Values and Responsibility

Content

Foreword 3
1 Henkell & Co.-Gruppe 4
2 Values and mission statement 5
3 Responsibility for the brand 7
4 Responsibility for our market activities 8
5 Responsibility for consumption 12
6 Responsibility for quality 14
7 Responsibility for the environment 16
8 Responsibility for our staff 18
Disclosures/Contact 22
We produce joie de vivre – offering all types of sparkling wine, select spirits and wines. Our customers love us as a provider of uniquely pleasurable moments, while the values we are committed to make us a reliable, long-term business partner worldwide.

Dear Readers,

one of the constant challenges facing the company is the need to maintain up-to-date brand management and to ensure the highest standards of quality in terms of the production of our products.

A group with subsidiaries in numerous countries requires standard values based on collective, responsible action that is implemented in all areas of the company. This makes it possible for us to achieve long-term commercial success and ensure that the company remains competitive.

This approach goes hand in hand with taking on responsibility: for example, for the staff, by giving them job security and career prospects in a successful and international, family-based concern, or for the environment whose natural resources the company wants to protect further by using environmentally friendly production processes as well as by promoting sustainable development. Henkell & Co.-Gruppe also faces up to the particular social responsibility borne by producers of alcoholic beverages.

This brochure is intended as a guide for employees in their day-to-day activities. It also informs our customers, business partners and fans of what they can expect of Henkell & Co.-Gruppe.

Dr. Andreas Brokemper
Spokesman of the Board
Controlling and International Business

Eberhard Benz
Member of the Board
Production and Purchasing

Frank van Fürden
Member of the Board
Marketing and Sales
Henkell & Co.-Gruppe
We are an international beverage group with headquarters in Wiesbaden, Germany.

We offer sparkling wine, wine and spirits and operate both in Germany and in international markets. We are the only international sparkling wine producer with own wineries and cellars in the world’s most renowned cultivation areas. Our staff is employed worldwide in a large number of subsidiaries and sales organizations which form part of the Group. We are market leaders for sparkling wine in many countries and have also become market leaders for wine, vodka and gin in other countries. Henkell & Co.-Gruppe also exports sparkling wine, wine and spirits to more than 100 countries worldwide.

Henkell & Co.-Gruppe is a company focused on long-term success with a history dating back to 1832. As a traditional branded consumer goods company, we carry out ongoing, innovative brand maintenance to ensure that we remain successful in the future. We have therefore been able to carry on developing the brand equity that we have acquired over many decades and bring this equity successfully into the present.

Core values and mission statement
Our shared understanding of values and relationships that are based on fairness form the basis for successful long-term business.

We want to be the leading name for quality. This pursuit goes hand in hand with adherence to our core values. We want our actions to meet the highest standards in terms of the way in which we deal with the people who work for Henkell & Co.-Gruppe, and in terms of resources, the environment and our corporate social responsibility.

This includes:

Outstanding product quality – We carry out regular inspections and use effective processes within Henkell & Co.-Gruppe to ensure that our products are of outstanding quality. Regular, independent external and internal certification backs up this claim.

Commercial success – We must secure the commercial success of Henkell & Co.-Gruppe and build on this success. We recognize the need for ongoing brand maintenance and development by providing, for example, high and sustainable quality in terms of products and manufacturing.

Responsible communication, fair business relationships – Consumers decide on the success of our products and therefore, the success of the Group. We maintain responsible communication with consumers. We also rely on long-term, trusting relationships with customers, suppliers and service providers.
Responsibility for the brand

Every day we strive to maintain and develop the value of our brands on which the success of the group is based.

The product portfolio of Henkell & Co.-Gruppe comprises a large number of well-known and prestigious brands of sparkling wine, wine and spirits, some of which have enjoyed success on the market for more than 150 years. An essential ingredient for our continued success is innovative brand management: as a traditional branded consumer goods company, we aim to create and to keep developing high brand values. The consumer is the focal point of this.

Moderate use of alcohol and systematic protection of young people – Our portfolio of alcoholic beverages, such as sparkling wine, wine and spirits, stands for pleasure and joie de vivre. Nevertheless, we recognise that the misuse of our products poses health risks. Therefore, we actively support measures and organisations that aim to promote responsible use of alcohol and compliance with legislation on child protection.

Extensive environmental protection – Henkell & Co.-Gruppe is committed to protecting the environment. We have developed a comprehensive action plan which is being implemented. We demonstrate our commitment to sustainable use of resources by making regular public statements on the environment.

Responsible corporate culture – Our dedicated staff is responsible for putting our core values and mission statements into practice. Henkell & Co. supports them by creating an attractive and stimulating working environment with flat hierarchies. We encourage personal development, initiative, tolerance and responsibility.

