



BANFI SOCIETÀ AGRICOLA S.R.L.

ETHICAL CODE



Premise

For some time now, “Banfi” in Montalcino has represented a fundamental reference for anybody in the world involved in wine production.

Defined at the time as the “greatest project every realized in the production of quality wines”, it was established in the now distant year 1978, thanks to the partnership between the Italian American brothers, John and Harry Mariani, owners of the most important wine importing company in the United States, and Cavaliere Ezio Rivella, one of the most prominent enologists in the world and an expert viticulturist.

Among the first agricultural estates to be inspired by the concept of Total Quality and, therefore, by the ideal pursuit of the highest satisfaction of the consumer, Banfi Società Agricola S.r.l. has operated in conformity with the UNI EN ISO 9001 norm since 2001. Furthermore, the increasingly growing interest in the protection of the environment and in the respect for the territory, together with a continuous compliance with the legislative provisions in the matter, have allowed Banfi Società Agricola S.r.l. to obtain the Environmental Certification according to the UNI EN 140001 norm and the Social Responsibility System Certification according to the SA 8000 norm.

The Company owes its growing success to a production pathway that, starting from the continued professionalism of the human resources and a qualified vinification technology has allowed to achieve the ideal combination between ancient wine tradition and modern production technology which makes this company reality a human and entrepreneurial experience which is hard to repeat.

Project rationality, quality of execution, organization and quality philosophy of production are the unique features of Banfi Società Agricola S.r.l..

This Ethical Code contains the principles which have inspired the Organization, Management and Control Model, according to the Legislative Decree 231/2001, of which the Company has decided to endow itself.

In the following pages the guidelines we have always considered for the company, albeit in a summarized form, shall be illustrated, that is all those values in which we recognize ourselves and for which we are known.

Therefore, the redaction of this Ethical Code represents the appropriate occasion to reaffirm these values and to share them with all who are with us in a daily relationship. As a matter of fact, we are convinced that a great company, for a confident outlook onto its future, must constantly direct its look to its history, to its bond with the territory and to the women and the men who with their work have contributed to its success: this wealth of professionalism, passion and loyalty must represent our main strength and the indispensable competence for our future growth,



Scope of application

The Ethical Code has a binding value for the conduct of all workers operating within the company, inasmuch as entering in relationship with the company: the operating range of the provisions of the aforementioned Code, therefore, shall be extended toward all associates, partners, suppliers and partners in business relationships, consultants and, in general, all individuals cooperating with Banfi Società Agricola S.r.l. or supplying the company with goods or services.

Not only, but the same managerial component of the Company is also obliged to comply with the principles of the present Code in proposing and executing projects, actions and the investments useful to increasing the asset and management values and the *know-how* of the Company, as well as the wellbeing of its associates.

Finally, the present Code is valid in Italy as well as abroad, whilst finding reasonable application to the diverse cultural, political, social, economic and commercial realities of the various Countries which Banfi Società Agricola S.r.l. finds itself operating in.

Non-ethical conduct

Conduct carried out by whomsoever, either an individual or an organization, on behalf of Banfi Società Agricola S.r.l., is considered non-ethical when it amounts to a violation of the rules of civil coexistence and of correct social and commercial relationships, as provided for and regulated by laws and applicable rules.

The assumption of non-ethical conduct compromises the relationships between the Company and the individuals in a senior position, between the Company and its employees and partners, as well as compromising the relationships between the Company and its commercial, business and financial interlocutors, both public as well as private.

Structure of the Code

The Code is constituted by three distinct sections:

- I. **General principles**, which define the main reference values which Banfi Società Agricola S.r.l. must comply with in managing its activities;
- II. **Rules of conduct** with which the Company as a whole, as well as all other subjects who are part of the recipients of this discipline, must comply with, with the primary purpose of preventing any possible risk of non-ethical conduct;
- III. **Modality of implementation of the code.**



GENERAL PRINCIPLES

Compliance with the norms

In the context of the activities transferred to each individual, senior associates, reporting associates, partners and consultants of Banfi Società Agricola S.r.l. are required to diligently comply with the applicable laws, the present Code and the internal regulations and, where existing, the code of professional conduct. In no case does the pursuit of the interests of Banfi Società Agricola S.r.l. justify a conduct in violation of the abovementioned regulations.

Principle of Honesty

The Administrators, Executives, Shareholders and all employees of Banfi Società Agricola S.r.l. guide their actions toward a sense of responsibility and honesty, abstaining from pursuing a personal or company profit at the expense of the compliance with the applicable laws and the provisions of the Ethical Code.

