law 190/2012 were amended.
2	01.06.2019	The crimes of attempted bribery between private parties (art. 25ter), illegal recruitment and labour exploitation (art. 25quinques), self money-laundering (art. 25octies), environmental pollution, environmental disaster, trafficking and abandonment of highly-radioactive material (art. 25undecies), transport of illegal foreigners to the territory of the Italian State and aiding and abetting the settlement of illegal foreigners in the territory of the Italian State (art. 25duodecies) and influence peddling (art. 25) were added. Art. 25ter under Italian Law no. 69/2015 and Italian Law no. 38/2017 and art. 25 under Italian Law no. 3/2019 were amended. Update of the General Part in the light of the Whistleblowing set forth in art. 6
3	24.09.2020	The tax crimes pursuant to art. 25-quinquiesdecies of Italian Legislative Decree 231/2001 following Italian Law no. 157 of 19 December 2019 were added.
APPROVAL		
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0	11.10.2012	Approved by the Board of Directors
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-----General Part-----

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THE FOLLOWING DOCUMENTS FORM AN INTEGRAL AND SUBSTANTIAL PART OF THE MODEL:

- Risk Assessment Document (RAD)
- Procedures pursuant to Italian Legislative Decree 231/2001
- Code of Ethics
- Code of Business Conduct

General Part

1 INTRODUCTION

Italian Legislative Decree no. 231/2001

Implementing the powers set forth in art. 11 of Italian Law no. 300 of 29 September 2000, Italian Legislative Decree no. 231 was issued on 8 June 2001 (hereinafter referred to as the “Decree”), and came into force on 4 July 2001, with which the Legislator rendered internal legislation compliant with international conventions on the liability of legal entities, which Italy had subscribed to some time previously. More specifically, it referred to the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Communities or of Member States of the European Union, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

The Decree sets out the “*Rules on the administrative liability of legal entities, companies and associations even without legal status*”, has introduced a regime of the administrative liability into the Italian legal system (substantially the equivalent of criminal liability) of entities (meaning companies, associations, consortia etc., hereinafter called “entities”) for the crimes listed and committed in their interest or to their advantage:

- (i) by natural persons in positions of representation, administration or management of the entity in question or one of its organisational units with financial and functional autonomy, as well as by natural persons who exercise, even de facto, management and control of the entity in question;
- (ii) by natural persons subject to the direction or supervision of any of the subjects indicated above.

The liability of the entity is added to that of the natural person who actually committed the crime.

The provision of the administrative liability set forth in the Decree, with a view to suppressing the illegal acts resulting from the crimes expressly stated therein, regards entities who have gained an interest and/or advantage from the commission of the crime.

Of the sanctions imposed, the most burdensome for the entity, are represented by debarment measures, such as the suspension or revocation of licenses and concessions, debarment from negotiating with the public administration, debarment from exercising business activities, the exclusion or revocation of loans and grants, and the prohibition to publicise goods and services. The above-mentioned liability also applies to crimes committed abroad, on condition that the Government of the country in which they were committed does not provide for their suppression.

The original draft of the Decree listed the crimes whose commission leads to the administrative liability of entities as exclusively those of corruption and extortion (art. 25) and the misappropriation of funds, fraud to the detriment of the Italian State or other public entity, or to obtain public funds, and computer fraud committed to the detriment of the Italian State or other public entity (art. 24): More specifically, the predicate offences originally envisaged are listed below:

- embezzlement to the detriment of the Italian State or other public entity (art. 316-*bis* of the Italian Criminal Code);
- misappropriation of funds loans or other grants of the Italian State or other public entity (art. 316-*ter* of the Italian Criminal Code);
- extortion (art. 317 of the Italian Criminal Code);
- bribery of a public official (art. 318 of the Italian Criminal Code);
- bribery for an act against official duties (art. 319 of the Italian Criminal Code);

- aggravating circumstances (art. 319-*bis* of the Italian Criminal Code);
- bribery in judicial proceedings (art. 319-*ter* of the Italian Criminal Code);
- bribery of a person entrusted with a public service (art. 320 of the Italian Criminal Code);
- incitement to extortion (art. 322 of the Italian Criminal Code);
- extortion, bribery, incitement to bribery of members and officials of the E.E.C. or of other foreign states (art. 322-*bis* of the Italian Criminal Code);
- fraud to the detriment of the Italian State or other public entity (art. 640, paragraph 2, no. 1 of the Italian Criminal Code);
- aggravated fraud to obtain public funds (art. 640-*bis* of the Italian Criminal Code);
- computer fraud to the detriment of the Italian State or other public entity (art. 640-*ter* of the Italian Criminal Code).

Subsequently, art. 6 of Italian Decree Law no. 350 of 25 September 2001, set out «urgent provisions in view of the introduction of the Euro, on the taxation of financial income, the disclosure of assets held abroad, securitisation and other financial transactions», converted into Law no. 409 of 23 November 2001, added the following additional crimes to the list of predicate offences envisaged by the Decree through art. 25-*bis*:

- counterfeiting of money, spending and introducing into the State of counterfeit money, acting in concert (art. 453 of the Italian Criminal Code);
- altering money (art. 454 of the Italian Criminal Code);
- spending and introducing into the State counterfeit money, without acting in concert (art. 455 of the Italian Criminal Code);
- spending counterfeit money received in good faith (art. 457 of the Italian Criminal Code);
- counterfeiting of tax stamps, introduction into the State, purchase, possession or circulation of counterfeit tax stamps (art. 459 of the Italian Criminal Code);
- counterfeiting of watermarked paper used for the manufacture of public credit instruments or of tax stamps (art. 460 of the Italian Criminal Code);
- manufacture or possession of watermarks or instruments used to counterfeit money, tax stamps or watermarked paper (art. 461 of the Italian Criminal Code);
- use of counterfeit or falsified tax stamps (art. 464 of the Italian Criminal Code).

Subsequently, as part of the reform of corporate law, art. 3 of Italian Legislative Decree no. 61 of 11 April 2002, set out «Rules for criminal and administrative offences involving commercial companies, pursuant to art. 11 of Italian Law no 366 of 3 October 2001», which came into force on 16 April 2002, added art. 25-*ter*, which extended the administrative liability of entities to some types of corporate offences, amended by the same Decree no. 61/2002:

- false company statements (art. 2621 of the Italian Civil Code);
- false company statements to the detriment of shareholders or creditors (art. 2622 of the Italian Civil Code);
- misrepresentation in reports or communications of auditing firms (art. 2624 of the Italian Civil Code), later abrogated;
- obstructed control (art. 2625 of the Italian Civil Code);
- undue return of contributions (art. 2626 of the Italian Civil Code);
- illegal distribution of profits and reserves (art. 2627 of the Italian Civil Code);
- illegal transactions involving shares or stocks of companies or of their parent companies (art. 2628 of the Italian Civil Code);
- transactions to the detriment of creditors (art. 2629 of the Italian Civil Code);
- fictitiously paid-up capital stock (art. 2632 of the Italian Civil Code);
- illegal distribution of company assets by receivers (art. 2633 of the Italian Civil Code);
- illicit influence on the general shareholders' meeting (art. 2636 of the Italian Civil Code);

- market manipulation (art. 2637 of the Italian Civil Code);
- obstacle to the exercise of public supervisory authority functions (art. 2638 of the Italian Civil Code).

Italian Law no. 262 of 28 December 2005 abrogated the offence set forth in art. 2623 of the Italian Civil Code (“false reporting in prospectuses”) and at the same time added said offence to Italian Legislative Decree no. 58 (art. 173-bis) of 24 February 1998.

Following the above change, the crime is no longer included in the category of independently relevant offences for the purpose of the application of Italian Legislative Decree 231/01, as previously envisaged by art. 3 of Italian Legislative Decree no. 61 of 11 April 2002.

False reporting in prospectuses and in other documents covered by the abrogated art. 2623 of the Italian Civil Code may, therefore, now be considered as “false company statements” set forth in articles 2621 and 2622 of the Italian Civil Code, when the requirements of said articles are fulfilled.

Art. 3 of Italian Law no. 7 of 14 January 2003 (ratification and implementation of the international convention to suppress terrorist financing, made in New York on 9 December 1999, and rules of domestic legislative compliance) added art. 25-quater to Italian Legislative Decree no. 231/01, which extended the administrative liabilities of entities also to the commission of “crimes for the purpose of terrorism or the subversion of democracy” - association for the purpose of terrorism, including international terrorism or the subversion of democracy (art. 270-bis of the Italian Criminal Code); assistance to members (art. 270-ter of the Italian Criminal Code); recruitment for the purpose of terrorism including international terrorism (art. 270-quater of the Italian Criminal Code); training in activities for the purpose of terrorism including international terrorism (art. 270-quinquies of the Italian Criminal Code); conduct for the purpose of terrorism (art. 270-sexies of the Italian Criminal Code); attacks for the purpose of terrorism or subversion (art. 280 of the Italian Criminal Code); acts of terrorism with lethal devices or explosives (art. 280-bis of the Italian Criminal Code); kidnapping for the purpose of terrorism or subversion (art. 289-bis of the Italian Criminal Code); incitement to commit any of the crimes set forth in the first and second sections (art. 302 of the Italian Criminal Code); urgent measures for the protection of democratic order and public safety (art. 1 Italian Decree Law 15.12.1979, no. 265 converted into Italian Law 6.2.1980, no. 15) – as well as crimes “which have in any event been committed in violation of the provisions of article 2 of the International Convention to suppress terrorist financing made in New York on 9 December 1999”.

Art. 5 of Italian Law no. 228 of 11 August 2003 set out “Measures against human trafficking” added the following to Italian Legislative Decree no. 231/01, art. 25-quinquies (crimes against the individual) - reducing to and keeping in slavery or in servitude (art. 600 of the Italian Criminal Code); child pornography (art. 600-ter of the Italian Criminal Code); possession of pornographic material (art. 600-quater of the Italian Criminal Code); virtual pornography (art. 600-quater.1 of the Italian Criminal Code); tourist schemes aimed at exploiting child prostitution (art. 600-quinquies of the Italian Criminal Code); human trafficking (art. 601 of the Italian Criminal Code); purchase or sale of slaves (art. 602 of the Italian Criminal Code) – which extended the administrative liability of entities also to the commissions of specific crimes against individuals, envisaged by the criminal code and set out herein.

Art. 9 of Italian Law no. 62 of 18 April 2005 “Market abuse offences” introduced the following predicate offences to Italian Legislative Decree no. 231, art. 25-sexies: abuse of insider information (art. 184 of Italian Legislative Decree no. 58 of 1998) and market manipulation (art. 185 of Italian Legislative Decree no. 58 of 1998).

Italian Law no. 7 of 9 January 2006 (article 8) introduced the predicate offence of “Mutilation of the female genital organs” (art. 583-bis of the Italian Criminal Code) to Italian Legislative Decree no. 231

under art. 25-quater-1.

Italian Law no. 123 (article 9) of 3 August 2007 introduced art. 25-septies to Italian Legislative Decree no. 231 regarding the administrative offences resulting from the crimes of manslaughter (art. 589 of the Italian Criminal Code) and negligent serious or very serious personal injury (articles 590 and 583 of the Italian Criminal Code) committed with violation of the rules for the protection of health and safety in the workplace. These crimes were then resumed by Italian Legislative Decree 81/2008, in particular by art. 30, which indicates the adoption of an organisational model compliant to the safety management systems referred to in said article as exemptive behaviour.

Article 63 paragraph 3 of Italian Legislative Decree no. 231 of 21 November 2007 added article 25-octies to Italian Legislative Decree no. 231/01, which also includes the crimes of handling stolen goods (art. 648 of the Italian Criminal Code), money laundering (art. 648-bis of the Italian Criminal Code) and the use of money, assets or benefits of illegal origin (art. 648-ter of the Italian Criminal Code).

More specifically, these crimes (with the exception of handling stolen goods) were already covered by Italian Legislative Decree 231, but only if they took place across borders (according to article 10 of Italian Law no. 146 of 16 March 2006); following the introduction of art. 25-octies, the aforementioned crimes are now applicable on a domestic basis as well.

The remaining cross-border crimes relating to Italian Law no. 146 of 16 March 2006, with regard to criminal association, both simple or related to the Mafia, money laundering and the trafficking of immigrants are still in force.

In addition to the above-illustration supplements, other legislative provisions have been issued to extend the list of predicate crimes of the liability of entities: Italian Law no. 48 of 18 March 2008 added art. 24-bis computer crimes and illegal data processing to the Decree. Subsequently, through Italian Law no. 94 of 15 July 2009, which sets out «Provisions for public safety» art. 24-ter was introduced, concerning organised crime offences: criminal association (art. 416 of the Italian Criminal Code); forcing and keeping individuals in slavery or in servitude (art. 600 of the Italian Criminal Code); human trafficking (art. 601 of the Italian Criminal Code); purchase and sale of slaves (art. 602 of the Italian Criminal Code); promotion, organisation and funding of illegal immigration (art. 12 of Italian Legislative Decree no. 286/98); Mafia-type association including foreign association (art. 416-bis of the Italian Criminal Code); Mafia-related political election exchange (art. 416-ter of the Italian Criminal Code); kidnapping for robbery or extortion purposes (art. 630 of the Italian Criminal Code); association aimed at the illegal trafficking of drugs and psychotropic substances (art. 74 of Italian Presidential Decree 309/90); illegal production, trafficking and possession of drugs and psychotropic substances (art. 73 of Italian Presidential Decree 309/90).

Instead, Italian Law no. 99 of 23 July 2009, which sets out «Provisions for the development and internationalisation of enterprises, including energy», added art. 25-bis.1, headed “Crimes against industry and trade”, which covers predicate crimes of the liability of entities, namely instances of disruption of the freedom of industry or trade (art. 513 of the Italian Criminal Code); of unlawful competition through threat or violence (art. 513 bis of the Italian Criminal Code); of fraud against national industries (art. 514 of the Italian Criminal Code); of fraud in the exercise of trade (art. 515 of the Italian Criminal Code); of the sale of non-genuine food substances as genuine (art. 516 of the Italian Criminal Code); of the sale of industrial products with mendacious trademarks (art. 517 of the Italian Criminal Code); of the production and sale of goods produced by usurping industrial property rights (art. 517-ter of the Italian Criminal Code); of counterfeiting geographic indications or designations of origin pertaining to agricultural and food products (art. 517-quater of the Italian Criminal Code). Furthermore, the same Italian Law added to the body of Italian Legislative Decree 231/01, art. 25-novies, “Copyright infringement crimes”, which include various infringements relating to the protection of copyright and

of other rights related to the exercise of the same (articles 171, 171-bis, 171-ter, 171 septies, 171 octies Italian Law no. 633 of 22 April 1941); the same Law also amended art. 25-bis of Italian Legislative Decree 231/01, by adding letter f-bis, following which predicate crimes also include “counterfeiting, alteration or use of distinctive trademarks or signs or patents, models and designs” (art. 473 of the Italian Criminal Code) and “introduction into the State and sale of products with false trademarks (art. 474 of the Italian Criminal Code).

In addition, Italian Law no. 116 of 3 August 2009, which sets out the «Ratification and execution of the Convention of the United Nations Organisation against Corruption, adopted by the UN General Assembly on 31 October 2003 with Resolution no. 58/4 signed by Italy on 9 December 2003, and rules of domestic compliance and amendments to the criminal code and code of criminal procedure», added art. 25-decies (corrected following the introduction of environmental crimes), “inducement not to provide statements or to provide untruthful statements to the judicial authorities” (see art. 377-bis of the Italian Criminal Code).

Art. 2 of Italian Legislative Decree no. 121 of 7 July 2011 introduced art. 25-undecies (Environmental crimes) to the scope of Italian Legislative Decree 231/2001. The list of said crimes includes:

- a) killing, destruction, capture, collection, possession of specimens of protected wild animal or vegetable species (art. 727-bis of the Italian Criminal Code);
- b) damage to habitat (art. 733-bis of the Italian Criminal Code);
- c) crimes pursuant to art. 137 of Italian Law no. 152 of 3 April 2006 regarding discharges of wastewater;
- d) crimes pursuant to art. 256 of Italian Law no. 152 of 3 April 2006 on unauthorised waste management activities;
- e) crimes pursuant to art. 257 of Italian Law no. 152 of 3 April 2006 on the subject of reclamation of sites;
- f) crimes pursuant to art. 258 of Italian Law no. 152 of 3 April 2006, related to the violation of disclosure obligations, keeping mandatory books and forms;
- g) crimes pursuant to art. 259 and 260 of Italian Law no. 152 of 3 April 2006 relating to illegal trafficking of waste;
- h) crimes pursuant to art. 260-bis of Italian Law no. 152 of 3 April 2006 on the subject of waste traceability;
- i) crimes pursuant to art. 279 of Italian Law no. 152 of 3 April 2006 on the subject of environmental permits;
- j) crimes pursuant to art. 1, 2, 3-bis and 6 of Italian Law no. 150 of 7 February 1992 relating to the international trade of endangered animal and vegetable species, and to the sale and possession of live specimens of mammals and reptiles that may constitute a danger for public health and safety;
- k) crimes pursuant to art. 3 of Italian Law no. 549 of 7 February 1992 relating to the international trade of endangered animal and vegetable species, and to the sale and possession of live specimens of mammals and reptiles that may constitute a danger for public health and safety;
- l) crimes pursuant to art. 8 and 9 of Italian Law no. 202 of 6 November 2007 relating to pollution caused by ships.

Italian Legislative Decree no. 109/2012 - published in the Official Journal no. 172 of 25 July 2012, which came into force on 9 August 2012 - further extends the list of crimes that can result in the direct liability of the entity, by including art. 25-duodecies “Employment of third-country citizens whose residence permits are invalid” in Italian Legislative Decree 231/01.

More specifically, the provision set forth in art. 22, paragraph 12-bis of the Consolidated Law on Immigration, envisages aggravating circumstances in the case of the employment of third-country citizens whose residence permits are invalid when characterised by “specific exploitation”, namely:

- more than three workers are employed illegally;
- minors not of a working age are employed;
- the circumstances of exploitation set forth in article 603-bis of the Italian Criminal Code apply (“...having committed the offence by exposing the workers employed to situations of grave danger, relating to the characteristics of the services to be rendered and working conditions”).

Italian Law no. 190 of 6 November 2012, “Provisions for the prevention and suppression of bribery and illegal practices in the public administration” intervenes on the Italian Criminal Code, mainly:

- through several substantive changes of articles 317 of the Italian Criminal Code (extortion), 318 of the Italian Criminal Code (so-called improper bribery) and 322 of the Italian Criminal Code (incitement to bribery);
- through the introduction of two new criminal offences to articles 319-quater of the Italian Criminal Code (undue inducement to give or promise benefits) and 346-bis (influence peddling).

With regard to Italian Legislative Decree 231/2001, Italian Law 190/2012 introduced the following changes:

- amendment of art. 25 (now called: Crimes of extortion, undue inducement to give or promise benefits and bribery) by introducing the crime of “Undue inducement to give or promise benefits (art. 319-quater of the Italian Criminal Code);
- introduces to the new letter s-bis of art. 25-ter the crime of “Bribery between private parties”, relating only to the active conduct of the briber (art. 2635 paragraph 3 of the Italian Civil Code).