Compliance – As the enterprise has dramatically grown internationally, compliance has become an increasingly important issue as global operations mean our staff has to deal with differing legal frameworks and values. We have thus implemented a compliance management system involving a code of conduct which is binding for all employees in every business area and every country where we operate.

To maintain our brand values we focus on:

Quality – The success of our products is based on consistently reliable premium quality. We meet this requirement by using carefully developed raw ingredients that are processed into sparkling wine, wine or spirits. We also set high quality standards in terms of product design and packaging.

Innovation – Sustainable, long-term communication. Presence and a positive image are essential for ensuring the gain of the long-term trust of consumers and playing a key role in their brand choices.

Communication – We invest regularly and heavily in consumer communications. We strive to constantly maintain our presence and uphold our good image, as these are key to earning consumers’ sustained confidence and decisively influencing brand choices.
Responsibility for our market activities

We insist on integrity and fairness in all business areas and expect the same from partners and staff.

Value-based practices form the foundation for our solid business growth. Our brands are trusted worldwide, and we intend to honour this trust by demonstrating responsibility in our actions and increasing our commitment to such responsibility.

We have thus outlined binding rules for interactions with individual market participants.

Dealings with consumers

The consumer is the focal point of all market activity in which Henkell & Co.-Gruppe is involved. In brand communications we act in accordance with the rules of conduct governing commercial communication relating to alcoholic beverages. These rules are published by the German Advertising Council, the Central Association of the German Advertising Industry and equivalent European organisations.

Henkell & Co.-Gruppe communications do not:

- result in people feeling harassed or discriminated against on account of their gender, ethnic origin, sexual orientation or any other reason.
- appear in any pornographic context and is not linked to any such context.
- appear in any political or religious context.

Dealings with business partners

We act responsibly towards our customers, suppliers and all other service providers. We believe in professionalism, mutual respect and long-term relationships. We strictly abide by European competition laws, and we do not exert a negative effect on competition.

Specifically, this means:

- We do not enter any agreements with competitors or customers on the sharing of specific markets.
- We do not enter any illegal price fixing agreements with our customers, and we recommend retail prices that are commensurate with the value of our brands.
- invite, in terms of its scope and nature, the harmful consumption of alcoholic beverages or downplay such consumption.
- encourage children or young people to drink alcoholic beverages and do not depict children or young people consuming such drinks.
- appear in media with an editorial content aimed mainly at children and young people.
- depict performance athletes drinking alcohol or asking to do so.
- make any link between alcohol consumption and driving a car or operating machinery.
- make any statements relating to the elimination, mitigation or prevention of disease and make any claim that alcoholic beverages act like a drug.
To us, conducting ethical business relationships means having appropriate dealings with our customers, partners and suppliers.

Therefore, the following rules apply to us:

- Gifts that are related to specific events, such as birthday presents for customers or partners, are always modest. The main focus is on the intangible and informative nature of the gift, as well as product presentation.
- Flows of goods, services and money within the company are at all times transparently accounted for.

Our staff approaches relationships with external parties in a spirit of partnership. A functioning market environment and intact corporate communications structures are key in making this possible. We offer suitable remuneration and bind staff members to comply with the principles outlined in the following in an effort to ensure that business decisions are always made in an ethical and appropriate manner.

Specifically this means:

- We do not enter any price agreements or arrangements with our competitors on limiting production or production quotas.
- We never share news or information about a customer with other customers.

Dealing with competitors – Transparent rules are in place as well, governing the way in which we interact with competitors, which the company enforces.

Specifically this means:

- We have dual review procedures in place for all business activities.
- We only place orders based on comparison of a number of competitive offers.
- Our staff is prohibited from accepting gifts of money from consumers, customers, suppliers or other business partners.
Responsibility for consumption
As a crafter of alcoholic beverages, we strive to ensure that our products are enjoyed responsibly.

Enjoyment of alcoholic beverages is a part of our culture. This means adult consumers with a responsible attitude to alcoholic beverages. Preventive measures protecting young people from unsafe alcohol consumption constitute an important social service which calls upon producers of alcoholic beverages, in particular, to exercise responsibility.

Henkell & Co.-Gruppe meets this responsibility. We are committed and focussed in terms of promoting information and education campaigns to support moderate consumption of alcohol that neither jeopardises the health and safety of the individual nor that of other people. We also take a keen interest in critical social trends and the development of preventive measures. We are endeavouring to liaise and collaborate with relevant social groups and government agencies.

One of the tasks we have set for ourselves is to ensure that adolescents and young adults are aware, early on, of the dangers of excessive alcohol consumption. Related to this is the strict compliance with legal requirements relating to youth protection in the supply of alcoholic beverages. We campaign for this and support our partners in restaurants and retail in ensuring such compliance. Henkell & Co.-Gruppe also advocates the non-availability of alcohol in certain situations, such as at the workplace, in traffic, during pregnancy and breastfeeding and when taking medication.