Principle of Transparency

In the relationship with the various bearers of interest and in the reporting of the economic, social and environmental impact of its activity, the Company assures transparent, complete and comprehensible information, so that each individual can make independent and informed decisions and verify the coherence between declared objectives and achieved results. In the same way, all those who operate within the Company or entertain work relationships with the Company are required to adopt a conduct inspired by transparency.

Principle of Confidentiality

Banfi Società Agricola S.r.l. assures the compliance with the principle of confidentiality of the information in its possession regarding shareholders, employees, suppliers and consumers. Possible information can be provided only and exclusively in the complete compliance with the law or based on specific agreements between the parties. In the same way, the shareholders, executives, employees are required to comply with the confidentiality of the information which is part of the Company assets.

Principle of Fair Competition

In its relationships with competing businesses, Banfi Società Agricola S.r.l. bases its conduct on principles of loyalty and correctness, abstaining from collusive conduct, in the conviction that a correct and fair competition improves the functioning of the market and produces advantages for the consumers and all citizens.

Principle of Integrity

The Company commits to operating to protect and enhance the individuals who, to various degrees,



contribute to the pursuit of its mission, protecting their dignity and physical and moral integrity.

Correctness of relationships with employees

In the context of hierarchical relationships, Banfi Società Agricola S.r.l. guarantees that the exercise of the principle of authority is not detrimental to the dignity, professionalism and autonomy of the employees. The Company operates its organizational choices safeguarding the professional value of its employees.

Principle of Correctness and Completeness of the formulation of contracts

Banfi Società Agricola S.r.l. inspires to the formulation of any contract according to the principles of the greatest transparency, completeness and correctness, looking to anticipate, as much as possible, the various contingencies which could influence relationships as unforeseen events arise. In any case, where it becomes necessary to renegotiate a contract, the Company, shall not exploit, to its own advantage, possible situations of weakness of information of its interlocutors. On the contrary, it shall take action, so that none of the parties shall see a deterioration of their initial equitable expectations.

Internal control

Banfi Società Agricola S.r.l. promotes and demands, at all levels, the complete compliance with the internal control processes, as an instrument to improve company efficiency and to comply with the applicable regulations and the principles of the present Code. In the context of the competence and attribution of each role, the Company is responsible for the correct functioning of the internal control system, for this providing all necessary assistance and cooperating in executing an effective and efficient system. Internal control is intended as the set of all processes and tools adopted by Banfi Società Agricola S.r.l. in order to direct, manage and verify the company activities, with the goal of assuring the compliance with the laws and the company procedures, of protecting the company assets, of managing the activities efficiently and of supplying accurate and complete accounting and financial data. Furthermore, Banfi Società Agricola S.r.l. assures free access to data, documentation and to any useful information for the execution of its activity to the shareholders, to other company bodies with control authority – such as the *Internal Audit* and the Supervisory Body – and to the external entities entrusted with the accounting audit.

Money laundering

Banfi Società Agricola S.r.l. carries out its activity in full compliance with the applicable regulations against money laundering and the orders issued by the competent Authorities, for this purpose the Company is committed to refusing the creation of business relationships with entities of suspicious and unproven moral integrity.



Protection of the environment

All activities carried out by Banfi Società Agricola S.r.l. are managed in compliance with the applicable regulations on the subject of the environment. The Company commits to disseminating and consolidating among all its employees a culture of protection of the environment and prevention of pollution, developing an awareness of the risks and promoting responsible conduct of behalf of all.

Protection of the marks of identification and the private of third parties

All activities implemented by Banfi Società Agricola S.r.l. are managed in compliance with the applicable national and supernational regulations, on the subject of the protection of trademarks and other distinctive signs, such as patents, models and designs. The Company commits to disseminating and consolidating among all its employees, partners and suppliers a culture of protection of trademarks and other distinctive marks, such as patents, models and designs of third parties, prohibiting, prosecuting and condemning all forms of forgery, alteration and illicit use of the aforementioned.



RULES OF CONDUCT

To guarantee the utmost transparency criteria are established and rules are defined that:

- allow for ample information regarding the activity of the administrators and the executives;
- specify and provide transparency regarding the acceptance – on behalf of those who hold roles in governance – of appointments in associations, economy and businesses;
- specify and clarify, with motivations, the proxies which allow the administrators and executives the use of resources.
- provide transparency regarding the procedures for the compensation and the career paths of the executives and the renewal processes;
- avoid, in compliance with the principle of honesty, the occurrence of situations of conflict of interest to the detriment of the Company.

