



ROTKÄPPCHEN-MUMM

*Translation from German into English*

# CODE OF CONDUCT

for all employees  
of the Rotkäppchen-Mumm Group

## 1. SETTING TARGETS AND SCOPE

It goes without saying that the Rotkäppchen-Mumm Group and all its employees must comply with applicable laws and fulfil their obligations when carrying out work activities. However, as statutory provisions continue to grow in number and size, it has become increasingly difficult for companies to ensure compliance. Furthermore, as our business has become ever more complex, our Company needs a Compliance Programme.

The objective of a **Compliance Programme** is to compile the measures which ensure that the conduct of a company and its employees complies with all statutory requirements relating to the company and its business activities.

The term **compliance** refers to conformity with all voluntary and mandatory statutory provisions and measures intended to ensure that a company is carrying out its business activities in a lawful manner.

By introducing a **Compliance Programme**, the company is building trust by taking measures to protect the reputation of our Company and that of its employees.

This **Code of Conduct** forms the foundation of the Rotkäppchen-Mumm Group's **Compliance Programme**. It compiles the Rotkäppchen-Mumm Group's most important company principles and standards which all employees need to know and understand. Furthermore, this Code of Conduct serves as a guide to understanding the basic ethical and legal obligations incumbent on employees of the Rotkäppchen-Mumm Group and describes the underlying principles which guide us in building relationships with business partners. This Code of Conduct is intended to aid employees in their day-to-day work.

Just as we strive to offer high-quality products, compliance with and observation of the principles laid out in this Code of Conduct are basic requirements for preserving our business partners' trust in us and continuing to successfully position our brands on the market.

This Code of Conduct is binding on all employees, including executives, and applies to all companies in the Rotkäppchen-Mumm Group.

This Code of Conduct cannot account for every business situation that may arise and is subject to change. If new legal developments arise, this Code of Conduct will be amended accordingly.

## 2. INTRAPERSONAL COMMUNICATIONS

The work among supervisors, colleagues and employees in all areas of the Company should be professional and characterised by mutual respect, acceptance and fairness.

No person should be discriminated against due to personal characteristics or traits such as age, ethnicity, religion, skin colour, gender, sexual orientation, disability, nationality or ancestry.

Our Company does not tolerate any discrimination, harassment or retaliation in the work environment.

## 3. CONDUCT IN A BUSINESS ENVIRONMENT

### 3.1 CONDUCTING BUSINESS

#### 3.1.1 COMPLIANCE WITH ALL LAWS AND REQUIREMENTS

All business affairs and processes at the Rotkäppchen-Mumm Group must be conducted such that all applicable laws, voluntarily assumed obligations and other binding requirements are complied with, where the Rotkäppchen-Mumm Group carries out its business activities within their scope.

Every employee is required to comply with applicable laws and other relevant requirements and agreements. Any instructions deviating from the foregoing are prohibited.

As a general rule, the principle of dual control must be observed at the Company when signing legally binding documents.

### 3.1.2 PREVENTIVE LEGAL ADVICE

It is necessary to avoid risks and seek legal advice prior to taking measures which could result in a violation of applicable laws or other requirements.

### 3.1.3 GIFTS, ENTERTAINMENT OFFERINGS AND OTHER REMUNERATION

All forms of bribery, whether monetary or in kind, and any attempts to bribe are prohibited in the Rotkäppchen-Mumm Group.

The following principles must be observed in all interactions with business partners and government organisations:

Gifts, favours, hospitality or other benefits may be granted or accepted only if they

1. are within the bounds of standard business conventions;
2. do not have an inappropriately high value and cannot be considered or deemed a bribe; and
3. would neither damage the Company's public reputation nor embarrass its employees if such benefits were disclosed to the public.

In cases of doubt, employees should consult with their supervisor or a compliance officer.

### 3.1.4 INTEGRITY OF REPORTING

The relevant facts or nature of the business processes contained in all financial reports, accounting documentation, sales reports, expense receipts, environmental and security reports and all other documentation of the Rotkäppchen-Mumm Group must be accurate, unambiguous and promptly disclosed. Violations of accounting rules or accounting fraud, improper documentation and improper financial reporting are not tolerated.

All competent employees must involve the departments responsible for the relevant report and the audit and cooperate openly and honestly with the auditors of the Rotkäppchen-Mumm Group by providing all information they require.