Italian Law no. 186 of 15 December 2014, “Provisions on the disclosure and return of capital held abroad as well as to strengthen the fight against tax evasion. Provisions on self-laundering” introduced the new predicate crime of self-laundering set forth in art. 648-ter.1 of the Italian Criminal Code to Italian Legislative Decree 231/01.

Italian Law no. 68 of 28 May 2015 “Provisions for crimes against the environment” introduced the new predicate crimes of environmental pollution into Italian Legislative Decree 231/01 (art. 452-bis of the Italian Criminal Code), environmental disaster (art. 452-quater of the Italian Criminal Code), criminal association for the purpose of committing environmental crimes (art. 452-octies of the Italian Criminal Code), trafficking and abandonment of highly radioactive material (art. 452-sexies of the Italian Criminal Code).

Italian Law no. 69 of 14 June 2015 “Provisions for crimes against the public administration, Mafia-type association and false accounting” changed the sanctioning framework of crimes against the public administration, changed the crimes of false company statements (art. 2621 of the Italian Civil Code) and false company statements to the detriment of the company, the shareholders and the creditors (art. 2622 of the Italian Civil Code) and introduced the category of “minor damage events (art. 2621-bis of the Italian Civil Code).

Italian Law no. 199 of 29 October 2016 “Provisions to combat phenomena of illegal work, of worker exploitation in agriculture and pay realignment in the agricultural sector” extended the catalogue of predicate crimes, by introducing the crime of illegal recruitment and labour exploitation set forth in art. 603-bis of the Italian Criminal Code.

Italian Legislative Decree no 38 of 15 March 2017 “Implementation of framework decision 2003/568/GAI of the Council regarding the fight against bribery in the private sector” reformulated the

crime of bribery between private parties set forth in art. 2635 of the Italian Civil Code and introduced the new predicate crime of incitement to bribery between private parties set forth in art. 2635-bis of the Italian Civil Code.

Italian Legislative Decree no. 90 of 25 May 2017 “Implementation of (EU) Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directives 2005/60/EC and 2006/70/EC and implementing (EU) Regulation 2015/847 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006”, amended art. 25-octies of Italian Legislative Decree 231/2001, envisaging a fine of between 200 and 800 quotas also for the crime of self-laundering set forth in art. 648-ter.1 of the Italian Criminal Code.

Italian Law no. 161 of 17 October 2017 “Amendments to the code of anti-Mafia laws and preventive measures, set forth in Italian Legislative Decree no. 159 of 6 September 2011, to the Italian Criminal Code and to the rules for the implementation, coordination of transition of the code of criminal procedure and other provisions. Delegation to the Government for the protection of workers in companies seized and confiscated” amended art. 25-duodecies of Italian Legislative Decree 231/2001, by introducing the new predicate crimes of the transport of illegal foreigners in the territory of the State and aiding and abetting the settlement of illegal foreigners in the territory of the State.

Italian Law no. 167 of 20 November 2017 “Provisions for the fulfilment of the obligations resulting from Italy’s membership in the European Union - European Law 2017” introduced the new predicate crime of propaganda and incitement to commit a crime for reasons of racial, ethnic and religious discrimination.

Italian Law no. 179 of 29 December 2017 “Provisions for the protection of whistle-blowers who report crimes or irregularities they have become aware of as part of a public or private employment relationship” amended art. 6 of Italian Legislative Decree 231/2001, by introducing the new paragraph 2-bis, in which it is envisaged that Organisation, management and control models must provide one or more channels to allow workers *“to make, to protect the interests of the entity, justified reports of unlawful conduct of relevance for the purposes of this Decree, based on precise and concurring facts, or breaches of the entity’s Organisation and management model, that they have become aware of due to the functions performed”*.

Italian Law no. 3 of 31 January 2019, extended the catalogue of predicate crimes, by introducing the crime of influence peddling set forth in art. 346-bis of the Italian Criminal Code. It also increased the debarment sanctions for several crimes committed in relations with the Public Administration, envisaged the benefit of the reduction of debarment sanctions in the presence of specific circumstances and envisaged the *ex officio* prosecution of the crimes of bribery between private parties and of incitement to bribery between private parties.

Italian Law no. 157 of 19 December 2019 (*published in the Official Journal no. 301 of 24 December 2019, converting, with amendments, Italian Decree Law no. 124 of 26 October 2019, which sets out “Urgent provisions on taxes and for immediate requirements”, the “Tax Decree”*) introduced new article 25-quinquiesdecies, regarding “Tax crimes” to Italian Legislative Decree no. 231 of 8 June 2001.

The national legislator has, therefore, decided to include the crime of fraudulent declaration through the use

of invoices or other documentation for non-existent transactions in the list of predicate offences: with this new legislative change, the administrative liability of entities includes committing tax crimes for the first time. A fine of up to five hundred quotas is envisaged for these types of crimes.

While the original version of art. 25-quinquiesdecies introduced only fraudulent declaration to the predicate crimes of Decree 231, through the use of invoices or other documents for non-existent transactions, the final version converted into law also includes the fraudulent declaration through other stratagems, issuing invoices or other documents for non-existent transactions, concealing or destroying accounting documents and the fraudulent avoidance of paying taxes.

In the event that the benefit is significant, the fine is increased by one third.

Lastly, unlike that initially established, the text published envisages the applicability of debarment measures (also as a precautionary measure) with regard to the taxes covered by the new art. 25-quinquiesdecies: this regards, in particular, the prohibition to negotiate with the Public Administration, the exclusion from benefits, funding, contributions or subsidies and the prohibition to publicise goods or services.

In summary, therefore, the list of tax crimes and fines included in the new article 25-quinquiesdecies (“Tax crimes”) includes:

- a) the crime of fraudulent declaration through the use of invoices or other documents for non-existent transactions;
- b) the crime of fraudulent declaration through other stratagems;
- c) the crime of issuing invoices or other documents for non-existent transactions;
- d) the crime of concealing or destroying accounting documents, envisaged by article 10;
- e) the crime of fraudulent avoidance of paying taxes, envisaged by article 11.

If the following crimes envisaged by Italian Legislative Decree no. 74/2000 are committed, the following fines are applied to the Entity.

Crimes	Fine
Fraudulent declaration through the use of invoices or other documents for non-existent transactions (art. 2, paragraph 1)	Fine of up to 500 quotas
Fraudulent declaration through the use of invoices or other documents for non-existent transactions if the amount of fictitious payables is less than € 100,000 (art. 2, paragraph 2-bis)	Fine of up to 400 quotas
Crime of fraudulent declaration through other stratagems (art. 3)	Fine of up to 500 quotas
Issue of invoices or other documents for non-existent transactions (art. 8, paragraph 1)	Fine of up to 500 quotas
Issue of invoices or other documents for non-existent transactions if the fictitious amount is less than € 100,000 (art. 8, paragraph 2-bis)	Fine of up to 400 quotas
Concealing or destroying accounting documents (art. 10)	Fine of up to 400 quotas
Fraudulent avoidance of paying taxes (art. 11)	Fine of up to 400 quotas

On the basis of art. 10 of Italian Legislative Decree no. 231/2001, which in point 2 established that “*The fine is applied by quotas of a number not lower than one hundred and not higher than one thousand*” and in point 3 that “*The amount of a quota ranges from a minimum of Lire five hundred thousand (€ 258.23) to a maximum of Lire three million (€ 1,549.37)*”, the fine imposed may range from a minimum of € 25,823.00 to a maximum of € 1,549,370.00.

Purpose and principles of the Organisational Model

The purpose of this Model is to establish a structured and organic system of protocols as well as set in place control activities, to be conducted also on a preventative basis (ex ante control), with a view to prevent the different types of crime stated in Italian Legislative Decree 231/2001 from being committed.

By identifying “business areas at risk” and consequently drawing up procedures for the same, the Model aims to:

- strengthen its intention to spread a culture of compliance with the rules, and emphasise that any form of unlawful conduct will be strongly condemned by PR Italia in so far as (even in the case that the Company could apparently benefit from the same) it goes against both the provisions of the law and the ethical principles that the Company intends to respect in conducting its business activities;
- enable the Company to intervene promptly to prevent or combat the commission of crimes by monitoring “business areas at risk”;
- make everyone who works in the name and on behalf of PR Italia in the “business areas at risk”, aware that in the event of an infringement of the provisions contained in the same, they may commit an unlawful act, which may entail personal liability (of a civil, criminal and administrative, disciplinary nature), but also the direct liability of the Company.

From a methodological perspective, the criteria underlying the construction and implementation of the Model are:

- mapping “**business areas at risk**”, namely activities within whose scope crimes can be committed;
- envisaging specific **protocols** aimed at planning training and the implementation of the entity's decisions regarding the crimes to be prevented;
- specifying methods for managing financial resources that prevent the commission of crimes;
- entrusting a **Supervisory Body** (hereinafter also “**SB**”), invested with independent powers of initiative and control, which received information from the Company's departments, and is tasked with overseeing the functioning and observance of the Model;
- adopting a **disciplinary system** able to sanction infringements of the measures indicated in the Model;
- applying a **Code of Ethics** and a **Code of Business Conduct**, which envisage a set of fundamental rules of conduct for the Company and its employees, directors and partners in the exercise of all activities;
- **circulating** rules of conduct and the protocols established at all levels and providing the relevant **training**.

Art. 6 of Italian Legislative Decree 231/2001 states that the organisation and management models can be adopted on the basis of codes of conduct drawn up by the representative trade associations, reported to the Ministry of Justice and approved by the same.

For this reason, to draw up this document, reference has been made to the “Guidelines for the construction of organisation, management and control models pursuant to Italian Legislative Decree 231/2001” proposed by Confindustria, according to the update drawn up on 31 March 2008, approved by the Ministry of Justice, and the latest update drawn up in June 2014.

Working method followed to draw up the model

The organisational model contained in this document was drawn up using the following working method:

- analysis of the Company's identifying documents: articles of association, delegations and proxies, spending powers, organisational charts;
- analysis of documents illustrating the functioning and control of the Company: Quality, environment and safety procedures, Group Self Assessment "LSF" (*Loi de Sécurité Financière*), etc.;
- identification of areas at risk of crime, with reference to all of the crimes envisaged by the Decree;
- interviews with representatives of all company departments, looking more in depth at processes potentially at risk;
- assessment of the gravity of the related risk, taking the procedures and the controls already in place in the Company into account;
- identification of operating procedures to prevent, avoid or minimise the occurrence of the crimes, establishing specific provisions (protocols);
- sharing the risk assessment and protocols with Management;
- identification of a Supervisory Body;
- establishment of training courses for the addressees of the Model;

Addressees of this Model

The Organisational model contained in this document, just like the Code of Ethics and the Code of Business Conduct, apply to all employees of PR ITALIA, to the directors, to the statutory auditors and to all of those that operate in the name and on behalf of the Company, including therein other partners and suppliers, in terms of the measures and the requirements pertaining to their relations with PR ITALIA.

2 COMPANY DESCRIPTION

Pernod Ricard Italia S.p.A., an affiliate of the Pernod Ricard Group, is the result of the evolution and transformation of the Distillerie Fratelli Ramazzotti, a company founded in 1815, which has grown continuously until it became the market leader in Italy. In 1985, Ramazzotti became part of the Pernod Ricard Group, and began to record rapid growth in Italy. Thanks to its sales network, it was able to achieve international success for several of its brands, such as Amaro Ramazzotti (in Germany) and Sambuca Ramazzotti (in Canada).

Following the acquisitions of Seagram (2001), Allied Domecq (2005) and Vin & Spirit (2008), it expanded further, and was able to offer Italian consumers, in addition to Amaro Ramazzotti, brands such as Havana Club, Absolut Vodka, Chivas Regal, Ballantine's, G.H. Mumm, Malibu, Perrier-Jouët, Ricard, Wodka Wyborowa, Beefeater, Jameson and The Glenlivet.

On the date of this document, PR Italia had a share capital of € 11,000,000, registered office in Milan, Viale Monza 265, and production plant in Canelli (AT) in via Luigi Bosca 40. It has a sole shareholder, insofar as it is wholly owned by Pernod Ricard Europe, Middle East & Africa SAS and is subject to the direction and coordination of Pernod Ricard S.A., registered office in Paris (France), at 5, Cours Paul Ricard.

Corporate Purpose

- a) The production and sale, also retail, and also as sales agent or other intermediary figure, also by mail order and/or on-line sales, through e-commerce channels, of liquor, alcohol and derivatives, wine and confectionery in general, produced both domestically and abroad, and any related operation;
- b) the creation, production and sale in any form and through any channel of products pertaining to the activities set forth in point a) above, such as, by way of example, toys, gadgets, stationery articles, office supplies, software, crockery, souvenirs, clothing and accessories in general, as well as the exercise of all related industrial and intellectual property rights;
- c) the promotion and merchandising of the products set forth in point a);
- d) the dispensing of food and beverages.

It may also acquire shareholdings (not for the purpose of their subsequent placement and on condition that the extent and the purpose of any shareholdings do not substantially change the purpose established in these articles of association, without prejudice to the remit of the shareholders' meeting to acquire shareholdings in companies or enterprises that entail an unlimited liability for the obligations of the same), in industrial, commercial or real estate companies, which are directly or indirectly related to the corporate purpose, and perform any commercial, industrial or financial transaction, relating to movables or real estate, deemed necessary by the management body, or beneficial to the achievement of the corporate purpose, as well as issue guarantees, including real guarantees, sureties and endorsements, also in favour of third parties, all of which on condition that it does not represent the dominant business activity and is not directed to the general public, which the exception of all activities for which the law requires prior authorisation, permits or registrations with associations, which cannot be requested at a later date and all activities for which the law requires a higher amount of share capital.

At the time this document was drawn up, the company performs all of the activities covered by the corporate purpose.

Corporate Governance of the Company

The Governance of PR Italia is based on a model in which company management is entrusted to a Board of Directors, while the supervisory and control functions are assigned to a Board of Statutory Auditors and the Auditing Company.

The **Shareholders' Meeting** is comprised by a sole shareholder: Pernod Ricard Europe, Middle East & Africa SAS, which has the powers envisaged by the specific articles of the Italian Civil Code.

The **Board of Directors (BoD)** is comprised by 3 (three) Directors, whose term of office lasts for three financial years. The Board of Directors has the widest powers for the ordinary and extraordinary management of the company, without limitations, with the power to carry out all actions it deems necessary to achieve and implement the corporate purpose, excluding only those powers that are strictly reserved to the Shareholders' Meeting by the law and the articles of association.

The **Chairman of the BoD** is the legal representative of the Company and the Employer pursuant to Italian Legislative Decree 81/2008. The Board of Directors has delegated the Chairman the responsibility for the ordinary management of the company and specific extraordinary powers.

Proxies

PR Italia has also adopted a governance model within which the Company, through the Chairman and the CEO, has appointed several proxies, awarding them specific powers for activities relating to their position in the company.

The full list and relative documents are available at the Company's registered office.

The **Board of Statutory Auditors** is comprised by three standing members (one of which acts as Chairman) and two alternate members, all appointed by the Shareholders' Meeting; the statutory auditors' term in office lasts for three financial years and they may be re-elected.

The Board of Statutory Auditors oversees compliance with the law and the articles of association, the respect of the principles of correct management and in particular the adequacy of the organisational, administrative and accounting structure adopted by the company and its actual functioning.

The statutory auditors may, at any time, also individually, conduct inspection and control activities.

As regards the legal auditing of the accounts, the Sole Shareholder, as prescribed by the Articles of Association and on the indication by the Group, has engaged an **Auditing Company**.

Internal control structure and Management Systems

PR Italia adopts an organisation, operating procedures and internal control tools which ensure compliance with the laws and regulations of the Italian State and with the internal regulations of both the Company itself and of the Parent Company.

PR Italia implemented an internal control system some time ago, applied through a process that involves all of the Pernod Ricard Group's Business Units, with the specific intention of guaranteeing the Group's compliance with legal requirements and to improve respectability and reporting.

This control activity, which the Group calls "**LSF**" (*Loi de Sécurité Financière*) seeks to address the

following activities:

- risk identification and assessment;
- description of the control environment;
- documentation of control points and self-assessment;
- preparation of a system of tests to assess the effectiveness of the control points through the Group auditor.

In addition to the controls and the relative tests once a year PR Italia verifies the consistency of the self-assessment system and relative risk assessment and documentation for the ISO 22000 audit.

PR Italia is also ISO 9001, ISO 22000, OHSAS 18001 and ISO 14001 certified (the latter relates to the Canelli production plant) and this implies the Company's constant commitment to complying with the rules and parameters contained in the management systems for Quality, Occupational Health & Safety, Food Safety and the Environment.

3 ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

Objectives and purposes pursued with the adoption of the Model

PR Italia is aware of the need to guarantee the correctness and transparency of its business operations, to protect its position and image, the expectations of shareholders and the work of its employees, and it is aware of the importance of adopting a system to prevent the unlawful conduct of its directors, employees, external staff and business partners.

To this end, although the adoption of the model is optional and not legally compulsory, the Board of Directors of PR Italia decided to conduct an analysis of its organisational, management and control tools, to verify whether the principles of conduct and the procedures already adopted (including those of management systems ISO 9001, OHSAS 18001 and ISO 14001, the latter only for Canelli) fulfil the purposes envisaged by Italian Legislative Decree 231/2001 and, if necessary, to add to that which is already in place. This initiative was taken on the assumption that the adoption of this Model may represent a valid instrument of awareness for all of those that operate in the name and on behalf of PR Italia, so that they adopt proper conduct, aligned to the performance of their activities, which prevents the risk of committing the crimes considered in this document.

With a view to establishing a programme of systematic and rational measures to update its organisation, management and control systems, PR Italia has prepared a map of company activities and has identified, within the same, so-called activities “at risk”, namely those, whose nature means that they are activities that must be analysed and monitored in the light of the requirements of the Decree.

The analysis regarded all activities at risk of committing the crimes indicated in articles 24, 24- bis, 24-ter, 25, 25-bis, 25-bis.1, 25-ter, 25-quater, 25-quater.1, 25-quinques, 25-sexies, 25-septies, 25- octies, 25-novies, 25-decies, 25-undecies, 25-duodecies, 25-terdecies of the Decree and in articles 3 and 10 of Italian Law no. 146 of 16 March 2006.