1. Rules of conduct toward consumers

Banfi Società Agricola S.r.l. directs its activities toward the needs of the consumer and orients its organization toward the continuous improvement of its performances. For Banfi Società Agricola S.r.l. safety, health, respect for human rights and the environment are integral elements of the quality of its products and services.

In compliance with the principle of transparency, Banfi Società Agricola S.r.l. commits to informing the consumer in a complete and timely manner regarding the characteristics and the prices of its products, by means of non-misleading and correct messages and communication which respect the rights of individuals, in particular of minors.

In compliance with the principle of confidentiality, the Company guarantees that possible information in its possession regarding the consumers shall be managed and used in full compliance with the rights of the individuals and the law.

2. Rules of conduct toward employees

In conformity with the principle of impartiality, Banfi Società Agricola S.r.l. adopts criteria for the selection and for career advancements of employees so that discrimination based on gender, race, religious or political creed and all forms of favoritism are excluded. The assessment of staff to be hired is carried out on the basis of the correspondence of the profiles of the candidates, in relation to the needs of the company, always, in any case, in the full compliance with the principle of equal opportunity.

It commits to the training and enhancement of its employees by arranging professional development



programs to expand their specific professional skills, and which shall be aimed at maintaining them in time. It dedicates particular attention to the development of values of correctness and honesty, also by publicizing the Ethical Code.

The Company commits to establishing, in cooperation with the trade unions, measures to protect the physical and moral integrity of the employees, contrasting practices violating their dignity.

Furthermore, the staff is hired with a formal work contract, according to the civil legislation and the applicable collective negotiation. No irregular work position or “black market” labor is permitted. At the time a work relationship is established, every employee receives adequate information, regarding the legislative and compensation-based contents of the relationship to be established, so that the acceptance of the role is based on the actual knowledge of the role.

Banfi Società Agricola S.r.l. commits to safeguarding the health and safety of the employees, as well as their privacy, in full compliance with the “Code on the matter of the protection of personal data”, Legislative Decree 196/2003.

Banfi Società Agricola S.r.l. commits to protecting the moral integrity of its employees and partners and to ensuring the right to work conditions that are respectful of the dignity of the individual. For this reason, it safeguards the employees from acts of psychological violence and contrasts any vexatious or harmful behavior or conduct of the individual, of his or her convictions and of his or her preferences. Sexual harassment is inadmissible and conduct that can disturb the individual must be avoided. Sexual harassment is intended as any act or conduct, also verbal, with a sexual connotation, which causes offence to the dignity and liberty of the individual subjected to it or which can be susceptible to creating an intimidating, hostile or humiliating work environment toward the individual. In particular, the following conduct is part of the category of sexual harassment:

- explicit or implicit requests for sexual performances or sexually motivated unappreciated attention which are considered offensive by the person subjected to it;
- threats, discrimination or extortion, endured for having rejected sexually motivated conduct, which directly or indirectly affects establishing, carrying out or ending a work relationship;
- irritating and undesired physical contact;
- offensive verbal remarks regarding the body and the sexuality;
- sexually motivated inconvenient or provocative gestures or allusions;
- display of pornographic material in the workplaces;
- writing or verbal expression on the presumed inferiority of the person, inasmuch as belonging to a certain gender, or denigratory in reason of the diversity of the expression of sexuality.



Each employee and each partner must avoid situations in which conflicts of interest can become apparent and refrain from taking personal advantage of business opportunities of which they have become aware of while carrying out their activities. In case, a conflict of interest becomes apparent, each employee and each partner must communicate it to the manager of the department and/or organization unit in which they operate, if an employee, or with which they cooperate, if a partner, or, again if an employee, to the direct hierarchical report, who shall inform, where necessary, the person in charge of internal control.

3. Rules of conduct toward suppliers

Banfi Società Agricola S.r.l. commits to establishing relationships of partnership with its suppliers, in order to achieve the best satisfaction of the consumer demand.

The Company selects its suppliers based on objective criteria, assuring a fair treatment to all those taking part in the negotiations. The selection is carried out for the purpose of accomplishing the utmost competitive advantage, yet, always guaranteeing the principle of non-discrimination. Banfi Società Agricola S.r.l. demands of its suppliers the full compliance of the legislation regarding work, human rights and the protection of the environment.

On the basis of the principle of impartiality, the Company and its administrators and executives, as well as its partners and consultants, shall not offer and shall not accept gifts over the normal practices of courtesy, or which can seem aimed at obtaining favorable conditions and treatments.

In compliance with the principle of transparency, Banfi Società Agricola S.r.l. informs the suppliers, in a complete, correct, truthful and timely manner, regarding the characteristics of its activity and of the nature of the business. The Company commits to making regular payments, defining the modality and timing in advance and communicating the information to the supplier.