### 3.1.5 EXTERNAL COMMUNICATIONS

Official statements, particularly those to the media, may be made only by those persons expressly authorised to do so. In cases of doubt, the management should be consulted.

## 3.2 BUSINESS RELATIONSHIPS

### 3.2.1 EQUAL TREATMENT AND FAIRNESS

Each and every employee is individually responsible for treating all business partners properly, equally and fairly.

The process of selecting suppliers and service providers must be organised and transparent, meaning that it must be based on objective, reasonable criteria. To the extent possible, contracts will be awarded based on competitive tenders. In all other matters, the Company's purchasing policy must be complied with, which is available on the Intranet.

### 3.2.2 BUSINESS INCENTIVES

Performance-based commissions, discounts, price reductions, free delivery of goods or similar offers are customary business incentives.

Due care and diligence must be exercised when offering any of the above in order to ensure compliance with various statutory provisions. Business incentives must be comprehensively and accurately documented.

### 3.2.3 COMPETITION AND RESTRICTIVE PRACTICES LAW

The Rotkäppchen-Mumm Group observes the basic principle that employees, particularly those who represent the Company on the market, must act in accordance with applicable competition law.

Violations of these laws include agreements made between competitors to set price controls, boycott specific suppliers or customers, divide up customers or markets or limit the production or sale of products.

Particular care must be taken to ensure that activities conducted with representatives of other companies – trade association meetings, for instance – cannot be considered or interpreted to constitute violations of competition law.

Violations of applicable competition law may have consequences, including substantial fines, claims to compensation for damages and reputational losses, thereby damaging our Company's reputation and standing on the market.

## 3.3 CONFLICTS OF INTEREST

### 3.3.1 SECOND OCCUPATION

Employees must obtain prior consent from the competent human resources department prior to commencing a non-trivial second occupation of any type.

### 3.3.2 MATERIAL FINANCIAL INVESTMENTS IN COMPETITORS, CUSTOMERS AND SUPPLIERS

Financial investments in competing companies, customers or suppliers are subject to approval by the management.

Material financial investments in a competitor, customer or supplier made by close family members of employees must be reported to the compliance officer.

An investment is deemed material if it represents an interest of 5% or greater.

### 3.3.3 GRANTING CONTRACTS AND CONDUCTING OTHER BUSINESS WITH FAMILY MEMBERS

In general, no business should be conducted with family members of an employee. However, an employee's supervisor may approve a transaction in the individual case. In such a case, it must be ensured that the affected employee is not involved in the relevant decision-making process.

## 4. MISCELLANEOUS

### 4.1 MAINTAINING CONFIDENTIALITY OF INTERNAL INFORMATION

All information which is not publicly disclosed must be treated as confidential and may not be disclosed to unauthorised third parties during the employment relationship or after it has ended.

Employees are prohibited from directly or indirectly using confidential business information, whether during the employment relationship or after it has ended, to gain a personal advantage, to provide an advantage to a third party or to put the Rotkäppchen-Mumm Group at a disadvantage. In accordance with existing policy, employees must cooperate to proactively ensure that strictly confidential data cannot be accessed by third parties.

## 4.2 DATA PRIVACY

In line with our core values, we exercise great diligence and care when handling personal data out of respect for the privacy of the people whose data we handle. The informal right of our employees and business partners to self-determination must always be respected.

It is prohibited to collect, process and disclose personal data of employees and business partners without authorisation. For all other matters, the Company's policy on data privacy must be complied with, which is available on the Intranet.

## 4.3 IT SECURITY

Information technology has become essential to carrying out business processes in our Company today. Since IT systems are so widely used, the business activities of the Rotkäppchen-Mumm Group are heavily dependent on the functionality and availability of these systems.

This dependency results in risks, which are exacerbated due to the risk of information being lost or stolen, and to the risk of unnoticed changes being made to information. We hereby refer to the Company's IT security policy, which is intended to mitigate these general risks and the risks of technical failure and human error.

## 4.4 ALCOHOLIC BEVERAGES

The Rotkäppchen-Mumm Group has a long tradition in the manufacture and sale of wine, sparkling wine and spirits.

Our culture has traditionally included the responsible indulgence in alcoholic beverages, yet we are aware that the abuse of these products represents a serious problem. We strongly condemn the abuse of alcoholic beverages and go beyond the legal requirements in taking action to promote the responsible consumption of alcoholic beverages.

In light of this, our commercial communications may never target children or youth and may never encourage alcohol abuse or the harmful consumption of alcoholic beverages.