Fundamental elements of the Model

With reference to the requirements identified by the Legislator in the Decree and to the content of chapter 1, the fundamental aspects for the definition of the Model can be summarised as follows:

- mapping of “sensitive” activities, namely whose nature and scope exposes them to the commission of the crimes set forth in the Decree and therefore must be analysed and monitored;
- analysing existing protocols and defining any that should be implemented to guarantee the need for control with regard to “sensitive” company activities;
- defining the ethical principles relating to conduct that could entail the types of crime envisaged by the Decree (see in this regard the Code of Ethics and the Code of Business Conduct, which are binding for all employees and partners), with a view to establishing to need to:
 - comply with the laws and the regulations in force;
 - require all parties that operate in the name and on behalf of the Company to conduct themselves in accordance with the general principles of the Code of Ethics and of the Code of Business Conduct;
- establish a Supervisory Body and assign the same specific tasks to oversee the effective and correct functioning of the Model;
- define the information flows to and from said Body;
- provide information, ensure awareness and circulate rules of conduct and the protocols established at all levels of the company;

- establish responsibilities for the approval, transposition, integration and implementation of the Model, as well as to verify the functioning of the same and of conduct within the company, and relative periodic updates (*ex post* control).

Updating the Model and the documents attached and/or referenced and related obligations

This Model and the Code of Ethics may only be updated by means of a resolution of the Board of Directors.

The documents attached to this Model and referenced at the foot of the contents must be managed so as to guarantee that an updated version of the same is always available.

Therefore, the department responsible for updating said documents must promptly send a copy to the Supervisory Body for registration.

4 CONTROL PRINCIPLES IN BUSINESS AREAS AT RISK

As part of the development of the activities to define the protocols needed to anticipate the types of risk-crime, based on the knowledge of the internal structure and on internal documentations, the main processes, sub-processes or activities within whose scope the crimes could occur in principle, or opportunities or the means to commit the same could arise, have been identified. With regard to said processes, sub-processes or activities, the **existing management and control procedures** have been identified, and any integrations or implementations needed to guarantee compliance with the principles listed below have been defined, where deemed appropriate:

- **rules of conduct**: the existence of rules of conduct able to guarantee that company activities are performed in compliance with laws, regulations and respecting the integrity of company assets;
- **procedures**: the existence of internal procedures to oversee the processes, within whose scope the types of crime envisaged by Italian Legislative Decree 231/2001 could be committed, or within whose ambit the conditions, the opportunities or the means to commit the same could arise. The following minimum requirements were considered:
 - adequate formalisation and circulation of the company procedures in question;
 - definition and regulation of the procedures and the timeframes for the performance of the activities;
 - traceability of deeds, of operations and of transactions through adequate documentary support, which states the characteristics and the grounds for the operation and identifies the parties, in their different capacities, involved in the operation (authorisation, implementation, registration and verification of the operation);
 - clear definition of the responsibilities for the activities;
 - existence of objective criteria to make company decisions;
- **division of tasks**: a proper distribution of responsibilities, and the establishment of adequate levels of authorisation, with a view to avoiding functional overlaps or operational allocations that focus critical activities on a single party;
- **authorisation levels**: clear and formal allocation of powers and responsibilities, with an express indication of operating limits consistent with the tasks assigned and the positions held within the organisational structure;
- **control activities**: existence and documentation of control and supervision activities, in particular the control activities already defined in chapter 2.

The following documents are an integral part of the control principles for activities at risk:

- General organisational chart
- Delegations and proxies
- Procedures and operating instructions that relate to the crimes envisaged by Italian Legislative Decree 231/2001.

5 THE INTERNAL SUPERVISORY BODY

Art. 6, paragraph 1, letter b), of Italian Legislative Decree no. 231/2001, identifies a further requirement for the entity to be exonerated from liability following the commission of the crimes listed therein: the establishment of a Supervisory Body, awarded independent powers of initiative and control and tasked with overseeing the functioning of and compliance with the Model, also organising its update.

It is a body of the company and is neutral and independent with respect to the other bodies of the entity.

The Supervisory Body is appointed by the Board of Directors which, in a specific resolution, establishes the composition, remuneration and spending budget of the same.

It remains in office for 1 (one) year.

The members of the Supervisory Body may be revoked for just cause by a resolution of the Board of Directors after consultation with the Board of Statutory Auditors.

The **requirements** that the control body must meet in order for the aforesaid functions to be effectively carried out are:

1. autonomy and independence: the members of the Supervisory Body must not be in a situation of conflict of interest with the Company and the majority of its members must not hold positions for which they report to heads of operating areas; the Supervisory Body must not have operational duties and must only have staff relations - as illustrated in more detail below - with the Board of Directors; it has the powers of inspection, control and access to the relevant company information and must have financial autonomy for its activities;

2. diversity of professionalism in the performance of its institutional duties. To this end, the members of the above body must have specific expertise with regard to any area of use to prevent the commission of the crimes, to discover those already committed and to identify the causes, as well as to verify compliance with the Model by those belonging to the company organisation;

3. continuity of action both in its supervisory role and as representing a tangible point of reference for the addressees of the Model.

People who have been convicted of (or who have plea bargained), even if the sentence is not final, one of the crimes envisaged by Italian Legislative Decree 231/2001 may not be elected as members of the Supervisory Body. If this should occur while the person is already a member of the Supervisory Body, the same will be immediately removed from said position.

Based on the above characteristics, on the specific nature of the tasks assigned to the Supervisory Body, as well as the current organisational structure adopted by PR ITALIA, said body has been deemed as follows:

- the Supervisory Body, at the discretion of the Board of Directors, may have a single-member or collegiate structure, with both forms required to satisfy the above-indicated conditions;
- To guarantee fulfilment of the above-mentioned requirements, the Board of Directors periodically assesses the adequacy of the Supervisory Body in terms of structure and of powers awarded, making the changes and/or additions retained necessary;
- the Supervisory Body represents a unit of staff at top management level, and reports on the results of its activity, any problem areas that have arisen and any corrective measures or action for improvement taken, directly to the Board of Directors;
- the functioning of the Supervisory Body is disciplined by a specific Regulation, drawn up and approved by the same Body, which guarantees independence and operational effectiveness. Said regulation envisages, as a minimum:

- a) the procedure for choosing its Chairman
- b) the procedures for holding meetings and the majorities required to pass resolutions;

- c) the manner in which the functions, powers and duties of the Body are exercised;
- d) the procedures taking and storing the minutes of its meetings.

With regard to the latter, all activities of the Supervisory Body must be documented by means of minutes.

At least once a year, the Supervisory Body draws up a report on the activities performed and on the effectiveness and adequacy of the Model. This report will then be submitted to the Board of Directors.

The BoD may, in any event, call a meeting of the SB at any time.

Functions and powers of the Supervisory Body

Based on the provisions of Italian Legislative Decree 231/2001, **the functions performed by the Supervisory Body**

may be outlined as follows:

- **assessing the adequacy of the Model**, namely the suitability of the same, with regard to the type of business activity and the characteristics of the company, to avoid the risk of crimes being committed;
- **overseeing the effectiveness of the Model**, which entails verifying the consistency between actual conduct and the Model implemented.

This entails updating the Model, both with relation to changes within the company's organisation, and to amendments of the Legislative Decree in question. The update may be proposed by the Supervisory Body but must be adopted - as already mentioned - by the Board of Directors.

Instead, the Supervisory Body has not operational duties and no decision-making powers, even preventative, relating to the performance of the entity's business activities.

In order for **the aforesaid functions to be carried out effectively**, the Supervisory Body possesses a series of powers and prerogatives. In fact, it can:

- implement control procedures by means of specific provisions or internal regulations;
- conduct systematic audits on specific operations or actions set in place within the scope of the sensitive areas;
- collect and process relevant information relating to the Model;
- request information from the heads of company departments and, where necessary, also the top management body, as well as partners, external consultants, etc.;
- conduct internal investigations and inspections to ascertain alleged infringements of the provisions of the Model;
- promote initiatives to increase awareness and understanding of the principles of the Model, and draw up internal organisational documents needed for the functioning of the models, containing instructions, clarifications or updates (organise training courses and circulate informative material etc.).

To this end, the Body shall have the right to:

- issue provisions and internal regulations to regulate the activity of the Supervisory Body;
- access any company document whatsoever required to carry out the duties assigned to the Supervisory Body under Italian Legislative Decree no. 231/2001;

- use the services of external consultants with proven professionalism in the event that such is necessary for its monitoring and inspection activities;
- require that the Heads of company departments promptly provide the information, data and/or documents requested by the same to identify aspects relating to the various business activities considered relevant for the purpose of the Model and to check the effective implementation of the same by the company's organisational units.

The Supervisory Body may be convened at any time by its Chairman.

Information flows to the Supervisory Body

The Supervisory Body receives reports about potential infringements of the Code of Ethics, of the Code of Business Conduct and of this Model. To this end, it will establish specific "dedicated" information channels to facilitate the flow of reports and information to the Body.

More specifically, paragraph 2-bis of art. 6 of Italian Legislative Decree 231/2001 envisages that organisational models must have:

- one or more channels that enable the parties indicated in article 5, paragraph 1, letters a) and b), namely a) persons holding representative, administrative or managerial roles within the entity or one of its financially and functionally autonomous organizational units, as well as persons exercising actual or *de facto* management or control thereof and b) persons subordinated to the direction or supervision of one of the parties listed in letter a), to make, to protect the integrity of the entity, justified reports of unlawful conduct of relevance for the purposes of this Decree, based on precise and concurring facts, or infringements of the entity's Model, that they have become aware of due to the functions performed; said channels guarantee the anonymity of the whistle-blower in the handling of the report made by the same;
- at least one alternative whistleblowing channel, able to guarantee, on-line, the anonymity of the whistle-blower.

To this end, to facilitate reports to the Supervisory Body by parties that become aware of even potential infringements of the Model, and at the same time to guarantee the anonymity of the whistle-blower, in addition to the "Speak up" reporting system envisaged by Group policy and accessible through the following link: pernodricardspeakup.ethicspoint.com, PRI has set up a specific e-mailbox accessible only to the Supervisory Body (ita-odv@pernod-ricard.com).

No direct or indirect retaliatory or discriminatory action against the whistle-blower, for reasons related directly or indirectly to the report is tolerated.

All employees, executives and any party that contributes to pursuing the Company's objectives, within the framework of the different relations that they have with the Company, must promptly inform the Supervisory Body - through a specific report - of any infringement or suspected infringement of the Model, of its general principles, of the Code of Ethics and of the Code of Business Conduct, with relation to the crimes envisaged by Italian Legislative Decree 231/01, as well as with regard to their unsuitability, ineffectiveness or any other potentially relevant aspect. More specifically, all of the above parties must promptly send the Supervisory Body any information regarding:

- orders and/or information coming from judicial police bodies, or from any other authority, from which it can be deduced that investigations into the crimes set forth in the Decree have been launched also against undisclosed parties;
- requests for legal assistance received from executives and/or employees in the event that legal action has been taken against them for the crimes envisaged by the Decree;
- reports prepared by the heads of company departments relating to the control activities

conducted, which could lead to facts, actions, events or omissions that could be considered critical in terms of the rules of the Decree;

- information regarding the effective implementation, at all company levels, of the Model, highlighting the disciplinary procedures carried out and any sanctions imposed (including measures taken against employees), or measures resulting from the settlement of disciplinary procedures;
- anomalies or irregularities encountered as regards the rules of conduct envisaged by the Code of Ethics and by the Code of Business Conduct and as regards company procedures relating to the crimes envisaged by the Decree.

Reports to the Supervisory Body must preferably not be made anonymously, so as to better process the report. In any event, the Supervisory Body seeks to discourage any form of retaliation, discrimination or penalisation of the whistle-blower and to safeguard the confidentiality of the information provided, with the exception of legal obligations and the protection of the Company's rights.

In accordance with the provisions of art. 6.2, letter d) of Italian Legislative Decree 231/01, the SB may also ask Office Managers to send reports on the activities they perform (these reports may be requested for specific requirements or may be reports that already exist within the company).

6 DETECTION OF INFRINGEMENTS

Detection of infringements regarding employees and temporary workers

Each office manager of PR Italia is responsible for detecting any infringements of this Model, of the Code of Ethics or of the Code of Business Conduct, by employees that work in their office or in their organisational unit. Department Heads or the CEO, based on the nature of the reporting relationship, are responsible for detecting any infringements by individuals who are office managers or heads of organisational units reporting to the same. Any event or conduct that may be considered an infringement must be reported to the Supervisory Body.

Detection of infringements regarding partners

Each office manager and each Department Head (including the CEO) is responsible for detecting any infringements of this Organisational Model, of the Code of Ethics or of the Code of Business Conduct, by those that work with their office or their organisational unit (for example, consultants, agents, etc.). Any event or conduct that may be considered an infringement must be reported to the Supervisory Body.

Detection of infringements regarding corporate bodies

Any infringements of this Model, of the Code of Ethics or of the Code of Business Conduct, made by Directors, may be detected by the SB which, if an infringement is detected, shall report it to the chairman of the Board of Statutory Auditors. If the infringement is made by a member of the Board of Statutory Auditors, the SB shall inform the Shareholders' Meeting through the Board of Directors.

7 INVESTIGATION OF REPORTED INFRINGEMENTS

Investigation of reported infringements regarding employees

The SB, with the assistance, if needed, of the Human Resources Department and/or external consultants, conducts its own investigation on the reports that it receives pursuant to paragraph 7 above, or with regard to any circumstance that should arise relating to infringements of this Organisational Model, the Code of Ethics or the Code of Business Conduct. If, however, the above events or the conduct investigated are subject to formal assessments or provisions by public authorities, the Body must be kept informed of said assessments or provisions by the directly interested party and - if necessary, consulting with external legal counsel - may await the outcome of the same, to conduct its own investigation. The investigation is conducted by confronting the interested party with the alleged infringement of this Organisational Model, of the Code of Ethics or of the Code of Business Conduct, and hearing the counter arguments made by the same, in accordance with the legal provisions of the collective labour agreement applicable to the contract of employment.

In any event, the Supervisory Body seeks to discourage any form of retaliation, discrimination or penalisation of the whistle-blower, also guaranteeing the anonymity of the whistle-blower and the confidentiality of the information provided by the same, with the exception of legal obligations and the protection of the Company's rights.

Investigation of reported infringements regarding external partners and corporate bodies

The SB, with the assistance, if needed, of the Human Resources Department / external consultants, conducts its own investigation on the reports that it receives pursuant to paragraph 7 above, or with regard to any circumstance that the Body should discover relating to infringements of this Organisational Model, the Code of Ethics or the Code of Business Conduct. If, however, the above events or the conduct investigated are subject to formal assessments or provisions by public authorities, the Body must be kept informed of said assessments or provisions by the directly interested party and - if necessary, with the agreement of external legal counsel - may await the outcome of the same, to conduct its own investigation. The investigation is conducted by confronting the interested party with the alleged infringement of this Organisational Model, of the Code of Ethics or of the Code of Business Conduct, and hearing the counter arguments made by the same, in accordance with legal provisions.

In any event, the Supervisory Body seeks to discourage any form of retaliation, discrimination or penalisation of the whistle-blower, also guaranteeing the anonymity of the whistle-blower and the confidentiality of the information provided by the same, with the exception of legal obligations and the protection of the Company's rights.

Adoption of sanctions and measures

Once the investigation has been concluded, if the Body deems that the infringement reported was actually committed, it proposes to the CEO the measure that should be taken against the party that committed the infringement, pursuant to chapter 9 below.

If the infringement has been committed by the CEO, the proposal is made to the BoD, and if the infringement is committed by the BoD or by single Board members, it is made to the Board of Statutory Auditors. If the infringement is made by a member of the Board of Statutory Auditors, the SB proposes the measure to the Shareholders' Meeting through the Board of Directors.

8 DISCIPLINARY SYSTEM

The implementation of the content of this Model, of the Code of Ethics and of the Code of Business Conduct must be supported by a disciplinary system for the infringement of the rules of conduct imposed to prevent the crimes set forth in the Decree and of the internal provisions of the Model.

The application of disciplinary sanctions is separate to the outcome of any criminal proceedings against the Company, as the rules of conduct imposed by the Organisational Model, by the Code of Ethics and by the Code of Business Conduct have been set in place by the Company in full autonomy and regardless of the unlawful act that said conduct may lead to.

Pursuant to paragraph 2-bis of art. 6 of Italian Legislative Decree 231/2001, the following conduct may also be subject to sanctions:

1. unfounded reports to the SB or to Department Heads with wilful intent or gross negligence;
2. direct or indirect retaliatory or discriminatory action against the whistle-blower for reasons related directly or indirectly to the report.

The disciplinary system is governed by the Supervisory Body, with the assistance of the Director of Human Resources.

The Director of Human Resources, with the assistance, when necessary, of external consultants, is responsible for assessing infringements of the disciplinary system for personnel and in accordance with the CEO, the adoptions of disciplinary measures and the imposition of sanctions.

In any event, the Director of Human Resources advises the Supervisory Body of sanctions imposed on personnel for infringements of the Organisational Model, of the Code of Ethics and of the Code of Business Conduct.

The current disciplinary system establishes the sanctions envisaged for the conduct of employees, executives, directors, statutory auditors and the measures to be taken against external partners and suppliers.

Sanctions for employees

Any conduct of non-Executive employees that infringes the individual rules of conduct established in this Organisational Model, in the Code of Ethics and in the Code of Business Conduct is considered a disciplinary offence. The sanctions for Executives are examined in a separate section.

The sanctions that may be imposed on employees are included in those envisaged by the CCNL (National Collective Labour Contract) for the Food Industry, in compliance with the procedures envisaged by article 7 of Italian Law no. 300 of 30 May 1970 (Workers' Statute of Rights) and any special legislative provisions applicable.

The type and extent of each of the sanctions listed below, will be applied with relation to:

- the wilfulness of the conduct or degree of negligence, imprudence or incompetence also with regard to the predictability of the event;
- the overall conduct of the worker, with particular regard to whether or not prior disciplinary measures have been taken against the same worker;
- the worker's duties;

-
- the functional position of the people involved in the events constituting the infringement;
 - other specific circumstances that pertain to the disciplinary offence.

More specifically, the application of this sanctioning system, in accordance with the provisions of the Workers' Statute of Rights, envisages the following disciplinary sanctions for employees:

Verbal or written warning

This sanction applies to an employee who:

- infringes the internal provisions envisaged (for example does not comply with the prescribed provisions, fails to inform the Supervisory Body about the prescribed information, fails to carry out checks, etc.) or, when performing activities in the identified areas at risk, behaves in a manner that does not comply with the requirements of the Model in question, and said conduct, considered an infringement of the provisions is brought to the attention of the Company as regards its employees.

Fine not exceeding the amount envisaged by the CCNL for the Food Industry

This sanction applies to an employee who:

- infringes the internal provisions envisaged a number of times, or when performing activities in the identified areas at risk, behaves on a number of occasions in a manner that does not comply with the requirements of the Model in question, and said conduct, considered a repeated infringement of the provisions is brought to the attention of the Company as regards its employees;

Suspension from work and from pay for the period envisaged by the CCNL for the Food Industry

This sanction applies to an employee who:

- infringes the internal provisions envisaged, or, when performing activities in the identified areas at risk, behaves in a manner that does not comply with the requirements of the Model in question, as well as acts contrary to the interests of the Company, causes damage to the Company or exposes it to an objective situation of danger to the integrity of the Company's assets.