Henkell & Co.-Gruppe is involved in a number of associations, in which management representatives and many of the company’s staff plays a part.

The initiatives we support include:

**Maßvoll genießen** (Enjoy in moderation) – an initiative of the BSI (Federal Association for the German Spirits Industry and Spirits Importers) designed to provide education on responsible consumption of alcoholic beverages while outlining clear recommendations to abstain from alcohol in certain situations.

www.massvoll-geniessen.de

**Klartext reden** (Plain talk) – this campaign which supports alcohol prevention in families is developed by BSI’s ‘Arbeitskreis Alkohol und Verantwortung’ (Working Group for Alcohol and Responsibility) in partnership with BundesElternRat (National Parents Board). The initiative provides educational and counselling services and organises workshops to help parents broach the subject of alcohol with their children. It also offers guidance on effective management strategies.

www.klartext-elterntraining.de

**SchuJu** (Schulungsinitiative Jugendschutz – Youth Protection Training Initiative) – The BSI’s ‘Working Group for Alcohol and Responsibility’ works with many other organisations and associations in campaigning for strict compliance with child protection laws governing sales of alcoholic beverages. SchuJu’s work includes online training courses aimed at retail, restaurant and petrol station sales staff.

www.schu-ju.de

**Verantwortung von Anfang an!** (Responsibility from the start!) – BSI’s ‘Working Group for Alcohol and Responsibility’ has, with scientific help provided by FAS-Ambulanz at the University Hospital in Münster, prepared guidelines for abstaining from alcoholic beverages during pregnancy and breastfeeding.

www.verantwortung-von-anfang-an.de

**DON’T DRINK AND DRIVE** – This road safety campaign, which is supported by leading associations from the beer, wine, sparkling wine and spirits industries, aims to continue to reduce the number of alcohol-related accidents. Attention-grabbing campaigns call on all motorists to refrain from drinking and driving.

www.ddad.de
Henkell & Co.-Gruppe insists on meeting the very highest standards in any involvement in awareness campaigns and supporting of preventive measures relating to alcohol. It is important for us that our staff, in particular, shows responsible and exemplary behaviour. We endeavour to ensure that children and adolescents, as well as those who appear to be under the influence of alcohol, are not able to buy or consume alcohol at events we organise.

Responsibility for quality

Our products are subject to the highest quality standards, vindicating the trust that customers and consumers place in us.

One of the goals we strive for with our brands is to take the lead in all market segments by virtue of the quality of our products. We insist on the highest standards of quality in the ingredients and materials we use to ensure our ability to achieve this leading position.

Close relationships with wine, base wine and alcoholic product suppliers allow us to exercise influence on quality considerations pertaining to grape cultivation and base wine refinement.

- We make decisions on grape cultivation and base wine refinement issues jointly with our wine and base wine suppliers.
- We are familiar with the distillation, production and maturing sites of our alcoholic product suppliers and inspect these on a regular basis.
- All materials used for our products meet the highest standards of quality. These are set out in detailed specifications.

We monitor compliance with these standards by carrying out ongoing inspections on receipt of materials and during processing and prior to the release of the finished product.

Hazard Analysis Critical Control Point (HACCP) – A preventive safety initiative for carrying out risk analyses and managing critical control points in production, processing and sale of food.

Independent certification – Processes within Henkell & Co.-Gruppe are transparent and effective. This is documented through regular certification under established international standards including:

DIN ISO 9001 – A systematic quality management system for increasing effectiveness and quality assurance in all departments and in all interfaces.

International Featured Standard (IFS) – A quality standard based on the general standard DIN ISO 9001 which incorporates additional requirements predicated upon food legislation, production practices and risk analysis.

Our employees undergo Continuous Improvement training, and are kept involved in and encouraged to contribute to these efforts. The expectations of customers and stakeholders are gauged to determine how to meet them to the greatest extent possible.
Responsibility for the environment

We use responsible production techniques and business practices to make our contribution to the sustainable management of the environment and resources.

As a global enterprise, Henkell & Co.-Gruppe is aware of its responsibility towards the environment and future generations. We understand that we have an obligation to demonstrate responsible and sustainable action to protect and conserve natural resources and have made this a cornerstone of our corporate policy.

We strive at all times to reduce our environmental footprint and the impact we have on the world we live in. Our commitment goes beyond our legal obligations.

Recycling – With recycling, we consider the entire product life cycle and how to best conserve natural resources. This includes participating in recycling programs like Terracycle and Recycling4smile.

Environmental protection – When we manufacture our products, we take into account their entire life cycle, and we have regard for the widespread conservation of our natural resources.

Investment in new technologies – We are constantly working on further reducing emissions that are harmful to health and the environment and on preventing such emissions on a permanent basis.