Pending the definition of the Contracts, Banfi Società Agricola S.r.l. and its suppliers provide all the information which shall put both parties in the condition to correctly execute the undertaken commitments, avoiding any possible misunderstanding.

In compliance with the principle of confidentiality, Banfi Società Agricola S.r.l. commits to not transmitting information of confidential and strategic nature on the suppliers to third parties and demands reciprocity of this conduct.

In areas of risk of infiltration by the mafia, finally, the Company takes care of requesting the specific “*anti-mafia certification*” from its suppliers.



MODALITY OF IMPLEMENTATION

In compliance with the applicable legislation and from the perspective of the planning and management of the company activities aimed at efficiency, correctness, transparency and quality, Banfi Società Agricola S.r.l. adopts organizational and management measures suitable to preventing, discovering and reporting in a timely manner illegal conduct or, in any case, conduct contrary to the rules of this Code on behalf of any individual acting in the interest of the Company or relating to it that is to eliminate the relating situations of risk.

In particular, it rests with the President, Vice President, that is with each department manager operating at the legal headquarters or the facility of Banfi Società Agricola S.r.l. to detect possible violations of the present Code on behalf of employees who operate in its office or at the facility, that is on behalf of those who cooperate professionally, in absence of relationships of employment, with its office or with the operating quarters.

Possible violations to the present Code carried out by members of the Board of Directors must be identified by the President of the Board of Directors, that is, in case that the latter is the author of the violation, by another member of the Board of Directors.

1. Determination of violations

All interested individuals, internal and external to the Company, are called upon to report in writing possible non-observances of the present Code, by letter or email addressed to the Supervisory Body.

Banfi Società Agricola S.r.l. commits to protecting the authors of such reports against possible retaliations which they could face, and to maintaining their identity confidential, except for specific legal obligations.

The Supervisory Body can carry out checks on its own account to ascertain the compliance with the present Code; furthermore, its own investigation with regard to the reports that could arrive to the attention of the Body, that is in any identifiable circumstance with regard to violations of the present Code. The Body shall hear the author of the report and the individual responsible for the alleged violation separately.

Reports which shall clearly result in being unsubstantiated are subject to sanctions. In the case that the individual responsible for the violation is an employee of Banfi Società Agricola S.r.l., the investigation is carried out on the basis of the preventive notification to the interested individual of the violation of the present Code and the counter deductions presented by the latter, in compliance of the order contained in art. 7 of the Law no. 300 of May 20, 1979, and the collective contract applied to the work relationship.



At the conclusion of the investigation, in case the violation of the present Code has been ascertained, the Supervisory Board shall submit its explanatory report to the body appointed to adopting the resulting determinations according to the provisions of the disciplinary System which is an integral part of the organization, management and control Model adopted by the Company according to the Legislative Decree no. 231 of 2001, proposing to the latter the sanction to be imposed.

2. Sanctions

The observance on behalf of the employees of Banfi Società Agricola S.r.l. of the regulations of the Code must be considered an essential part of the obligations of their contract according to art. 2104 of the Civil Code. The violations of the Code on behalf of an employee constitutes non-fulfilment of the primary obligations of the work relationship or a disciplinary offense, with all legal consequences.

The components of the bodies of administration and of the bodies of control of Banfi Società Agricola S.r.l., the General Manager and all those who exercise, also de facto, the management and the control of the Company, as well as all the staff of the Company, who violate the orders of the present Code are subjected to the disciplinary System which constitutes an integral part of the organization, management and control Model adopted by the Company according to the Legislative Decree no. 231 of 2001.

In the contracts with consultants and suppliers of goods and services, also professional services, and with whomever carries out, for whatever reason, an activity in the interest of the Company, Banfi Società Agricola S.r.l. evaluates, in consideration of the type of relationship, the advisability of including clauses which explicitly bind also the other contracting party to the compliance with the principles and rules contained in the present Code and which, in case of violation of the aforementioned provisions, attribute to Banfi Società Agricola S.r.l. the right to withdraw from the contract or to demand its resolution.

3. Validity of the Code

The present Code shall apply to the conduct taken on by the interested individuals subsequently to its adoption on behalf of the Board of Directors of Banfi Società Agricola S.r.l.

For this purpose, subsequently to its adoption, the present Code shall be brought to the attentions of the members of the company bodies, of the employees and of the partners of Banfi Società Agricola S.r.l. and of all those individuals who provide services or carry out activities in favor of the company.

A copy of the Code shall be posted in a location accessible to all employees and shall be brought to the attention of the suppliers of goods and services, as well as all those who entertain negotiating relationships with the Company.