Lawful dismissal for misconduct

This sanction applies to an employee who:

- when performing activities in the identified areas at risk, clearly behaves in a manner that infringes provisions and the same results in the application to the Company of the measures envisaged by the Decree.

Measures against Executives

In the event of an infringement of the provisions envisaged by this Organisational Model, or by the Code of Ethics or by the Code of Business Conduct, or in the event of conduct, when performing activities in the identified areas at risk, that infringes the requirements of the Model in question, the most appropriate measures will be applied to executives, in accordance with the provisions of the CCNL for Food Industry executives.

Measures against Directors

If a Company Director infringes the Model, the Code of Ethics or the Code of Business Conduct, the

Supervisory Body will advise the Board of Statutory Auditors, which will take the appropriate action, such as convening the Shareholders' Meeting.

Measures against Statutory Auditors

If a Statutory Auditor infringes this Model, the Supervisory Body will inform the Shareholders' Meeting through the Board of Directors, which will take the appropriate action, such as convening an extraordinary Shareholders' Meeting to establish the most suitable measures to adopt.

Measures against External partners and suppliers

Any serious misconduct by External partners that infringes the conduct indicated in the Code of Ethics or in the Code of Business Conduct will result in the termination of the contractual relationship, without prejudice to any claim for damages, if said conduct results in actual damage to the Company, such as the application of the measures envisaged in the Decree by a judge.

Contracts drawn up with external partners and suppliers contain specific termination clauses in this regard.

External partners and suppliers in general (just like employees, Executives, Directors and Statutory Auditors) must expressly accept the terms of the Model, the Code of Ethics and the Code of Business Conduct.

9 PERSONNEL TRAINING

Personnel training and information provided to external partners of the Company on the Model and related documents

PR Italia circulates documents relating to the Code of Ethics, the Code of Business Conduct and the Model also through the company intranet, MyPortal.

To make all addressees of this Model aware of the aspects of Italian Legislative Decree 231/2001 and of the potential risks present and the specific procedures that must be set in place to prevent the risk of the crimes being committed, PR Italia intends to provide the structured, **systematic and compulsory** training illustrated below, which is addressed to all parties that work in PR Italia and act on behalf of the same.

Initial training/information provided to all employees and other external partners who work on a continuative basis with PR Italia (at the time of the adoption of the Model and in any event for all new recruits):

- the Code of Ethics
- the Code of Business Conduct
- the Model
- the Supervisory Body: its activities and procedures for dialogue with the same
- the Disciplinary system

In the event of significant changes, an update notice will be drawn up; in any event, every two years, a reminder is issued on the topic of the Code of Ethics, Code of Business Conduct and the Organisational Model.

Training addressed to the CEO, Management, Office managers and personnel working in sensitive areas (at the time of the adoption of the Organisational Model and in any event for all new recruits):

- introduction to Italian Legislative Decree 231/2001
- the Code of Ethics
- the Code of Business Conduct
- the Organisational Model
- results of the risk assessment: areas identified
- protocols drawn up
- disciplinary system
- activities of the SB and procedures for dialogue with the same
- the roles of management

Subsequently, an update on the following topics will be made on an annual basis:

- any updates made to the Organisational Model
- consequent amendments to Procedures/protocols
- summary of results of supervisory activities
- discussion of the effectiveness of current measures and any additions.

Attendance is compulsory and participants are registered, recovery sessions are organised for absentees.

At the end of the course, participants are given a test to check their level of understanding. Anyone who got some answers wrong will be given an explanation of the mistakes they made. This activity is also documented.

All training courses are provided by experts and managed by the Director of Human Resources directly or through his/her staff.

Special Part

10 IDENTIFICATION AND ANALYSIS OF THE AREAS AT RISK SUSCEPTIBLE TO CRIMES

The aim of this section is to identify and analyse the areas at risk that are susceptible to the crimes envisaged by Italian Legislative Decree 231/2001 within PR Italia.

If there is a risk that the crimes cited by Italian Legislative Decree 231/01 could be potentially committed, they are associated to a scenario that would occur and the Company personnel that could be involved. In this regard, if an area manager is identified, all staff reporting to the same are also considered as included.

For each type of crime, the control principles to be adopted so as not to commit the illegal offences identified by Italian Legislative Decree 231/01 are therefore defined, thus illustrating the general principles that the individuals involved must respect to correctly apply the Model.

The operating aspects (protocols) resulting from the application of these principles, where necessary, are reflected in more detail in company procedures. The latter will be drawn up by the respective Managers in terms that are consistent with the current regulations on "Management of Procedures", although the Supervisory Body must always be kept informed.

CoDi refers to Directors who are members of the Company's Executive Committee.
CoDi -1 refers to individuals that report directly to the CoDi.

Crimes committed in relations with the Public Administration (art. 24)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Misappropriation of funds, loans or other grants of the Italian State or other public entity or European community. (316-ter of the Italian Criminal Code) This crime is committed in cases in which - through the use or the submission of false statements or documents, or by omitting information due - funds, loans, subsidised mortgage loans or other grants of a similar nature awarded or disbursed by the Italian State, by other public entities or by the European Union are obtained, without having the right to the same.</p> <p>Aggravated fraud to obtain public funds (640-bis of the Italian Criminal Code) This crime is committed when funds, loans and subsidised mortgage loans granted by a public entity are obtained through tricks or deception</p> <p>Fraud to the detriment of the Italian State or other public entity or European communities (640 of the Italian Criminal Code) This crime is committed when someone is misled through tricks or deception, and an unfair profit is obtained for the individual (or for others) to the</p>	<p>Misappropriation of funds, loans or other grants of the Italian State or other public entity or European community. (316-ter of the Italian Criminal Code) Aggravated fraud to obtain public funds (640-bis of the Italian Criminal Code) These crimes could be committed when funds, financed directly (through State, Regional grants) or indirectly through INAIL (National Institution for Insurance against Accidents at Work) and associations such as Fondimpresa are requested and obtained. At present, there is no evidence of funds of any other nature (but they cannot be excluded).</p> <p>Fraud to the detriment of the Italian State or other public entity or European communities (640 of the Italian Criminal Code) This crime could be committed if Pernod Ricard communicated incorrect data, by changing (or getting suppliers to change) the information directed to, for example, control bodies (ARPA, INPS), the Ministry for Development (for reward schemes) and data to be exempted from warranties for products in stock</p>	<p>HR Director CFO Head of Legal Department Heads (CoDi) / Office managers (CoDi-1) involved</p>

detriment of third parties		
<p>Organisational protocols to reduce the risk: Misappropriation of funds, loans or other grants of the Italian State or other public entity or European community. (316-ter of the Italian Criminal Code) Aggravated fraud to obtain public funds (640-bis of the Italian Criminal Code)</p> <p>To avoid this conduct occurring, the following control principles must first of all be implemented, which oblige the CEO, Department heads, managers and their staff to:</p> <ul style="list-style-type: none"> • avoid situations in which conflicts of interest may arise • guarantee the availability (written trace), the integrity and the truthfulness of the information 		

- maintain a written trace of the decisions taken and the information transmitted

In order to ensure the above behaviour, all of the declarations required to request funds of any nature, their reporting and subsequent disbursement, must be signed and justified:

- the Directors check the technical and financial documentations drawn up by their offices to submit the application for the funds/award of the loan, by personally signing it and asking the competent offices for any additional information/documents needed. In the case of training, the content of the course must be validated by the departments working with the HR Department.

The CFO collects any administrative documents required and, after consulting

- the Head of Legal and the Head of Administration, confirms that the requirements for the receipt of the funds have been fulfilled, and signs. In the case of training courses, the HR Director checks the material of the course before it is sent to the training entity and, afterwards checks that it has been correctly provided (in terms of method and content).
- The CEO/Legal representative authorises the request for participation / grant application and then confirms the truthfulness, correctness, accuracy and completeness of the data and the information used to obtain the grant requested
- Lastly, the individual Departments file the documentation. In the case of financed courses, a copy of the course is also filed at the HR Department
- the declaration set forth in letter c) must be submitted to the SB at the first meeting arranged immediately after the request for the funded activity

In addition, the Board of Statutory Auditors makes its own checks on the funds received within its own ambit, in parallel to the checks made by the auditors and any group auditor inspections

Fraud to the detriment of the Italian State or other public entity or European communities (640 of the Italian Criminal Code)

To reduce the risk of the crime in question being committed, Pernod Ricard has also envisaged:

- including specific references to rules of conduct vis-à-vis the Public Administration in its code of ethics

that the process of providing company data to control bodies must first be authorised by the head of the relevant office and, where possible, also with the specific approval of the Department Head. In the specific case of communication relating to environmental topics, the Plant Director is responsible for ensuring that the BU Ramazzotti Director validates / signs the documentation. If specific reference is made to the Legal Representative, following the authorisation of the BU Ramazzotti Director, the Plant Director submits the documentation to the CEO for signature.

- an annual report by each office manager containing information / types of document shared with the control entities and a statement by the same that they have complied with the laws in force, the Code of Ethics and the Code of Business Conduct
- preparing a system for marks, to check the exemption from a surety for products held in stock
- defining rules of conduct for relations with institutions and sharing the results of each meeting between company representatives and the Deputy chairman with Institutions in an official document. This document is sent to the Chairman of the BoD and the CEO and distributed by the same to the BoD and if necessary, to the CoDi.

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Embezzlement to the detriment of the Italian State or other public entity (316-bis of the Italian Criminal Code)</p> <p>This crime is committed when, after having received loans or funds from the Italian State or the European Union, the sums obtained are not used for the purpose they were intended for</p>	<p>This crime could be committed in the event that expenditure is made to purchase goods or services that do not relate to the correct intended use, after having received amounts as funds/loans for training activities, projects or the purchase of goods</p>	<p>HR Director CFO Head of Legal Department Heads (CoDi) / Office managers (CoDi-1) involved</p>
<p>Organisational protocols to reduce the risk:</p> <p>To avoid this conduct occurring, the following control principles must first of all be implemented, which oblige the CEO, Department heads, managers (CODI-1) and their staff to:</p> <ol style="list-style-type: none"> 1. avoid situations in which conflicts of interest may arise 2. guarantee the availability (written trace), the integrity and the truthfulness of the information 3. maintain a written trace of the decisions taken and the information transmitted <p>To implement the above-illustrated conduct:</p> <p>The intended use of the funds disbursed/received must coincide with the corresponding expense items on the request made.</p> <p>In particular, all of the costs incurred against the funds or the expenses for the purchase of the goods or services financed with public funds:</p> <ul style="list-style-type: none"> • they must be reported in accounts with a unique code corresponding to the funds • the head of the relevant department/Director must sign the invoices to indicate acceptance of the service/good received and indicate the code of the loan • the Head of Administration <ul style="list-style-type: none"> ○ checks the presence of the grant/fund indicated and the extent of the same, ○ ensures that the invoice for approval is signed by the CFO (in his absence the CEO) ○ enters the fund/loan code in the system, for the purpose of creating a report <p>The SB may check that the costs incurred for the funds / loan have been entered correctly, just as the Board of Statutory Auditors makes its own</p>		

checks on the funds received within its own ambit, in parallel to the checks made by the auditors and any Group auditor inspections.

Computer crimes and illegal data processing (art. 24-bis)

Crime	Areas/processes at risk	O.U.s
<ul style="list-style-type: none"> - Falsification of a public electronic document or of one that is admissible in court (art. 491-bis of the Italian Criminal Code) - Unlawful access to a computer or electronic transmission system (art. 615-ter of the Italian Criminal Code) - Unlawful possession and distribution of access codes to computer or electronic transmission systems (art. 615-quater of the Italian Criminal Code) - Distribution of equipment, devices or programmes to damage or interrupt computer or electronic transmission systems (art 615-quinquies of the Italian Criminal Code) - Unlawful tapping, obstruction or interruption of computer or electronic communications (art. 617-quater of the Italian Criminal Code) - Installation of equipment used to tap, block or interrupt computer or electronic communications (art. 617-quinquies of the Italian Criminal Code) Damage to information, data and software programs (art. 635-bis of the Italian Criminal Code) - Damage to information, data and software programs used by the State or other public entity (art. 635-ter of the Italian Criminal Code) - Damage to computer or electronic transmission systems (art. 635-quater of the Italian Criminal Code) 	<p>491-bis Falsification of a public electronic document or of one that is admissible in court could arise in the case of the intentional alteration of the content or data of particularly important internal documents that could be used as proof. Even though PRI has the tools to carry out Alternative Optical Storage, at present they have not been formally implemented.</p> <p>Unlawful access to a computer or electronic transmission system (art. 615-ter of the Italian Criminal Code) and unlawful possession and distribution of access codes to computer or electronic transmission systems (art. 615-quater of the Italian Criminal Code)</p> <p>Unlawful tapping, obstruction or interruption of computer or electronic communications (art. 617-quater of the Italian Criminal Code) Installation of equipment used to tap, block or interrupt computer or electronic communications (art. 617-quinquies of the Italian Criminal Code)</p> <p>These could be potentially possible by analysing</p>	<p>IT manager CEO HR Director CFO Departments (CoDi)</p>

<ul style="list-style-type: none"> - Damage to computer or electronic transmission systems of public interest (art. 635-quinquies of the Italian Criminal Code) - Computer fraud by the certifier of a digital signature - (article 640-quinquies of the Italian Criminal Code) 	<p>network accesses and internet access and browsing</p> <p>The risk of committing these crimes is present, albeit extremely marginal.</p> <p>For the other crimes there is no risk at all.</p>	
<p>Organisational protocols to reduce the risk:</p> <p>Given the specific nature of computer crimes and their marginal applicability to the Company, in addition to protocols to reduce the specific risk, several ethical operating practices have been introduced for greater company protection, although not directly related to Italian Legislative Decree 231/01.</p> <p>If the procedure is implemented and Alternative Optical Storage is adopted for invoices and/or other company documents (journals, etc.) PRI will consider the measures needed for the storage and safety of the data contained in the same.</p> <p>More specifically, the company has implemented procedures to standardise user behaviour (policy for the use of e-mail and the Internet and for password management and saving).</p> <p>Furthermore PRI</p> <ul style="list-style-type: none"> • prohibits the transmission of access codes for computer or electronic transmission systems to third parties and the use of codes that have been unlawfully obtained. • envisages that data relating to user behaviour on the Internet is not stored for more than 30 days. Vice versa, user access to the network is not monitored, while that of system administrators is, downloaded into a specific file, burned on a CD and kept in a safe. 		

Organised crime offences (art. 24-ter)

Crime	Areas/processes at risk
<ul style="list-style-type: none"> - Criminal association (art. 416 of the Italian Criminal Code) - Criminal association to force or keep individuals in slavery or in servitude (art. 416 and art. 600) - Criminal association for human trafficking (art. 416 and art. 601 of the Italian Criminal Code) - Criminal association for the purchase or sale of slaves (art. 416 and art. 602 of the Italian Criminal Code) - Mafia-type association (art. 416-bis of the Italian Criminal Code) - Mafia-related political election exchange (art. 416-ter of the Italian Criminal Code) - Kidnapping for robbery or extortion purposes (art. 416-bis and art. 630 of the Italian Criminal Code) - Criminal association for the illegal trafficking of drugs (articles 73 and 74 of Italian Presidential Decree 309 of 1990) - Criminal association for the manufacture and trafficking of weapons and explosives (art. 416 of the Italian Criminal Code and art. 2 of Italian Law 110 of 18 April 1975) 	<p>N/A.</p> <p>Although some of PR Italia's business activities are related to night clubs, that could be the target of organised crime, this crime can be excluded due to the strong regulation contained in policies, in the Code of Ethics and in the Code of Business Conduct, as well as the type of company structure and the economic solidity of the company and the group.</p>

Crimes committed in relations with the Public Administration (art. 25)

Crime	Areas/processes at risk
<p>Extortion (art. 317 of the Italian Criminal Code)</p> <p>Italian Law 190/2012 (provisions for the prevention and suppression of bribery and illegal practices in the public administration, published in Official Journal no. 265 of 13 November 2012) has radically changed the structure of the crime, by envisaging that it can be committed just by a public official and not also (as envisaged prior to the aforementioned reform) by a person entrusted with a public service. Therefore, no situations have been found in which this crime could be committed.</p>	<p>N/A.</p> <p>In PRI's business, there are not situations in which its personnel act as a Public official.</p>

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Bribery of a person entrusted with a public service (art. 320 of the Italian Criminal Code) Bribery in the performance of their duties (art. 318 of the Italian Criminal Code) These crimes are committed when a public official who, in the performance of his duties or in the exercise of his powers, unduly receives money or other benefits, or accepts a promise of the same for himself or for a third party</p> <p>Bribery for an act against official duties (art. 319 of the Italian Criminal Code) These crimes are committed when a public official receives money or other benefits, or accepts a promise of the same, for himself or for a third party, to perform, omit or delay acts that fall within his official duties.</p> <p>Influence peddling (art. 346-bis of the Italian Criminal Code) This crime is committed when an individual, beyond cases relating to the crimes of bribery for an act against official duties or bribery in judicial proceedings, exploits relations he has with a public official or with a person entrusted with a public service, wrongly induces another to give or to promise to himself or to others, money or another material benefit, as a reward for unlawfully acting as an intermediary with the public official or a public servant, or to pay the same, with relation to performing an act against his official duties or</p>	<p>These crimes could take place</p> <ul style="list-style-type: none"> • with public authorities or parties entrusted with public service - or with their intermediaries - for example: <ul style="list-style-type: none"> ○ Labour inspectorate/ INPS / INAIL ○ Provincial Department of Labour ○ NAS-NOE Police (Anti-counterfeiting of foodstuffs task force - Environmental operations task force) ○ Finance Police, Inland Revenue Agency ○ Customs Office ○ ASL (local health authority) / ARPA (Regional Environmental Protection Agency) ○ for the purpose of avoiding reports and sanctions against the Company in the event of an illegal act/non-compliance • in requests for funds / loans to public entities, also in relations with their intermediaries. • (§) the crime of bribery could take place in relations with the Public Administration, in the following activities at risk: a request for the provision of the emergency response service, through the connection of the alarm system to the telephone numbers indicated, in the event of accidents at the Canelli Plant, through the telephone connection of the alarm and periodic surveillance. 	<p>CEO CFO Head of Supply Chain and Procurement BU Ramazzotti Director HR Director Health & Safety Manager Plant Director</p>

<p>omitting or delaying an act relating to his official duties.</p> <p>The same penalty applies, based on the second paragraph of the provision, to a private individual who wrongly gives or promises money or another material benefit to the intermediary.</p> <p>Penalty for the briber (art. 321 of the Italian Criminal Code)</p> <p>Incitement to extortion (art. 322 of the Italian Criminal Code)</p> <p>This crime is committed when, in the presence of behaviour directed towards bribery, the public official or the person entrusted with public service refuses the offer unlawfully made to the same.</p>	<p>The service, requested of the Fire Service in Asti, voluntary personnel of the separate branch in Canelli, is paid for through a donation (defined of “modest value” for Pernod Ricard Italia) as it regards new equipment/instrumentation (purchased specifically on the request of the volunteers) for the exclusive use by the Remote Unit in Canelli.</p>	
<p>(§) As regards activities at 231 risk, to perform them, the following measures must be taken by Pernod Ricard Italia:</p> <ul style="list-style-type: none"> (i) obtaining and/or renewing authorisations/certifications/inspections and similar in which the Fire Service plays a key role as regards the corresponding administrative procedure; (ii) the services provided by the Fire Service as illustrated in the summary above; (iii) any inspection activities which are the responsibility of the Fire Service related to public service procedures, including any investigations relating to accidents or near accidents; (iv) (more correctly of the implementing procedures related to the previous ones) donations, funds and other contributions to the benefit of public entities/parties. <p>and Organisational protocols to reduce the risk:</p> <ul style="list-style-type: none"> (i) advising the Supervisory Body in advance of the intention to make contributions to the benefit of public entities/parties, indicating the economic value; (ii) forwarding a copy of the “Delivery receipt and acceptance” report signed by the recipient and of any other supporting documentations (e.g. private contract); (iii) obtaining and/or renewing authorisations/certifications/inspections and similar on the occasion of the specific event; 		

- (iv) any serious accidents or near accidents relating to the safety of the Canelli Plant;
- (v) the period report of the external auditor tasked with the inspections to obtain/maintain certifications for occupational health and safety (OHSAS 18001) and environmental safety (e.g. ISO 14001).