Our employees represent the Rotkäppchen-Mumm Group in their professional and personal lives and should therefore model responsible behaviour when consuming alcoholic beverages, thereby also contributing to the Rotkäppchen-Mumm Group's positive public perception.

# 5. IMPLEMENTATION OF COMPLIANCE POLICY

## 5.1 DUTIES OF SUPERVISORS TO PROVIDE INFORMATION AND MONITOR COMPLIANCE

All supervisors must ensure and monitor that their employees are familiar with the subject matter of this Code of Conduct.

Supervisors should set an example by complying with and implementing the standards set out herein. Furthermore, supervisors must ensure that the employees in their area of responsibility comply with the provisions of this Code and that deviations are prevented.

## 5.2 SANCTIONS AND CONSEQUENCES

Violations of the Code of Conduct are punishable by disciplinary measures pursuant to the Company's policies.

## 5.3 DUTIES OF ALL EMPLOYEES

Every employee must be provided with a copy of this Code of Conduct.

Employees must confirm in writing that they understand the provisions set out herein and must agree to abide by them. This written confirmation is a mandatory component of each employee's personnel file.

## 5.4 TRAINING

Employees will be regularly informed of topical compliance matters.

Special training sessions may be created for specific groups of employees whose attendance will then be mandatory. Participation in training sessions will be documented.

## 5.5 RESPONSIBILITIES

Human resources is responsible for monitoring and ensuring compliance with the requirements of the German General Act on Equal Treatment (*Allgemeines Gleichbehandlungsgesetz*, "AGG") and the principles laid out in section 2 hereunder. Employees who believe they have witnessed or have been the victim of discrimination or harassment should report the incident to human resources without undue delay.

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The compliance officer is responsible for the implementation of the compliance policy. This structure ensures that all matters addressed by the compliance officer are processed independently and objectively. The compliance officer reports directly to the management, though she is not bound by their instructions.

As the contact person for all employees, the compliance officer is available to answer any questions which may arise.

The compliance officer collects incoming reports and exercises the requisite care in following up on them. All incoming reports are treated as strictly confidential.

Compliance officer: Lucia Schwab  
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## 6. DEFINITIONS

The designation **Rotkäppchen-Mumm Group** – and the **Company** – includes all subsidiaries of Rotkäppchen GmbH and Rotkäppchen GmbH itself.

The **German General Act on Equal Treatment** (AGG) prohibits discrimination based on personal characteristics such as age, ethnicity, religion, skin colour, gender, sexual orientation, disability, nationality and ancestry. A copy of the AGG may be obtained from human resources.

**Compliance Programme** The objective of a compliance programme is to introduce policies and measures which ensure that the lawful conduct of a company and its employees complies with all statutory requirements relating to the company and its activities. This includes not only standard policies preventing and requiring certain conduct, but also recommendations.

A **family member** is deemed to be any spouse or life partner, sibling, parent, parent-in-law or child who lives in the same household as the relevant employee.

A **business partner** is deemed to be any supplier of services or materials, customer, consultant, lessor, lessee or other partner of the Rotkäppchen-Mumm Group.

**Integrity** is an internationally recognised, comprehensive umbrella term which describes the aim of anti-corruption efforts and the objective of attaining a "corruption-free" organisation or company.

In the legal sense, **corruption** is the abuse of a position of trust in administration, business or politics with the aim of gaining a material or immaterial advantage to which the relevant person has no claim. Corruption can be active as in the case of granting advantages, bribery, paying kickbacks and other such activities. In its passive form, corruption can mean accepting advantages and bribes. In Germany, corruption is punishable as a criminal offence.

The term **employee** subsumes all employees who have a full-time or part-time employment relationship as well as temporary employees and contract workers (*Leihmitarbeiter*) of the Rotkäppchen-Mumm Group, including all employees in management positions.

In a figurative sense, **transparency** means that models and events are equally understandable and appear reasonable to all persons involved. Cases of corruption (see **corruption**) are facilitated by hiding the circumstances from public view. The most effective way to fight corruption is to ensure transparency. For this reason, the circumstances and transactions involved in business deals must be understandable at all times.

**Company policies** The complete, currently applicable Company policies may be found on the Intranet. All employees must comply with the Company's policies that are relevant to the area in which they work.

The Rotkäppchen-Mumm Group reserves the right to amend its policies to account for statutory requirements. Any amendment to an individual policy will be announced by e-mail.