Effective controls – We use effective processes that expose weaknesses with a view to ensuring that we meet our environmental objectives. We are then able to take immediate action to optimise our impact.

Continuous improvement – We are committed as well to constantly optimising our environmental management system. Additionally, we adopt annual environment targets and corresponding measures to achieve these.

Employee awareness – We see it as our duty to raise awareness of environmental issues among our employees and to both motivate and require them to act with environmental sensitivity. Rewards are offered improvement proposals in the area of environmental protection under the company’s employee suggestion initiative.

Integrating contractual partners – All contractual partners working on our company premises are bound to adhere to our strict environmental standards. We ensure that these are adhered to.

Communicating action and results – We stand for transparency. We inform the general public about our environmental protection activities and environmental objectives in our regular Environment Report.

Independent certification – Independent organisations testify to the sustainability of the work we carry out to protect the environment – take, for example, our environment management system, which has been certified since 1998. And we now hold certification under DIN EN ISO 14001.

Responsible energy management

To ensure responsible consumption of energy for making our products, we have an energy management system in place that is certified under DIN EN ISO 50001. We guarantee the availability of the resources necessary to operate and improve our energy management system. In addition to observing energy usage, consumption and efficiency requirements, we are committed to compliance with all legal requirements, providing the relevant disclosures of information. We are likewise committed to continuous improvement in energy usage efficiency, setting strategic and operational energy targets and adopting the necessary measures to realise these. Our energy management system is reviewed for necessary adjustments on a regular basis.
Responsibility for our staff

We provide an attractive and motivating work environment by offering our staff clarity and transparency in the way in which we interact with them.

We owe it to our staff that we are able to keep producing brands of the finest quality for our customers and consumers and are often able to put forward innovations. We provide a pleasant working environment to ensure that Henkell & Co.-Gruppe employees are motivated and committed when going about their work.

We encourage and support our staff and espouse the following values:

Cultivating an atmosphere of openness and relationships that are based on respect – As an international consortium, we benefit from the diversity of our employees and have regard for and respect their differences in terms of gender, age, disability, sexual orientation, ethnic background and religion/beliefs. All staff members at Henkell & Co.-Gruppe are responsible for conducting themselves in a way that shows respect for others. Staff members should in no way harass or discriminate against colleagues.

Respecting and promoting rights – We undertake to comply with and enforce existing legislation and collective agreements.

Respecting opinions and views – We respect the personal opinions and political views of our staff. However, political and religious activity should be conducted outside working hours and away from the company premises.

Training as a social responsibility – We nurture young talent and create qualified, future-oriented traineeships. Henkell & Co.-Gruppe trainees are instructed on work content and receive comprehensive professional and personal advice and support.

Support in voluntary positions – We support our staff in any voluntary work they undertake, provided that it is in accordance with their work and the business of Henkell & Co.-Gruppe.

Reconciling the needs of family life and work – We are responsive to the modern demands of working life and work with our staff to develop practicable solutions, such as the provision of part-time positions.

Continuing to develop health promotion – We are already implementing a broad range of measures to promote a safe, healthy working environment, because the protection and welfare of our staff matter to us greatly. We provide constant improvement by taking on board and promoting innovative staff suggestions and by incorporating the latest findings in health and safety management.

Identifying and promoting expertise – Our employees take responsibility for their work and their own career development. We support and encourage them on an ongoing basis by providing programmes and services designed to meet their career path needs.

As an attractive and responsible employer, we support our staff in their professional and personal development. We have set ourselves the goal of retaining a competent, motivated and dedicated staff in the company on a long-term basis.
Workplace safety

Workplace safety is a primary management issue for Henkell & Co., reflected in the fact that the company has obtained certification under BS OHSAS 18001: 2007.

Workplace safety policies are designed to ensure compliance with all applicable laws. Ongoing training and active communications ensure that our employees are both behind and on top of the latest workplace safety rules. We maintain active dialogue with the competent authorities, with employer liability insurance associations and with all other stakeholders regarding our workplace health and safety policies. We are also committed to minimising threats to employee health and safety by continuously improving on injury and illness prevention. Henkell & Co. thus deploys cutting-edge technologies to achieve continuous improvements in the area of occupational health and safety to the extent possible. Business operations are constantly optimised pursuant to inspections, audits, accident investigations and similar procedures.

Henkell & Co. is committed to protecting the health, safety and welfare of our staff members as a central pillar of our corporate policy. Henkell & Co. insists on the same protections for visitors and employees of other firms as for the company’s own employees.

Henkell & Co. Sektkellerei KG
Biebricher Allee 142, 65187 Wiesbaden - Germany
P.O.B. 30 40, 65020 Wiesbaden - Germany
Phone +49 611 63-0
Fax +49 611 63-351
presse@henkell-gruppe.de
www.henkell-gruppe.com