Organisational protocols to reduce the risk:

To avoid the occurrence of these crimes, directors, employees, statutory auditors and partners are prohibited from:

- a) imparting or promising amounts of money or any benefit to officers of the Public Administration or to their family members and to public officials of Entities that disburse funds, without any justification and in any event not related to the provision of a professional service;
- b) offering or giving goods (the exception of usual business practices or as a courtesy), to public officials, or their family members, or to professionals that work on behalf of the Public Administration, with the aim of influencing the independence of a decision or encouraging any preferential treatment to the benefit of Pernod Ricard in any type of relationship with the Public Administration, including on-site inspections. This cannot be circumvented by using third parties;
- c) granting benefits of any nature whatsoever to the representatives mentioned in point a), which may lead to the same consequences envisaged in point b) above, for example, by recruiting a person that does not fulfil the requirements needed for the position or in any event is not necessary for Pernod Ricard.

In the cases indicated in points a), b) and c), the prior approval of the appropriate department must be given in advance - unless the gift has a minimum value, as in the case of calendars, pens, caps with the Pernod Ricard logo - and gifts or goods exceeding € 150 are never permitted.

To implement the above-illustrated conduct:

- No type of payment may be made to public officials in cash or any other undue benefit.
- It must not be possible to create hidden funds, which may be used for the purpose of bribery
- The payment of invoices must not be possible, unless they are for goods or services received, with the exception of possible exemptions for adequately authorised advances
- PRI also has a specific procurement procedure (DIPR0102) and a supplier register which includes marketing suppliers and professionals. If suppliers outside the register are selected for amounts exceeding € 5,000, even if the expense is within authorised limits, the choice must be justified and documented by the department head to the CFO (or to the CEO, if chosen by the CFO)
- In the case of professional or consulting services for amounts exceeding € 5,000, the head of the department / Director must also confirm that the professional service was rendered, providing adequate details thereof. This declaration must be submitted to the CFO (or to the CEO if the

requester is the CFO) who, after making the appropriate checks and countersigning the declaration, will authorise the payment.

- The suppliers of Pernod Ricard commit to complying with the Model, the Code of Business Conduct and the provisions of Italian Legislative Decree 231/2001, in compliance with the “Procurement Procedure” currently in force.
- The personnel recruitment process is regulated by company procedures (Selection and Recruitment of Personnel DPPR0304), which illustrates the entire process. Within the procedure, the reason why the search is needed must be clearly stated, as well as the candidate’s fulfilment of and suitability as regards requirements requested at the initial stage of the recruitment process and the reason for choosing this candidate with respect to others.

The procedure is also addressed to standardising the simplified process of selecting Internships, temporary contracts and the conversion of the same into permanent contracts of employment, always fulfilling the parameters and the requirements requested for the position in question.

With regard to the risks relating to Inspections by public entities (Financial Police, Tax Police, social security entities, Labour inspectorate, ARPA (Regional Environmental Protection Agency) and inspections by the Public Administration regarding any funds/grants paid to PRI, the relations with the public control bodies must be managed in a harmonised manner by inspection topic.

In particular:

- in the case of Inspections by the Financial Police, Tax Police, Ministry of Finance, a single internal manager is appointed, the Head of Administration;
- In the case of inspections relating to personnel administration, the HR Director is appointed as the internal manager;
- in the case of inspections relating to the occupational health and safety of workers, the Health & Safety Manager is appointed as the internal manager, and may, at his own discretion, request the assistance of other staff or offices.

In any event, the appointed manager, with the assistance, if required, of other offices, must fill out an “Inspection Report”, which integrates the inspection record of the inspectors and comments on the inspection in more detail. Said inspection record must be sent to the relevant Director.

A copy of the inspection report and of documents containing subsequent updates, must be sent, as soon as they have been completed, to the Supervisory Body, which must check the content.

With regard to risks relating to environmental or work safety inspections at the Canelli site or regarding excise duties and marks:

- in the case of inspections, the Plant Director must fill out an “Inspection Report”, which integrates the inspection record of the inspectors and comments on the operations carried out and must be brought to the attention of the BU Ramazzotti Director.

The completion of the Inspection Report for long-lasting inspections must be made after the inspection (if less than 15 days) or in the case of longer inspections, every 15 days.

Also in this case, a copy of the inspection report and of documents containing subsequent updates, must be sent, as soon as they have been completed, to the Supervisory Body, which must check the content.

Pernod Ricard Italia also establishes explicit rules of conduct for institutional relations in a specific policy (“Relations and rules of conduct with the Public Administration and Institutions”), which indicates the Company departments responsible for managing relations with the various public entities and the processes that must be observed in the management of said relations.

Pernod Ricard Italia has also established that the results of each meeting between company representatives and Institutions must be written up in an official document. This document will be sent to the Chairman of the BoD and the CEO and distributed by the same to the BoD and if necessary, to the CoDi.

The Supervisory Body must always be informed of any gifts or free merchandise given to the public administration or to intermediaries of the same.

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Embezzlement, extortion, bribery and incitement to bribery of members of European Community entities and of officials of European Communities and of Foreign States (art. 322 bis of the Italian Criminal Code)</p>	<p>This Crime is not considered applicable in the case of Embezzlement and Extortion because Pernod Ricard and Pernod Ricard's staff do not, at present, hold positions of members/officials of the European Community or as officials of Foreign States</p> <p>As regards bribery and incitement to bribery of those in positions as members/officials of the European Community, this crime could be committed in the event of a request for grants/loans to public entities to obtain the undue disbursement of funds (e.g. training) or for inspections</p> <p>To date no risks of bribery of officials of Foreign States have been identified as Pernod Ricard does not operate directly abroad (in actual fact the line of Ramazzotti products are sold abroad using an Ex-Works approach, which means that distributors are liable from the time they pick up the goods from the PRI warehouse)</p>	<p>CEO CFO BU Ramazzotti Director HR Director Head of Supply Chain and Procurement Other (CoDi)</p>
<p>Organisational protocols to reduce the risk:</p> <p>To avoid the occurrence of these crimes, directors, employees, statutory auditors and partners are prohibited from:</p> <ul style="list-style-type: none"> a) imparting or promising amounts of money or any benefit to members/ officials of the European Community or to officials of Foreign States, or to their family members, without any justification and in any event not related to the provision of a professional service; b) offering or giving goods (the exception of usual business practices or as a courtesy), to members/ officials of the European Community or to officials of Foreign States, or to their family members, or to professionals that work on behalf of the European Community, with the aim of influencing the independence of a decision or encouraging any preferential treatment to the benefit of Pernod Ricard in any type of relationship with the European 		

Community, including on-site inspections. This cannot be circumvented by using third parties;

c) granting benefits of any nature whatsoever to the representatives mentioned in point a), which may lead to the same consequences envisaged in point b) above, for example, by recruiting a person that does not fulfil the requirements needed for the position or in any event is not necessary for Pernod Ricard.

In the cases indicated in points a), b) and c), the prior approval of the appropriate department must be given in advance - unless the gift has a minimum value, as in the case of calendars, pens, caps with the Pernod Ricard logo - and gifts or goods exceeding € 150 are never permitted.

To implement the above-illustrated conduct:

- No type of payment may be made to members/officials of the European Community or to officials of Foreign States in cash or any other undue benefit.
- It must not be possible to create hidden funds, which may be used for the purpose of bribery
- The payment of invoices must not be possible, unless they are for goods or services received, with the exception of possible exemptions for adequately authorised advances
- PRI also has a specific procurement procedure (DAPR0601) and a supplier register which includes marketing suppliers and professionals. If suppliers outside the register are selected for amounts exceeding € 5,000, even if the expense is within authorised limits, the choice must be justified and documented by the department head to the CFO (or to the CEO, if chosen by the CFO)
- In the case of professional or consulting services for amounts exceeding € 5,000, the head of the department / Director must also confirm that the professional service was rendered, providing adequate details thereof. This declaration must be submitted to the CFO (or to the CEO if the requester is the CFO) who, after making the appropriate checks and countersigning the declaration, will authorise the payment.
- The personnel recruitment process is regulated by company procedures (Selection and Recruitment of Personnel DPPR0304), which illustrates the entire process. Within the procedure, the reason why the search is needed must be clearly stated, as well as the candidate's fulfilment of and suitability as regards requirements requested at the initial stage of the recruitment process and the reason for choosing this candidate with respect to others. The procedure is also addressed to standardising the simplified process of selecting Internships, temporary contracts and the conversion of the same into permanent contracts of employment, always fulfilling the parameters and the requirements requested for the position in question.

As regards risks relating to inspections by the European Community for any grants/funds issued to Pernod Ricard:

- relations with public control bodies must be managed in a standard manner; to this end, an internal member of staff, the Head of Administration, is tasked with filling out an "Inspection Report", with the assistance of any other relevant offices, who co-sign the same, which integrates the inspection record of the inspectors and comments on the inspection in more detail. The Inspection Report must be sent, as soon as it has been completed, to the Supervisory

Body, which must check the content.

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Bribery in judicial proceedings (art. 319-ter of the Italian Criminal Code) This crime is committed when a party is involved in judicial proceedings and, to obtain an advantage in said proceedings, bribes a public official or a person entrusted with a public service) e.g. magistrates, clerks of the court ...).</p>	<p>This crime could be committed in the event of judicial proceedings that may involve the Company relating to:</p> <ul style="list-style-type: none"> • disputes with employees and partners • disputes with suppliers • disputes regarding works • disputes with customers • disputes with agents • corporate crimes • disputes with the Public Administration for any reason whatsoever. <p>There is only a margin risk of this crime being committed.</p>	<p>CEO CFO BU Ramazzotti Director HR Director Head of Supply Chain and Procurement Other Head of Legal</p>
<p>Organisational protocols to reduce the risk: With regard to any judicial proceedings, it is specifically prohibited to:</p> <ol style="list-style-type: none"> a) impart amounts of money to public officials or persons entrusted with a public service; b) offer or give goods to public officials or persons entrusted with a public service, or their family members, with the aim of influencing the independence of a decision or encouraging any preferential treatment to the benefit of Pernod Ricard Italia. This cannot be circumvented by using third parties; c) grant benefits of any nature whatsoever (promises of employment, etc.) to the representatives of the Judicial Authority, or their family members, which may lead to the same consequences envisaged in point b) above; 		

d) no type of payment may be made to the public officials indicated in point a) above in cash or any other undue benefit.

In the cases indicated in points a), b), c) and d), the prior approval of the appropriate department must be given in advance - unless the gift has a minimum value, as in the case of calendars, pens, caps with the Pernod Ricard logo - and gifts or goods exceeding € 150 are never permitted.

To guarantee compliance with said principles:

- No type of payment may be made to magistrates, employees or officials of the offices of the court
- It must not be possible to create hidden funds, which may be used for the purpose of bribery
- The payment of invoices must not be possible, unless they are for goods or services received, with the exception of possible exemptions for adequately authorised advances
- PRI also has a specific procurement procedure (DIPR0102) and a supplier register which includes marketing suppliers and professionals. If suppliers outside the register are selected for amounts exceeding € 5,000, even if the expense is within authorised limits, the choice must be justified and documented by the department head to the CFO (or to the CEO, if chosen by the CFO)
- In the case of professional or consulting services for amounts exceeding € 5,000, the head of the department / Director must also confirm that the professional service was rendered, providing adequate details thereof. This declaration must be submitted to the CFO (or to the CEO if the requester is the CFO) who, after making the appropriate checks and countersigning the declaration, will authorise the payment.
- The personnel recruitment process is regulated by company procedures (Selection and Recruitment of Personnel DPPR0304), which illustrates the entire process. Within the procedure, the reason why the search is needed must be clearly stated, as well as the candidate's fulfilment of and suitability as regards requirements requested at the initial stage of the recruitment process and the reason for choosing this candidate with respect to others. The procedure is also addressed to standardising the simplified process of selecting Internships, temporary contracts and the conversion of the same into permanent contracts of employment, always fulfilling the parameters and the requirements requested for the position in question.
- The reports of the procedures must be submitted to the Supervisory Body, which is responsible for identifying any irregularities in the procedure adopted

Crime		Areas/processes at risk
<p>Undue inducement to give or promise benefits (319-quater, paragraph 1, of the Italian Criminal Code).</p> <p>The text states: unless the action represents a more serious crime, the public official or the person entrusted with a public service, who, abusing his position or his powers, induces someone to wrongfully give or promise to give cash or another benefit to himself or a third party, shall be punished by imprisonment of between three and eight years.</p> <p>As no Company representative could be in said position, the risk of this crime being committed can be ruled out.</p>		N/A

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Undue inducement to give or promise benefits (319-quater, paragraph 2, of the Italian Criminal Code)</p> <p>The text states: in the cases envisaged by paragraph 1, anyone who gives or promises to give cash or another benefit shall be punished by imprisonment of up to three years.</p>	<p>These crimes could take place</p> <ul style="list-style-type: none"> with public authorities or parties entrusted with public service, for example: <ul style="list-style-type: none"> Labour / INPS / INAIL inspector Provincial Department of Labour NAS-NOE Police (Anti-counterfeiting of foodstuffs task force - Environmental operations task force) Finance Police, Inland Revenue Agency Customs Office ASL (local health authority) / ARPA (Regional Environmental Protection Agency) <p>for the purpose of avoiding reports and sanctions against the Company in the event of an illegal act/non-compliance</p> <ul style="list-style-type: none"> in requests for grants / loans made to public entities 	<p>CEO CFO Head of Procurement & Supply Chain; BU Director HR Director Health & Safety Manager Plant Director</p>

Organisational protocols to reduce the risk:

To avoid the occurrence of these crimes, directors, employees, statutory auditors and partners are prohibited from:

- a) imparting or promising amounts of money or any benefit to officers of the Public Administration or to their family members and to public officials of Entities that disburse funds, without any justification and in any event not related to the provision of a professional service;
- b) offering or giving goods (the exception of usual business practices or as a courtesy), to public officials, or their family members, or to professionals that work on behalf of the Public Administration, with the aim of influencing the independence of a decision or encouraging any preferential treatment to the benefit of Pernod Ricard in any type of relationship with the Public Administration, including on-site inspections. This cannot be circumvented by using third parties;
- c) granting benefits of any nature whatsoever to the representatives mentioned in point a), which may lead to the same consequences envisaged in point b) above, for example, by recruiting a person that does not fulfil the requirements needed for the position or in any event is not necessary for Pernod Ricard.

In the cases indicated in points a), b) and c), the prior approval of the appropriate department must be given in advance - unless the gift has a minimum value, as in the case of calendars, pens, caps with the Pernod Ricard logo - and gifts or goods exceeding € 150 are never permitted.

To implement the above-illustrated conduct:

- No type of payment may be made to public officials in cash or any other undue benefit.
- It must not be possible to create hidden funds, which may be used for the purpose of bribery
- The payment of invoices must not be possible, unless they are for goods or services received, with the exception of possible exemptions for adequately authorised advances
- Pernod Ricard Italia also has a specific procurement procedure (DIPR0102) and a supplier register which includes marketing suppliers and professionals. If suppliers outside the register are selected for amounts exceeding € 5,000, even if the expense is within authorised limits, the choice must be justified and documented by the department head to the CFO (or to the CEO, if chosen by the CFO)
- In the case of professional or consulting services for amounts exceeding € 5,000, the head of the department / Director must also confirm that the professional service was rendered, providing adequate details thereof. This declaration must be submitted to the CFO (or to the CEO if the requester is the CFO) who, after making the appropriate checks and countersigning the declaration, will authorise the payment.
- The personnel recruitment process is regulated by company procedures (Selection and Recruitment of Personnel DPPR0304), which illustrates the entire process. Within the procedure, the reason why the search is needed must be clearly stated, as well as the candidate's fulfilment of and suitability as regards requirements requested at the initial stage of the recruitment process and the reason for choosing this candidate with

respect to others. The procedure is also addressed to standardising the simplified process of selecting Internships, temporary contracts and the conversion of the same into permanent contracts of employment, always fulfilling the parameters and the requirements requested for the position in question.

With regard to the risks relating to Inspections by public entities (Financial Police, Tax Police, social security entities, Labour inspectorate, ARPA (Regional Environmental Protection Agency) and inspections by the Public Administration regarding any funds/grants paid to PRI, the relations with the public control bodies must be managed in a harmonised manner by inspection topic.

In particular:

- in the case of Inspections by the Financial Police, Tax Police, Ministry of Finance, a single internal manager is appointed: Head of Administration;
- in the case of inspections relating to personnel administration, the HR Director is appointed as the internal manager;
- in the case of inspections relating to the occupational health and safety of workers, the Health & Safety Manager is appointed as the internal manager, and may, at his own discretion, request the assistance of other staff or offices.

Counterfeiting of money, public credit cards and tax stamps (art. 25-bis)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Counterfeiting of money, public credit instruments and tax stamps -Counterfeiting of money, spending and introducing into the State of counterfeit money, acting in concert; (art. 453 of the Italian Criminal Code) -Altering money (art. 454 of the Italian Criminal Code) - Spending and introducing into the State counterfeit money, without acting in concert; (art. 455 of the Italian Criminal Code) -Spending counterfeit money received in good faith; (art. 457 of the Italian Criminal Code) - Counterfeiting of tax stamps, introduction into the State, purchase, possession or circulation of counterfeit tax stamps; (art. 459 of the Italian Criminal Code) -Counterfeiting of watermarked paper used for the manufacture of public credit instruments or of tax stamps; (art. 460 of the Italian Criminal Code) -Manufacture or possession of watermarks or instruments used to counterfeit money, tax stamps or watermarked paper; (art. 461 of the Italian Criminal Code) -Use of counterfeit or falsified tax stamps. (art. 464 of the Italian Criminal Code) Counterfeiting of instruments or distinctive signs</p>	<p>- Use of counterfeit tax stamps (art. 464 of the Italian Criminal Code) The use of counterfeit marks cannot be wholly ruled out. The risk must be considered marginal, also due to the fact that the process of recording excise duties is now managed electronically by customs' systems.</p> <p>In our opinion, the other crimes should be considered absolutely marginal, and should be ruled out, due to the level of attention and control by the Company in this regard, as well as the size of the business.</p>	<p>Distillery Administration Team Leader Head of Procurement & Supply Chain Plant Director BU Director</p>

<ul style="list-style-type: none"> - Counterfeiting, alteration or use of distinctive trademarks or signs, namely patents, models, designs (art. 473 of the Italian Criminal Code) - Introduction into the State and sale of products with false trademarks (art. 474 of the Italian Criminal Code) 		
<p>Organisational protocols to reduce the risk: The process is supported by a procedure, which is broken down into the Management of marks for the Canelli Plant, Marks for Massalengo (products imported without marks), Marks for abroad. In the procedure, the passing of responsibility from one stage to another and the sharing of information is adequately illustrated. Furthermore, to encourage greater control of marks, for imported products, random checks are envisaged, as well as checks on the request of the Distillery Administration Team Leader.</p>		

Crimes against industry and trade (art. 25-bis-1)

Crime	Areas/processes at risk	Departments/O.U.s involved
<ul style="list-style-type: none"> • Disruption of the freedom of industry or trade (art. 513 of the Italian Criminal Code) • This crime is committed when the exercise of industry or of trade is disrupted or prevented by the adoption of violence or fraudulent means • Unlawful competition through threat or violence (513-bis of the Italian Criminal Code) • Fraud against national industries (514 of the Italian Criminal Code) • Fraud in trade (515 of the Italian Criminal Code) • This crime is committed when within a commercial activity, the buyer receives one thing instead of another, or something that is different to that agreed, in terms of origin, provenance, quality or quantity • Sale of non-genuine food substances as genuine (516 of the Italian Criminal Code) • Sale of industrial products with mendacious trademarks (art. 517 of the Italian Criminal Code) • Production and sale of goods produced by usurping industrial property rights (art. 517-ter of the Italian Criminal Code) • Counterfeiting of geographic indications or designations of origin pertaining to agricultural and food products (517-quater of the Italian Criminal Code) 	<ul style="list-style-type: none"> - Disruption of the freedom of industry or trade (art. 513 of the Italian Criminal Code) This crime could be committed merely hypothetically through the creation of a cartel between distributors of alcohol, with a view to increasing the price, or adopting illegal competitive practices to the detriment of the buyer. - Fraud in commercial business activities (art. 515 of the Italian Criminal Code) The crime of “fraud in commercial business activities” envisages that the products do not correspond to their descriptions (marketing, promotion, commercial, label). This could occur in advertising, on labels, in promotion in venues - Sale of non-genuine food substances as genuine (art. 516 of the Italian Criminal Code) This crime could be committed if non-genuine products are sold due to failure to verify product quality - Production and sale of goods produced by usurping industrial property rights (art. 517-ter of the Italian Criminal Code) This crime cannot be ruled out, given the technical solutions adopted/that can be adopted as regards promotional material and packaging 	<p>Board of Directors Head of Marketing Head of Sales BU Ramazzotti Head of Legal Head of Procurement & Supply Chain</p>

Organisational protocols to reduce the risk:

As regards Disruption of the freedom of industry or trade (art. 513 of the Italian Criminal Code), Pernod Ricard has envisaged:

- including specific references to rules of conduct in its Code of Ethics to guarantee market freedom
- defining rules of conduct for relations with institutions
- sharing the results of each meeting between company representatives with Institutions in an official document. This document is sent to the Chairman of the BoD and the Head of Legal
- the report is countersigned by the Head of Sales if there have been relations with competitors or suppliers that can be deemed as unfair or in any event unethical
- each year, all sales managers sign a declaration that they and their staff have complied with the rules in force

For the crime set forth in art.515 of the Italian Criminal Code (Fraud in commercial business activities) Pernod Ricard:

- in addition to the checks made by the individual Brand Owners, locally checks announcements and promotional material:
- the sales force only uses material supplied by Marketing, or in any event whose content has been approved by Marketing, and ensures that PRI's policies, Code of Ethics and Code of Business Conduct have been complied with

For the crime set forth in art.516 of the Italian Criminal Code (Sale of non-genuine food substances as genuine) as well as 515 of the Italian Criminal Code (Fraud in commercial business activities) Pernod Ricard has established a series of rules for the checks to be made and the documentation to be kept, depending on the origin of the products distributed.

In particular:

- PRI's Customer Management Manager must file the information sheet of the products distributed.
- RPI products meet specific quality requirements and standards imposed by the parent company, furthermore, all of the PR affiliated plants are certified according to international quality standards.
- For the products distributed, the following are prepared and drawn up:
 - a product quality control plan (as defined in the procedure) both for products made in Italy and those made abroad. Said quality control plan is agreed between the BU Director and the CoDi and approved at the last instance by the CEO.
 - continuous control of the packing and packaging of the products imported

Except for specific urgent cases, defined and detailed in the contingency procedure, the BU Director will inform the CoDi of the results of the checks made on a quarterly basis.

Furthermore, PR Italia has drawn up a response procedure if the sales force discovers products that are not distributed by PR Italia on the market, which envisages a report being made by the Sales Managers

- to the Legal Office, and by the same to the Brand Owner and to the Group's Intellectual Property Department, sharing the information and assessing the possible action (in the case of counterfeit products)

- to the Administration Plant Manager and to the Sales Support structure for further verification of the marks and consequent reporting of the information to Brand Security (in the case of parallel imports).

For the crime set forth in art.517 of the Italian Criminal Code (Production and sale of goods produced by usurping industrial property rights) Pernod Ricard has adopted the following rule as regards the technical solutions adopted/that can be adopted as regards promotional material and packaging:

- if the solutions are designed internally (Purchasing Office that coordinates suppliers to design a technical solution): before implementation the purchasing office consults the legal office, which verifies the risk/opportunity of adopting said solution. In this regard, the Purchasing Office may ask specialist external offices for more detailed information, who will assess the presence of patents
- if the solutions are designed by an advertising agency: the office in question will make the agency sign a hold harmless clause with regard to potential information that may emerge on the topic of industrial patents.

Corporate offences (art. 25-ter)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>False company statements (art. 2621 of the Italian Civil Code) These crimes are committed when the financial statements, reports or other corporate statements addressed to shareholders or the public, contain material facts that do not correspond to the truth, or are subject to evaluation, or when legally-required information from said documents on the company's economic, equity or financial situation is omitted, in such a way as to mislead others.</p>	<p>Pernod Ricard Italia is not listed on any market: therefore, only the crime of false company statements set forth in art. 2621 of the Italian Civil Code could be committed. Said crime could entail the preparation of false statements addressed to shareholders or the public regarding the Company's economic, equity or financial situation (annual financial statements, the situation of commitments and resources, the cash flow statement, forecasts and actual reports, etc.) for the purpose of concealing the real situation, misleading the interested parties (e.g. shareholders, creditors).</p>	<p>Board of Directors CEO CFO Board of Statutory Auditors Head of Administration Head of Financial Planning & Analysis</p>
<p>False company statements of listed companies (art. 2622 of the Italian Civil Code) This crime can be committed by the directors, general managers, by the executives in charge of preparing the company's accounting documents, statutory auditors or receivers of companies that issue financial instruments admitted for trading on a regulated market in Italy or another European Union company and entails false statements or concealments of information, in reports or in other statements made by the company to the shareholders or the public, regarding the economic, equity or financial situation of the Company or of the group it belongs to, in such a way as to mislead the addressees of said statements.</p>		

Organisational protocols to reduce the risk:

1. The Code of Ethics and Local policies prohibit any potential conflicts of interest for members of the Board of Statutory Auditors. Precisely for this reason, it is envisaged that the Board of Directors must check, before its appointment, that the members of the Board of Statutory Auditors do not hold positions relating to the provision of administrative, tax or labour law consultancy to the Company. If this is the case, the Shareholders' Meeting is informed and the same may forfeit their office or be ineligible.
2. The process of drawing up economic reports on business performance is systematic and continuous (each month a report is produced and sent to the parent company). The same process, with documented deadlines and timeframes, envisages an audit conducted once/twice a year on the area of reporting, which is combined with the more specific accounting audit conducted quarterly, by the auditors. In the case of half-yearly reports and the annual financial statements, a specific procedure is followed, which envisages, inter alia, specific discussions between the Head of Administration and the Head of Financial Planning & Analysis and individual departments, the assessment and approval of the draft statements by the CFO and, in the case of the annual financial statements, an audit of tax aspects by a Tax consultant, an audit by the external auditors and the Statutory Auditors, presentation to the BoD and to the Shareholders' Meeting and the consequent approval.

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Hindering auditing activities (art. 2625, paragraph 2, Italian Civil Code) This crime entails hindering or preventing, by concealing documents or, adopting other stratagems, control activities or auditing activities which are legally conferred on shareholders or other Company bodies or auditing firms, when such conduct causes damage to the shareholders.</p>	<p>This crime could be committed when documents are concealed or when the supervision, control or auditing of external auditors, the board of statutory auditors or group auditors is hindered, and this could lead to the failure to identify situations that are detrimental to the shareholders.</p>	<p>CEO Board of Directors CFO Board of Statutory Auditors Head of Administration Head of Financial Planning & Analysis</p>
<p>Organisational protocols to reduce the risk: It is difficult to conceal information from auditors and from the numerous other controllers (Auditing Firm, Group Auditor, Board of Statutory Auditors) due to the number, circulation and frequency of the reports.</p> <p>Furthermore, Pernod Ricard Italia has established that in the management of relations with the Board of Statutory Auditors and with other “controllers”, the following provisions must be complied with:</p> <p>a) The Head of Administration is the point of reference of Pernod Ricard Italia for the transmission of documentation to the Board of Statutory Auditors, internal auditors, external auditors and any other controllers;</p> <p>b) all control bodies are formally invited to contact the Supervisory Body to jointly examine situations that could contain critical issues as regards the types of crime considered</p>		

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Fictitious formation of share capital (art. 2632 of the Italian Civil Code) This crime is committed in the following situations: a) the fictitious formation or increase of share capital by assigning shares or quotas in the company for an amount lower than their nominal value; b) the mutual underwriting of shares or quotas; c) significant overvaluation of contributions of assets in kind, receivables, or the company's assets in the event of transformation.</p>	<p>There is an extremely marginal risk of these crimes being committed because there is only one economic party, the members of the BoD are directly appointed by the group and the company is subject to numerous internal and external controls.</p>	<p>Board of Directors CFO CEO Board of Statutory Auditors Head of Administration Head of Financial Planning & Analysis</p>
<p>Improper return of contributions (art. 2626 of the Italian Civil Code) This crime entails, beyond cases of the legitimate reduction of share capital, returning contributions to shareholders, or simulating the same, or releasing the same from the obligation of paying them. This applies to both contributions in cash and in assets.</p>		
<p>Illegal allocation of profits and reserves (art. 2627 of the Italian Civil Code) This crime entails the allocation of profits (or advances on profits) that have not actually been earned or that by law must be assigned to reserves, or the allocation of reserves (even if not comprised by profits) which may not be allocated by law.</p>		

Unlawful transactions involving shares or stocks of the parent company (art. 2628 of the Italian Civil Code)

This crime entails - beyond the cases permitted by law - purchasing or underwriting shares or stocks issued by the company (or by the parent company), which causes damage to the integrity of share capital or to the reserves not distributable by law.

Organisational protocols to reduce the risk:

Decisions are taken by a resolution of the shareholders' meeting, following consultation with the BoD, and the minutes of the shareholders' meeting are made available to the Supervisory Body, which evaluates the need to examine the topics discussed and the decisions adopted in more detail.

Crime	Areas/processes at risk
<p>Improper allocation of company assets by receivers (art. 2633 of the Italian Civil Code) This crime entails allocating company assets to shareholders before paying company creditors or setting aside the amounts needed to pay them, which causes damage to creditors.</p>	<p>N/A Given the scarce possibility of the company being liquidated, and considering the logic and the resources employed in control activities, this crime has currently been excluded</p>

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Transactions to the detriment of creditors (art. 2629 of the Italian Civil Code) This crime entails, in infringement of legislative provisions to protect creditors, reducing the share capital or mergers with other companies, or spin-offs, to the detriment of the creditors.</p>	<p>Given the very slight possibility of extraordinary operations taking place (reductions of share capital or mergers with other companies, or spin-offs), at present this crime is extremely unlikely.</p>	<p>Shareholders' Meeting Board of Directors Board of Statutory Auditors</p>
<p>Organisational protocols to reduce the risk: All of the documentation relating to these extraordinary activities, such as the minutes of the Shareholders' Meetings, are available to the Supervisory Body, which will assess the need to examine said operations in more depth.</p>		

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Transactions to the detriment of creditors (art. 2629 of the Italian Civil Code) This crime entails, in infringement of legislative provisions to protect creditors, reducing the share capital or mergers with other companies, or spin-offs, to the detriment of the creditors.</p>	<p>Given the very slight possibility of extraordinary operations taking place (reductions of share capital or mergers with other companies, or spin-offs), at present this crime is extremely unlikely.</p>	<p>Shareholders' Meeting Board of Directors Board of Statutory Auditors</p>
<p>Organisational protocols to reduce the risk: All of the documentation relating to these extraordinary activities, such as the minutes of the Shareholders' Meetings, are available to the Supervisory Body, which will assess the need to examine said operations in more depth.</p>		

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Bribery between private parties (art. 2635 of the Italian Civil Code)</p> <p>Art. 1, paragraph 76 of Italian Law 190/2012 altered art. 2635 of the Italian Civil Code by amending the heading, now the offence of “bribery between private parties”. The law was then amended again by Italian Legislative Decree no. 38 of 15 March 2017, which extended the objective and subjective scope of application of this type of crime. The amended crime envisages that anyone, even through a third party, who offers, gives or promises benefits to the top management and/or persons in a subordinate position of another private company (meaning directors, general managers, executives in charge of preparing the company’s accounting documents, statutory auditors or receivers, those who within the organisation of the company or private entity exercising other management functions, and all of those subject to the management or supervision of one of the aforesaid parties) will be punished.</p> <p>The company’s liability resulting from the crime of bribery between private parties only occurs in the case of “active” bribery between private parties, which entails one party belonging to an entity giving or promising cash or another benefit to the top management figures indicated in the first paragraph of art. 2635 of the Italian Civil Code or to persons from another company reporting to the same.</p>	<p>Suppliers</p> <p>The company could, by bribing the employees or executives of its supplier companies, encourage preferential economic treatment (discounts that are not economically viable for the supplier, or, in the case of certification audits, falsify audit reports, which enable the company to maintain or obtain untruthful industry certifications).</p> <p>Customers</p> <p>Obtaining advantageous situations by bribing employees or executives (e.g. the buyer of a Large-Scale Retailer)</p> <p>Competitors</p> <p>The company could bribe the employees or executives of its competitors with a view to obtaining an advantage for PRI, for example, by revealing information on commercial strategies.</p>	<p>CEO Finance Department Sales Department Marketing Department Ramazzotti Business Unit Management Human Resources Department Head of Procurement & Supply Chain</p>

<p>Incitement to bribery between private parties (art. 2635-bis of the Italian Civil Code)</p> <p>Italian Legislative Decree no. 38 of 15 March 2017 extended the administrative liability of entities also to the crime of incitement to bribery between private parties set forth in art. 2635-bis of the Italian Civil Code. Pursuant to art. 2635-bis of the Italian Civil Code, anyone who improperly offers or promises cash or other benefits to directors, general managers, executives in charge of preparing the company's accounting documents, statutory auditors or receivers of private companies or entities, as well as to those who work for the same in a management position, so that the same performs or omits to perform an action, infringement of the obligations of his office or loyalty obligations, is subject, if the offer or promise is not accepted, to the penalty imposed for the crime of bribery between private parties set forth in art. 2635 of the Italian Civil Code, reduced by one third.</p>		
<p>Organisational protocols to reduce the risk:</p> <p>With regard to the prevention of the crime of bribery between private parties, all of the parties involved are obliged to:</p> <ul style="list-style-type: none"> - based, specifically, on the provisions of the procedure "Uploading sales conditions - Canvass", identify adequate transparency conditions for the calculation of the prices of offers and of any discounts, both for sales and for purchase transactions, identify the parties that are authorised to set the prices and the discounts relating to sales offers in line with market practice, and identify the parties that are authorised to make or receive offers and authorise them; - guarantee the traceability of data transmission, through a system, which may also be an IT system, so that the various steps are traced, and the parties involved can be identified; - guarantee an adequate control system able to provide reasonable certainty as to the consistency of transactions performed with customers and suppliers and able to indicate any irregularities; - comply with internal procedures and with the provisions of the Code of Ethics and of the Code of Business Conduct relating to gratuities and 		

gifts.

To avoid the occurrence of these crimes, the addressees of this Model are prohibited from:

- a) promising, giving or receiving amounts of money or any benefit to private parties without any justification and in any event not related to the provision of a professional service;
- b) offering gifts or giving goods to private parties, or their family members, with the aim of influencing or encouraging any improper preferential treatment to the benefit of PRI. This cannot be circumvented by using third parties; in this regard, the Company Secretary keeps a register of gifts updated. The same is periodically checked by the SB. According to the Group “Gift & Hospitality Policy”, gifts cannot exceed the amount of € 250, while Hospitality cannot exceed the amount of € 500. Any exception must be approved by the parties indicated in the relevant procedure through the use of a specific Group tool called “Gifted”.
- c) granting benefits of any nature whatsoever to private parties, which may lead to the same consequences envisaged in point b) above, for example, by recruiting a person that does not fulfil the requirements needed for the position or in any event is not necessary for PRI.

Furthermore, the addressees of this Model, with regard to donations, social initiatives, gifts or gratuities and sponsorships, must comply with the provisions regarding gifts and gratuities laid down in the relevant procedures, the Code of Ethics and the Code of Business Conduct.

To implement the above-illustrated conduct:

- a) No type of payment may be made in cash, with the exception of small postal expenses
- b) No type of payment of customers or third parties may be received in cash, unless in exceptional cases and only after the authorisation of the Finance department
- c) It must not be possible to create hidden funds, which may be used for the purpose of bribery
- d) The payment of invoices must not be possible, unless they are for goods or services received
- e) Professional or consultancy services must be requested by the Head of Department in question, documenting the need for the service, the reason for choosing the professional in question and, before payment of the invoice, acquiring documentation proving that the service has been received
- f) The “Authority Matrix PR Italia” procedure envisages authorisation limits for expenses and payments
- g) The “Procurement” procedure envisages that the different stages of the procurement process must be managed, as far as possible, by different people. In addition, PRI has established a supplier register: if suppliers outside the register are selected, the choice must be justified and documented by the department head to the CFO (or to the CEO, if chosen by the CFO). In the case of professional or consulting services for amounts

exceeding € 5,000, the head of the department / Director must also confirm that the professional service was rendered, providing adequate details thereof. This declaration must be submitted to the CFO (or to the CEO if the requester is the CFO) who, after making the appropriate checks and countersigning the declaration, will authorise the payment.

h) The suppliers of Pernod Ricard Italia commit to its organisational model and the provisions of Italian Legislative Decree 231/2001

i) The personnel selection and recruitment process is regulated by the “Personnel selection and recruitment” procedure and, with regard to the recruitment of expatriate employees between Group companies, by the “Assignee Guide” procedures and must be based on the need to recruit a resource, and on the professional suitability of the same; with the exception of executives, the recruiting procedure entails interviews and the subsequent approval of the CEO. A written trace of the selection process must be kept;

j) The “Recruiting” procedure regulates the recruitment of personnel made on the basis of recommendation by PRI employees, by envisaging that recommendations from people with specific family ties or similar with employees and/or partners of PRI, cannot be taken into consideration.

All Addressees of this document must comply with the principles of the Code of Ethics and the Code of Business Conduct, as well as comply with the provisions of this Organisational Model.

The Supervisory Body must always be informed of any gifts or gratuity given to the Public Administration or to intermediaries of the same and of recruitments that are made on the basis of recommendations by PRI employees.

Crime	Areas/processes at risk
<p>Market manipulation (art. 2637 of the Italian Civil Code) This crime is committed when false information is circulated or when simulated transactions or other artifices that are highly likely to cause a significant change in the price of financial instruments, or to have a significant effect on the public's reliance on the financial stability of banks or bank groups are carried out.</p>	<p>N/A Pernod Ricard Italia has not issued (and does not plan to issue) bonds and does not have shares that can be traded by the public and does not trade in financial instruments.</p>

Crime	Areas/processes at risk
<p>Failure to notify a conflict of interest (art. 2629-bis of the Italian Civil Code) This crime is committed when the director or a member of the board of directors of a company whose securities are listed on regulated markets in Italy or in another European Union Member State, or are publicly circulated to a significant extent, infringes the obligation envisaged to inform the other directors and the board of statutory auditors of any interest which, on their own behalf or on behalf of third parties, they have in a specific company transaction, or if it is the CEO, fails to abstain from performing the transaction.</p>	<p>N/A Pernod Ricard Italia is not listed on any market.</p>

Crime	Areas/processes at risk
<p>Obstructing the activities of public supervisory authorities (art. 2638, paragraphs 1 and 2 of the Italian Civil Code)</p> <p>This crime is committed by:</p> <ul style="list-style-type: none"> a) stating in the legally-envisaged correspondence with the Public Supervisory Authorities (in order to obstruct the performance of the activities of the latter) material facts which are not true, or still subject to evaluation, on the economic, equity or financial situation of the parties under supervision; b) concealing, using other fraudulent means, facts that should have been communicated and concerning said economic, equity or financial situation. There is still liability even if the information regards assets held or managed by the company on behalf of third parties; c) obstructing the supervisory activities of public Authorities, acting knowingly and in any manner, also omitting to send the correspondence due to said Authorities. 	<p>N/A There is no sector-related authority.</p>

Crimes for the purposes of terrorism or subversion of the democratic order envisaged by the Italian Criminal Code and by special laws (art.25-quater)

Crime	Areas/processes at risk
<p>Crimes for the purposes of terrorism or subversion of the democratic order (art 270-bis, ter, quater, quinquies, sexies; art 280-bis, 289-bis, 302 of the Italian Criminal Code; art. 6 of Italian Law no. 15 of 6 February 1980)</p> <p>This crime is committed with relation to the promotion, establishment, organisation, management and funding of associations for the purposes of terrorism or subversion of the democratic order</p>	<p>N/A This crime is not applicable to Pernod Ricard Italia</p>

Mutilation of the female genital organs (art. 25-quater-1)

Crime	Areas/processes at risk
<p>Mutilation of the female genital organs (art. 583 of the Italian Criminal Code)</p>	<p>N/A There is no risk of this crime being committed</p>

Criminal offences against the individual (art. 25-quinquies)

Crime	Areas/processes at risk
<p>Criminal offences against the individual These offences include the following crimes:</p> <ul style="list-style-type: none"> - Forcing and keeping individuals in slavery or in servitude (art. 600 of the Italian Criminal Code); - Child prostitution (art. 600-bis of the Italian Criminal Code); - Child pornography (art. 600-ter of the Italian Criminal Code); - Possession of pornographic material (art. 600-quater of the Italian Criminal Code); - Virtual pornography (art 600-quater 1 of the Italian Criminal Code) ; - Tourist initiatives aimed at exploiting child prostitution (art. 600-quinquies of the Italian Criminal Code); - Human trafficking (art. 601 of the Italian Criminal Code) and purchase and sale of slaves (art. 602 of the Italian Criminal Code) 	<p>Given the type of crimes and Pernod Ricard Italia’s business activities, there is no risk. In any event, PRI has decided to adopt several ethical operating practices for greater company protection, although not directly related to Italian Legislative Decree 231/01.</p> <p>More specifically, with regard to the crimes set forth in articles 600-ter, 600-quater, 600-quater 1 of the Italian Criminal Code, the company has implemented several procedures to standardise user behaviour (policy for the use of e-mail and the Internet and for password management and saving) as well as an information process for company rules also by including them in the company welcome kit.</p> <p>Furthermore, the current IT measures prevent access to websites at risk of containing pornographic material and downloading multimedia files, apart from documented and authorised exceptions.</p> <p>In addition, as regards trade marketing and the trade promotions throughout Italy, PRI makes sure, either directly or through its staff/business partners, that its Ethical standards and Policies are being complied with, both during the organisation and implementation of promotions.</p> <p>In this regard, contracts with promotion agencies always contain a specific clause on Corporate Social Responsibility, which envisages the full acceptance and compliance of the supplier of the rules of conduct contained in the Code of Ethics and the Code of Business Conduct.</p>

Market abuse offences (art. 25-sexies)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Abuse of insider information (Italian legislative Decree no. 58 of 24 February 1998, art. 184)</p> <p>Market manipulation (Italian legislative Decree no. 58 of 24 February 1998, art. 185)</p>	<p>Pernod Ricard belongs to a Group listed on the Paris stock market.</p> <p>These crimes do not so much regard Pernod Ricard Italia alone, but also regard Group data and information.</p>	<p>Board of Directors</p> <p>CFO</p> <p>CEO</p> <p>Departments (CoDi)</p> <p>Head of Financial Planning & Analysis</p>
<p>Organisational protocols to reduce the risk:</p> <p>Management must sign confidentiality agreements as regards information on the Group and on Pernod Ricard, as indicated in the Code of Ethics and the Code of Business Conduct, and as per explicit instructions contained in the letter addressed to the members of CoDi and the BoD and to Directors.</p> <p>Pernod Ricard has also established explicit rules that define the primary or delegated parties responsible for communicating information on the Group and on the Italian company depending on the type of audience (public, press, customers, Institutions) also for the management of specific times of crisis (as defined in the Crisis Management System document).</p>		

Crimes of manslaughter and negligent serious or very serious personal injury committed with infringement of accident prevention rules and those on occupational health and safety (art. 25-septies)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Crimes of manslaughter and negligent serious or very serious personal injury committed with infringement of accident prevention rules and those on occupational health and safety (Art. 589, 590 and 583 of the Italian Criminal Code)</p>	<p>This crime could be committed with the infringement of the rules envisaged in Italian Legislative Decree 81/2008.</p>	<p>Employer Executives and Managers in Charge Health & Safety Manager</p>
<p>Organisational protocols to reduce the risk: To avoid this crime being committed, the following control principles must be implemented:</p> <ul style="list-style-type: none"> a) Compliance with the measures envisaged in Italian Legislative Decree 81/2008 and subsequent amendments and additions b) Identification of the persons responsible as envisaged by the above-cited law c) Planning of the periodic training and awareness activities envisaged by the above-cited law d) Periodic audits regarding compliance with the above-cited law e) Period assessment by the SB of the update of the Risk Assessment Document (RAD) f) Prohibition, for all Managers, persons in charge and their staff, to behave in conflict with the prevention of health and safety crimes <p>To guarantee compliance with the measures envisaged in Italian Legislative Decree 81/2008, Pernod Ricard ensures:</p> <ul style="list-style-type: none"> I. the organisation of company human resources in terms of individual skills, decision-making autonomy and relative responsibilities; II. the resources needed to plan and implement technical, organisational and management measures, with a view to achieving the objective of the continuous improvement of safety levels; III. awareness and training sessions, and where necessary, coaching, addressed to employees and temporary workers, to make them more responsible and aware of health and safety topics; IV. the awareness (information) of suppliers, and of external staff in general, so that they adopt suitable conduct in terms of safety; V. the adoption and certification of the occupational health and safety management system (OHSS) in accordance with the international standard OHSAS 18001. <p>Therefore, the following activities must be performed:</p>		

1. acquisition of the Risk Assessment Document, drawn up pursuant to Italian Legislative Decree 81/2008, as an external attachment to the model; the document must contain:
 - a. a definition of the risk assessment process, also including the definition of guidelines and the formalisation of verifications of legislative updates as regards accident prevention and occupational health and safety;
 - b. definition of guidelines and formalisation of the process to monitor the effective implementation of the system of oversight illustrated in the Risk Assessment Document, which also envisages the definition of suitable corrective and preventive measures, where situations of non-compliance are identified;
2. an audit, at least once a year, of the occupational health and safety management system (OHSS) by the Certification Body, and transmission of the relative report to the SB by the Head of the OHSS;
3. The minutes of the period meeting must be sent to the SB by the Health & Safety Manager (art. 35 of Italian Legislative Decree 81/2008) and the minutes of internal system audits by the Head of the OHSS.

Handling stolen goods, money laundering and use of money, assets or other benefits of illegal origin or from self-laundering (art. 25-octies)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>These offences include the following crimes:</p> <ul style="list-style-type: none"> - Handling stolen goods (art. 648 of the Italian Criminal Code); - Money laundering (art. 648-bis of the Italian Criminal Code); - Use of money, assets or benefits of illegal origin (art. 648-ter of the Italian Criminal Code) - Self-laundering (art. 648-ter.1 of the Italian Criminal Code): occurs when anyone, having committed or contributed to committing an intentional crime, employs, replaces or transfers money, assets or benefits originating from the commission of said crime, in economic, financial, business or speculative activities, with a view to materially obstructing the identification of their illegal origin. 	<p>Money laundering (art. 648-bis of the Italian Criminal Code) and use of money, assets or benefits of illegal origin (art. 648-ter of the Italian Criminal Code) The probability of the crime of money laundering occurring is very low.</p> <p>Self-laundering (Art. 648-ter.1 of the Italian Criminal Code) The activities that are more specifically considered at risk of committing the crime of self-laundering are all of those relating to the management of financial resources, Intercompany transactions, the Tax area and the selection and assessment of suppliers and business partners.</p> <p>With regard to the crime of handing stolen goods, there is no risk.</p>	<p>CEO CFO Commercial Director Credit Manager Customer Management Head of Administration</p>

Organisational protocols to reduce the risk:

To prevent the crimes of self-laundering and the use of cash of illegal origin, PRI guarantees the following:

1. The existence of an anti-money laundering policy, which is applied to the sales force (agents and direct staff), which contains:
 - a. specific contractual clauses for Agents
 - b. preparation of specific regulations
 - c. dedicated training
 - d. the separate creation, circulation and completion by agents of forms indicating the means of payment used by individual customers: distinguishing between cash and cheques and, for the latter, specifying which have the stamp of the customer's business
2. Implementation of commercial checks before assigning a new customer and, in any event, periodic checks of customers acquired
3. A rule according to which all cheques for an amount exceeding € 5,000 and originating from the night club and catering business must have the stamp of the customer's business or the business it is formally associated with
4. A rule according to which, cash payments, in accordance with the provisions of the Code of Business Conduct, are to be avoided whenever possible. The "Know your customer procedure" also envisages that the prior authorisation of the Finance department is always required to be able to accept cash payments
5. The monitoring by sales managers of abnormal purchases (quantities higher than the customer's past purchases, proportionate to company credit) and reporting of any escalation to the Credit Manager in more suspicious cases. Furthermore, the Credit Manager will check the forms of payment, which must absolutely comply with the rules set forth above
6. Separation of duties in the procurement procedure ("Procurement" procedure)
7. Authorisation limits for expenses and payments ("Authority Matrix" procedure)
8. Regulation for the reimbursement of expenses incurred by employees, in order to guarantee compliance with tax laws ("Travel & Business Expense Policy" procedure). The expense reports of employees and of the sales force must be approved by their respective Managers and the respective CoDi-The expense reports of the CEO are approved jointly by the CFO and the HR Director.

9. Provision, in the “Procurement” procedure, that the different stages of the procurement process must be managed, as far as possible, by different people. In addition, PRI has established a supplier register: if suppliers outside the register are selected, the choice must be justified and documented by the department head to the CFO (or to the CEO, if chosen by the CFO). In the case of professional or consulting services for amounts exceeding € 5,000, the head of the department / Director must also confirm that the professional service was rendered, providing adequate details thereof. This declaration must be submitted to the CFO (or to the CEO if the requester is the CFO) who, after making the appropriate checks and countersigning the declaration, will authorise the payment
10. The suppliers of Pernod Ricard Italia commit to its organisational model and the provisions of Italian Legislative Decree 231/2001
11. Definition of procedures that regulate relations with the Inland Revenue Agency and that guarantee the separation of duties and the continuous monitoring of all activities
12. Adoption of a Country Master File pursuant to the Provision of the Director of the Inland Revenue Agency, prot. 2010/137654
13. Implementation by the Group of a monitoring process for all intragroup transactions
14. Establishment of a cash-pooling agreement with Group companies, which enables centralised management and intragroup financial movements to be traced
15. Definition of procedures that regulate closing accounting entries, the calculation of taxes and any other activities needed to prepare the financial statements and which envisage different levels of control
16. Separation of responsibilities of the different PRI in the process of calculating and paying wages and the periodic monitoring of the activities of the Payroll Vendor with which the company has entered into a service agreement.

Infringement of copyright (art. 25-nonies)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Reference Italian Law 633 of 1941</p> <ul style="list-style-type: none"> - Making intellectual works protected by copyright, or part of the same, available to the public, through an electronic transmission system (art. 171, paragraph 1-a-bis); - unauthorised duplication, to obtain a profit, of computer software; importation, distribution, sale or renting of software recorded on media not stamped by the SIAE; - reproduction, distribution, presentation in public of the content of a data bank to obtain a profit; - extraction or re-use of a data bank, to obtain a profit; distribution, sale or renting of a data bank, to obtain a profit (art. 171-bis); - to obtain a profit, the unauthorised duplication, reproduction, transmission or distribution to the public of an intellectual work intended for television, film, sale or rental, of discs, tapes or similar media - to obtain a profit, the unauthorised reproduction, transmission or distribution to the public of literary, dramatic, scientific or didactic, musical or multimedia works or parts thereof - ... SIAE videocassettes and music cassettes - ... transmission of encrypted services, decoded - ... decoding devices - unauthorised reproduction, duplication, transmission, distribution, sale or transfer, unauthorised import of over 50 copies or samples of work protected by copyright and by related rights - on the electronic transmission network, to obtain a profit, of intellectual works protected by copyright (art. 171-ter); - failure to inform SIAE of the identification details of media not subject to trademark, or false declaration of having fulfilled said obligations (art. 171-septies); 	<p>171 paragraph 1-a-bis This crime could be committed if protected intellectual works (or part of the same) are made available on the Internet</p> <p>171-bis This crime could currently be committed by using unlicensed software or software for specific domestic use</p> <p>171-ter This crime could be committed through the unauthorised use or reproduction of material covered by copyright</p> <p>For the other crimes there is no risk at all</p>	<p>CEO BU Director Marketing Director CoDi HR Director IT manager</p>

<p>- fraudulent production, sale, importation, promotion, installation, utilisation for public and private use, of devices to decode audio-visual broadcasts with restricted access (art. 171-octies).</p>		
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Organisational protocols to reduce the risk:

For the crime of making intellectual works protected by copyright, or part of the same, available to the public, in an electronic transmission system (**art. 171, paragraph 1-a-bis**), the procedures and business practices set in place in the company and group envisage the identification of specific operators appointed for the Italian business, to upload information/documents to the Pernod Ricard Group's website (it has an Italian section, but the website is international), just as two managers have been appointed for the Italian business to approve said uploading (**BU Director and Marketing Director**)

For the Italian websites of individual products managed by external service providers, PRItalia obliges its providers to comply with its policies, the Code of Ethics and the Code of Business Conduct, it provides the conduct guidelines and Brand Managers check the correct implementation of the same, also with a view to avoiding publishing protected intellectual works on the website.

With regard to crime 171-bis (use of unlicensed software or software for specific domestic use), we emphasise that the procedures of the information systems envisage that users are prohibited from installing software programmes on their PCs (only the Administrator is authorised to do this). Restricted access and downloading of multimedia files are also envisaged

With regard to 171-ter unauthorised use or duplication of material covered by copyright, Pernod Ricard

- has established and distributed rules of conduct to employees and partners for the use, copying and distribution of material purchased directly, and material issued by any trainers (without permission to re-use or copy the same);
- has introduced explicit clauses in its agreements with its suppliers (especially marketing, communication and web) that envisage their compliance with copyright laws.

Inducement not to make statements or to make untruthful statements to the judicial authorities (art. 25-decies)

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>This crime is committed when someone, in the interest or to the advantage of the entity, induces (with violence or threats or by offering or promising money or other benefits) another person, called to make statements before the Judicial Authority that may be used in criminal proceedings, not to make or to make false statements, when said person has the right not to respond (art. 377-bis of the Italian Criminal Code);</p>	<p>The crime could be committed in the event in which employees, partners or directors of the Company are called for any reason to make statements to the Judicial Authority.</p>	<p>Board of Directors CEO CoDi Office Managers Employees</p>
<p>Organisational protocols to reduce the risk: Precisely to avoid this crime being committed, the Code of Ethics explicitly invites all personnel to comply with the law and managers also as regards their employees. Furthermore, it is expressly prohibited to induce employees or partners not to make or to make false statements. Conduct contrary to the Code of Ethics is considered a disciplinary offence and as such is sanctioned. All personnel are informed of the option and the duty to contact the Supervisory Body if they are under “undue pressure” to not make or to make false statements to the judicial authority.</p>		

ART. 25 undecies - Environmental Crimes

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Art. 452-bis of the Italian Criminal Code (Environmental pollution) This type of crime is committed when a party, illegally, significantly compromises or causes significant and measurable harm to: (1) the water or the air, or extensive or significant portions of the soil or subsoil; (2) the ecosystem, biodiversity, including agrarian, flora or fauna. If the pollution is caused in a protected area or subject to landscaping, environmental, historic, artistic, architectural or archaeological restrictions, or harms protected animal or vegetable species, the penalty is higher.</p>	<p>Crimes of environmental pollution (art. 452 bis of the Italian Criminal Code), environmental disaster (art. 452-quater of the Italian Criminal Code), also if without intent (art. 452-quinquies), and the crime of trafficking and abandoning highly radioactive material (art. 452-sexies) could, hypothetically, be committed in the performance of the activities of the Canelli production plant.</p>	<p>CEO BU Ramazzotti Director Plant Director Sustainable Performance (QSE) Team Leader</p>
<p>Art. 452-quater of the Italian Criminal Code (Environmental disaster) This type of crime is committed when a party, illegally, causes an environmental disaster, alternatively meaning: (1) the irreversible alteration of an ecosystem; (2) the alteration of an ecosystem, whose elimination is particularly onerous and achievable only through exceptional measures; (3) a threat to public safety based on the importance of the action due to the extent of the damage or of its harmful effects or the number of injured parties or exposed to danger.</p>		

<p>Art. 452-quinquies of the Italian Criminal Code (Non-intentional crimes against the environment)</p> <p>The law intends to punish the two types of crime cited above (environmental pollution and environmental disaster) even when committed without intent.</p>		
<p>Art. 452-sexies of the Italian Criminal Code (Trafficking and abandoning highly radioactive material)</p> <p>This crime is committed when a party, illegally, transfers, purchases, receives, transports, imports, exports, procures for others, holds, transfers, abandons or illegally disposes of highly radioactive material. The penalty is higher if this action results in a danger of compromising or harming: (1) the water or the air, or extensive or significant portions of the soil or subsoil; (2) the ecosystem, biodiversity, including agrarian, flora or fauna; the penalty is also increased if the action results in a danger to life or to the safety of individuals.</p>		
<p>Organisational protocols to reduce the risk:</p> <p>To avoid the crimes of environmental pollution, environmental disaster and trafficking and abandoning highly radioactive material being committed, PRI has adopted the following procedures:</p> <ol style="list-style-type: none"> 1. "Crisis management operating plan", which envisages guidelines to efficiently manage events with widescale or long-term implications, including pollution, fires and explosions 2. "Self-control HACCP plan", which regulates the management of hazardous products that could cause pollution and waste management at the Canelli plant 		

3. "Verification of regulations and management of legislation within the industrial perimeter", which regulates legislation compliance and contains procedures to avoid environmental risks, identifying the departments responsible and regulating the environmental compliance monitoring system
4. "Emergency management and evacuation plan", which regulates the management of environmental emergencies and controlling the effects that could result from it
5. "Scenario analysis and assessment of environmental and quality risk", which establishes the tasks, responsibilities and the procedures to adopt to analyse the scenario and to manage environmental risk
6. "Definition and classification of risks and opportunities", in which specific risks relating to the environment are mapped, and an action to mitigate it is envisaged for each risk.

The Company has also implemented and maintained operational a management system compliant to international standard ISO 14001, which is assessed and certified annually by an authorised third party.

Art. 727-bis of the Italian Criminal Code Killing, destruction, capture, collection, possession of specimens of protected wild animal or vegetable species	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 733-bis of the Italian Criminal Code Destruction or deterioration of habitats within a protected site	N.A.	Given that the Canelli plant is not situated in a protected area, this crime is not applicable.
Art. 137, paragraph 2, Italian Legislative Decree 152/06 Discharge of industrial wastewater containing dangerous substances	Canelli Plant - Production area	CEO Plant Director
Art. 137, paragraph 3, Italian Legislative Decree 152/06 Discharge of industrial wastewater containing dangerous substances contrary to		

requirements		
Art. 137, paragraph 5, Italian Legislative Decree 152/06 Discharge of industrial wastewater containing dangerous substances over the threshold values		
<p>Organisational protocols to reduce the risk: The company has implemented and maintained operational a management system compliant to international standard ISO 14001. The same is assessed and certified annually by an authorised third party. Periodic controls (at least monthly) of the substances discharged are envisaged. PRI has implemented an internal purification system.</p> <p>All addressees of this Model, of the Code of Ethics, of the Code of Business Conduct and of system procedures must comply with the rules established by the company.</p>		
Art. 137, paragraph 11, Italian Legislative Decree 152/06 Discharges into soil, subsoil and groundwater	N.A.	The crime is not applicable as both the rainwater system and the wastewater system channel all waste to the sewer.

Crime	Areas/processes at risk	Departments/O.U.s involved
Art. 137, paragraph 13, Italian Legislative Decree 152/06 Discharges of prohibited substances from ships or aircraft	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 256, paragraph 1, Italian Legislative Decree 152/06 Unauthorised waste management activities	N.A.	The company does not have any waste management activities.
Art. 256, paragraph 3, Italian Legislative Decree 152/06 Unauthorised dumps	N.A.	With regard to the corporate purpose and the activity performed, the crime is not applicable; the latter punishes anyone who establishes and manages unauthorised dumps.
Art. 256, paragraph 5, Italian Legislative Decree 152/06 Mixing waste	Waste management	CEO Plant Director
<p>The company has implemented and maintained operational a management system compliant to international standard ISO 14001. The same is assessed and certified annually by an authorised third party.</p> <p>Internal procedures ensure that waste is accurately located and identified.</p> <p>All addressees of this Model, of the Code of Ethics, of the Code of Business Conduct and of system procedures must comply with the rules established by the company.</p>		
Art. 256, paragraph 6, Italian Legislative Decree 152/06 Temporary deposit of hazardous medical waste	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 257, paragraphs 1 and 2, Italian Legislative Decree 152/06 Reclamation of sites	Accidental pollution	CEO Plant Director

The company has implemented and maintained operational a management system compliant to international standard ISO 14001. The same is assessed and certified annually by an authorised third party.

All addressees of this Model, of the Code of Ethics, of the Code of Business Conduct and of system procedures must comply with the rules established by the company and, in the event of accidental pollution, must make the notifications set forth in art. 142 of Italian Legislative Decree 152/06 and organise reclamation in accordance with a project approved by the competent authority.

<p>Art. 258, paragraph 4, Italian Legislative Decree 152/06 Infringement of disclosure obligations, keeping mandatory books and forms</p>	<p>Canelli Plant - Production area</p>	<p>CEO Plant Director</p>
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Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Organisational protocols to reduce the risk: The company has implemented and maintained operational a management system compliant to international standard ISO 14001. The same is assessed and certified annually by an authorised third party.</p> <p>Registers must be kept in compliance with the law in force. Furthermore:</p> <ul style="list-style-type: none"> - The Company has implemented an organisational system to clearly identify the persons responsible for environmental matters; said persons must be trained and regularly updated on environmental topics. - The Company ensures that the registers are kept in accordance with the law in force - The Company outsources the transport, management and disposal of waste to external companies, after checking that legal authorisations are in place, and the expertise and reliability of the same. <p>All addressees of this Model, of the Code of Ethics, of the Code of Business Conduct and of system procedures must comply with the rules established by the company.</p>		
Art. 259, paragraph 1, Italian Legislative Decree 152/06 Illegal waste trafficking	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 260, paragraph 1, Italian Legislative Decree 152/06 Organised activities for illegal waste trafficking	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 260, paragraph 2, Italian Legislative Decree 152/06 Organised activities for the illegal trafficking of highly radioactive material	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 260-bis, paragraph 6, Italian Legislative Decree 152/06 SISTRI	Canelli Plant - Production area	CEO Plant Director

<p>Art. 260-bis, paragraph 7, Italian Legislative Decree 152/06 Transporter that transports waste without a paper copy of the SISTRI form (waste traceability management system)</p>		
<p>Art. 260-bis, paragraph 8, Italian Legislative Decree 152/06</p>		

Crime	Areas/processes at risk	Departments/O.U.s involved
Transporter that transports waste with a paper copy of the SISTRI form (waste traceability management system) that has been fraudulently altered		
<p>Organisational protocols to reduce the risk: The company has implemented and maintained operational a management system compliant to international standard ISO 14001. The same is assessed and certified annually by an authorised third party.</p> <p>(SISTRI) (waste traceability management system) computer records must be kept in compliance with the law in force. Furthermore:</p> <ul style="list-style-type: none"> - The Company has implemented an organisational system to clearly identify the persons responsible for environmental matters; said persons must be trained and regularly updated on environmental topics. - The Company ensures that the registers are kept in accordance with the law in force - The Company outsources the transport, management and disposal of waste to external companies, after checking that legal authorisations are in place, and the expertise and reliability of the same. <p>All addressees of this Model, of the Code of Ethics, of the Code of Business Conduct and of system procedures must comply with the rules established by the company.</p>		
Art. 279, paragraph 5, Italian Legislative Decree 152/06 Exceeding threshold emission and air quality values	Canelli Plant - Production area	CEO Plant Director

Organisational Protocols to reduce the risk:

The company has implemented and maintained operational a management system compliant to international standard ISO 14001. The same is assessed and certified annually by an authorised third party.

The company has communicated and obtained the necessary authorisations for atmospheric emissions. Periodic checks are made on the quality of fumes.

All addressees of this Model, of the Code of Ethics, of the Code of Business Conduct and of system procedures must comply with the rules established by the company.

Crime	Areas/processes at risk	Departments/O.U.s involved
Art. 1, paragraph 1, Italian Law 150/92 Regulation of crimes relating to the application in Italy of the convention on the international trade of endangered animal and vegetable species	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 1, paragraph 2, Italian Law 150/92 Regulation of crimes relating to the application in Italy of the convention on the international trade of endangered animal and vegetable species	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 2, paragraphs 1 and 2, Italian Law 150/92 Regulation of crimes relating to the application in Italy of the convention on the international trade of endangered animal and vegetable species	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 6, paragraph 4, Italian Law 150/92 Regulation of crimes relating to the application in Italy of the convention on the international trade of endangered animal and vegetable species	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 3bis, paragraph 1, Italian Law 150/92 Regulation of crimes relating to the application in Italy of the convention on the international trade of endangered animal and vegetable species	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 3, paragraph 7, Italian Law 549/93 Measures to protect the ozone layer and the environment	N.A.	The company does not use any gases that harm the ozone layer.

Art. 8, paragraphs 1 and 2, Italian Legislative Decree 202/07 Intentional pollution caused by ships	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.
Art. 9, paragraphs 1 and 2, Italian Legislative Decree 202/07 Intentional pollution caused by ships	N.A.	With regard to the corporate purpose and the activity performed, the offence is not applicable.

ART. 25-quinquies - Illegal recruitment and labour exploitation

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Art. 603-bis of the Italian Criminal Code (Illegal recruitment and labour exploitation) Anyone who 1) recruits workers for the purpose of making them work for third parties in conditions of exploitation, taking advantage of the state of need of the workers; 2) uses, hires or employs workers, also through the agency activity cited in 1), subjecting workers to conditions of exploitation and taking advantage of their state of need, shall be punished.</p>	<p>Even though the risk of committing this crime is very low, it could, hypothetically, be committed in the Canelli Plant, which uses third parties (cooperatives) for forklift drivers at the plant.</p>	<p>CEO Human Resources Department Plant Director</p>
<p>Organisational Protocols to reduce the risk:</p> <p>In the contract, PRI imposes several obligations on the agencies that it uses to hire personnel, including:</p> <ul style="list-style-type: none"> - a commitment to fulfil all social security and national insurance obligations, as well as those relating to occupational health and safety for said workers; - a commitment as regards Italian Legislative Decree 231/2001. <p>PRI is also committed to complying with legislative provisions for worker protection and to the applicable collective agreements, including occupational health and safety standards.</p> <p>The “Payroll management” procedure envisages a separation of responsibilities of the different PRI in the process of calculating and paying wages and the periodic monitoring of the activities of the Payroll Vendor with which the company has entered into a service agreement.</p>		

ART. 25-duodecies - Employment of third-country citizens whose residence permits are invalid

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>Art. 22, paragraph 12-bis, Italian Legislative Decree 286/1998 (Temporary and permanent contracts of employment)</p> <p>This crime is committed when an employer employs foreign workers that do not have residence permits, or whose permits have expired, and for which the renewal, revocation or cancellation has not been requested in accordance with the law. The penalties are increased by one third to one half:</p> <ul style="list-style-type: none"> ○ if more than three workers are employed illegally; ○ if minors not of a working age are employed; ○ if the circumstances of exploitation set forth in article 603-bis of the Italian Criminal Code apply (“...having committed the offence by exposing the workers employed to situations of grave danger, relating to the characteristics of the services to be rendered and working conditions”). 	<p>Recruitment and management of employees and temporary staff</p>	<p>CEO Finance Department Human Resources Department Ramazzotti Business Unit Management</p>

<p>Art. 12, paragraphs 3, 3-bis and 3-ter of Italian Legislative Decree 286/1998 (Transport of illegal foreigners in the territory of the State) This crime is committed when anyone, infringing the provisions of the consolidated law on immigration, promotes, manages, organises, funds or performs the transport of foreigners in the territory of the State, or performs other actions addressed to illegally assisting a person to enter the territory of the State, or of another State, who is not a citizen of the same, or does not have a permanent residence permit, or in the case of specific conditions (i.e. 5 or more people are transported, the person transported is exposed to danger for his/her life...).</p>	Recruitment and management of employees and temporary staff	CEO Finance Department Human Resources Department Ramazzotti BU Management
<p>Art. 12, paragraph 5, Italian Legislative Decree 286/1998 (Aiding and abetting the settlement of illegal foreigners in the territory of the State) This crime is committed when anyone, in order to unfairly profit from the illegal status of a foreigner or with regard to the activities punished by the same article 12, aids and abets the settlement of the same in the territory of the State, infringing the provisions of the consolidated law on immigration.</p>	Recruitment and management of employees and temporary staff	CEO Finance Department Human Resources Department Ramazzotti BU Management

Organisational Protocols to reduce the risk:

When personnel from third countries are hired, the Payroll Manager checks that all permits are in order, as envisaged by the “Recruiting Process Optimization Speed and Effectiveness” procedure. The same are monitored for the entire duration of the employment.

To limit the probability that the crimes in question are committed, the Addressees of the model must comply with the principles contained in this Model, in the Code of Ethics and in the Code of Business Conduct.

Furthermore:

With regard to the recruitment of persons from Third Countries:

- the person in charge of requesting, checking and filing a copy of the residence permit of the candidate, if already in the latter’s possession, is clearly identified;
- the person in charge of checking that the residence permit is not obviously false, counterfeit, suspended, revoked or cancelled and the identity of the candidate, is clearly identified;
- the person in charge of checking that the receipt of an application to renew a residence permit presented by a candidate is not obviously false or counterfeit, is clearly identified;
- the person in charge of meeting all of the requirements of the consolidated law on immigration, if the person from the Third country is not already in Italy with a valid residence permit, is identified.

As regards the selection and management of relations with suppliers, contractors and subcontractors:

- contractual clauses have been included regarding immigration laws in contracts with suppliers, contractors and subcontractors, which envisage sanctions against defaulting third parties;
- roles, responsibilities and monitoring procedures have been set in place to check compliance with immigration laws by suppliers, contractors and subcontractors.

Transnational crimes (Italian Law no. 146, articles 3 and 10 of 16 March 2006)

Crime	Areas/processes at risk
<p>These offences include the following crimes:</p> <ul style="list-style-type: none"> - Criminal association (art. 416 of the Italian Criminal Code) - Mafia-type association (art. 416-bis of the Italian Criminal Code) - Criminal association for the purpose of smuggling tobacco products manufactured abroad (art. 291-quater of Italian Presidential Decree no. 43 of 23 January 1973) - Criminal association aimed at the illegal trafficking of drugs and psychotropic substances (art. 74 of Italian Presidential Decree no. 309 of 9 October 1990) - Provisions against illegal immigration (art. 12 of Italian Legislative Decree no. 286 of 25 July 1998) - Inducement not to make statements or to make untruthful statements to the judicial authorities (art. 377-bis of the Italian Criminal Code) - Aiding and abetting (art. 378 of the Italian Criminal Code) 	<p>N/A</p> <p>Extremely improbable crimes, furthermore, Pernod Ricard Italia does not operate directly abroad (in fact the Ramazzotti product line works on an ex-works basis, which means that distributors are liable from the time they pick up the goods from the PRI warehouse)</p>

Tax crimes (Italian Law no. 157 of 19 December 2019)

These are crimes that could be committed with regard to the administrative or financial management of the company, and with specific reference to the declarations made for taxes or VAT, to be submitted to the tax authorities, and to the preparation and submission of the financial statements. These crimes could therefore be committed by both the CEO and the CFO, as well as other members of the BoD, also if the Board of Statutory Auditors fails to conduct adequate checks.

More specifically

Crime	Areas/processes at risk	Departments/O.U.s involved
<p>a) crime of fraudulent declaration through the use of invoices or other documents for non-existent transactions</p> <p>b) crime of fraudulent declaration through other stratagems</p>	<p>a. This crime is committed when fictitious payables are indicated in a declaration (for tax or VAT purposes), using invoices or other documents for non-existent transactions. Said invoices or documents do not necessarily have to be recorded in the mandatory records, it is sufficient that they are held as proof for the tax authorities. Specific intent <i>“to evade income tax or Value Added Tax”</i> is required</p> <p>b. The criminal conduct must entail carrying out fictitious transactions subjectively and objectively, or alternatively, acting fraudulently by using “false documents or other false means to prevent assessment and mislead the tax authorities”. Therefore, there must be an untruthful aspect to the income tax declaration, through the inclusion of receivables for an amount lower than the actual one, or fictitious payables or other fictitious amounts and withholdings</p> <p>c. This is a “non declaratory” crime, namely not related to a declaration. It is committed by issuing non-existent invoices or documents to enable third</p>	<p>CEO Members of the BoD CFO Finance Department Board of Statutory Auditors</p>

<p>c) crime of issuing invoices or other documents for non-existent transactions</p> <p>d) crime of concealing or destroying accounting documents</p> <p>e) crime of fraudulent avoidance of paying taxes</p>	<p>parties (the recipient of the fictitious document) to evade income tax or value added tax. Also in this case specific intent is required.</p> <p>d. This crime sanctions conduct that entails concealing or destroying accounting records or documents which must be held by law, making it impossible to calculate income or turnover (specific intent).</p> <p>e. The crime punishes the conduct of those who simultaneously dispose of or perform fraudulent actions on their own or other assets so as to render the procedure of enforced recovery fully or partly ineffective. The law seeks to protect the tax authority from the danger that the tax claimed cannot be honoured by the taxpayer's assets</p>	
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Organisational protocols to reduce the risk:

To avoid this conduct occurring, the following control principles must first of all be implemented, which require:

- a guarantee that all accounting documents are available, intact and truthful;
- a written trace of the decisions taken, and the information transmitted to be maintained;
- control procedures between the various bodies according to the so-called “segregation” model to be envisaged
- a specific procedure for procurement, with prior checks of economic convenience and merit to be envisaged
- entrusting auditing to a certified audit firm
- assuring the continuous control of the Board of Statutory Auditors