CRISIS MANAGEMENT GUIDELINE

Guidelines for responding to incidents involving contamination, fraud or corporate threat

October 2016

This document is intended as a guide only; the information in this document should not be relied upon as legal advice or used as a substitute for legal advice.

Overview

Most developments that pose a threat to a company can be controlled through routine channels and procedures but there are situations that require rapid and far-reaching action by management to avert significant damage to the organization. An emergency can strike anytime, anywhere and significantly affect everyone and every aspect of the business cycle.

Crisis management is an organization's established guidelines for preparing and responding to emergency events in a safe and effective manner. A crisis management plan allows an organization to react and be better prepared to handle unforeseen events that may cause damage to the organization. The plan should be designed to effectively coordinate resources to protect consumers and the business interests of organizational members following a major crisis. Investment in the form of management leadership, commitment, and financial support is necessary to have a realistic and executable crisis management plan.

Definitions

A **Crisis** can be defined as an unexpected set of circumstances, which represents an immediate and significant threat to a company, the consumers of its products, employees and/or community. This may include threats to products or services, damage to public image and reputation of a company or its products, or disruption of the alcoholic beverage production process.

The development of a set of model procedures that can be followed in the event of a crisis or escalating incident helps characterize key responsible individuals, command and control decision points, action items and external communications strategies.

The purpose of these guidelines is to provide a model process flow that can be followed in an escalating incident or crisis related to issues of:

- alcoholic beverage contamination from agrichemical risk;
- alcoholic beverage contamination from physical, biological or (other) chemical risk;
- deliberate product tampering or extortion
- product fraud

No single set of guidelines can claim to cover all possible circumstances. While every crisis is different, they share to some extent the characteristic of surprise, insufficient information when it is most needed, intense scrutiny from regulators and outsiders and the disruption of regular-decision making processes. As such it is important that each company or industry body develop their own Crisis Management Plan that takes into account local circumstances and legislative obligations.

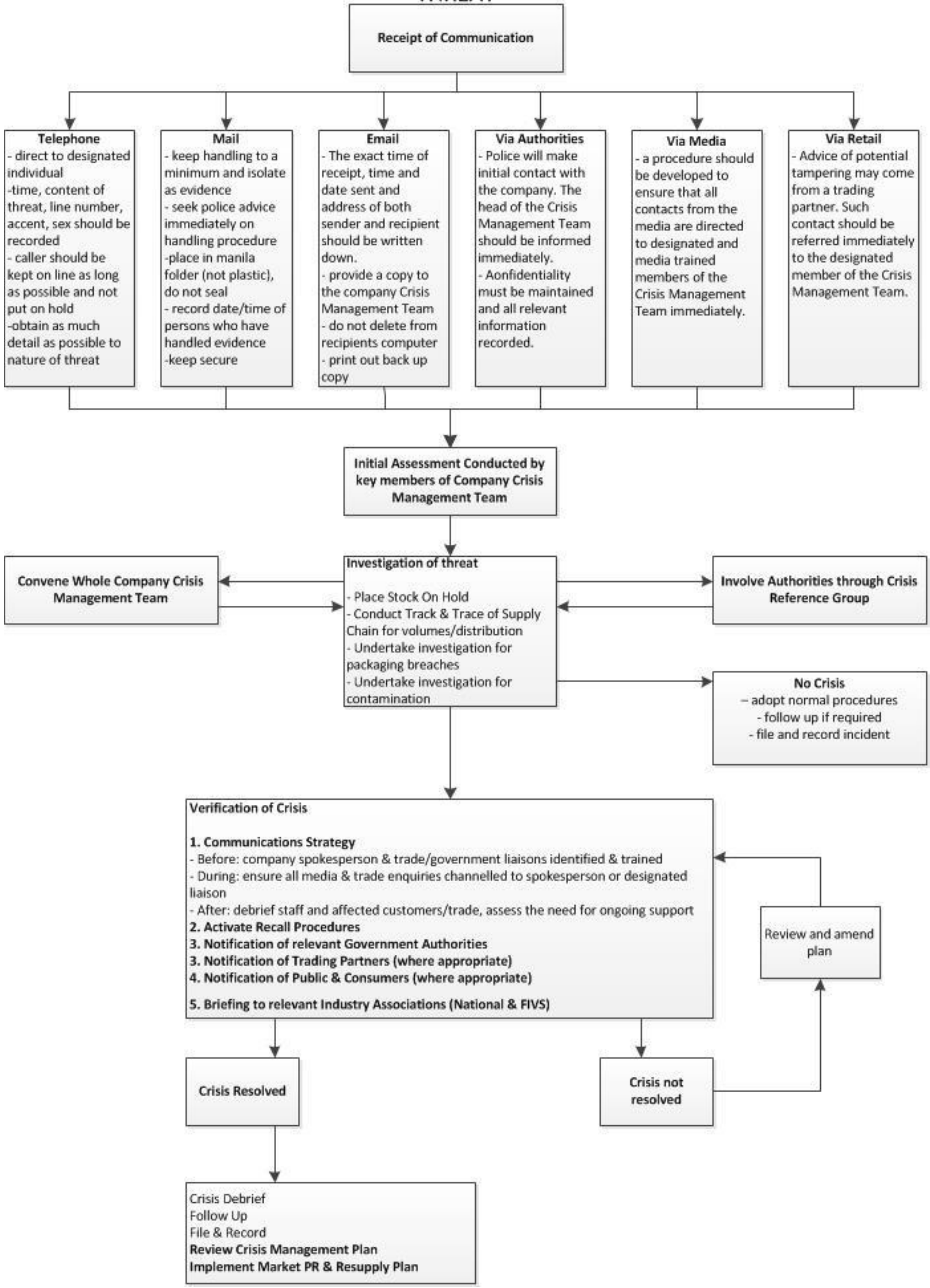
Crisis Management Plans should set out tasks to be carried out before, during and after a crisis. At times of crises, it is essential that individuals understand their specific responsibilities. The Crisis Management Team must drive all decision making toward achieving two essential outcomes:

- Policy actions to fix the problem
- Communication actions to keep the public, media and stakeholders informed of what you are doing and why.

The **Crisis Management Team** should be a cross-functional team of company's executive management encompassing legal, communications, marketing, operations, financial and technical functions. They will collectively evaluate potential incidents and determine the appropriate course of action, involve the relevant authorities when appropriate, minimize or eliminate any danger to consumers and to the employees, assets and reputation of the company.

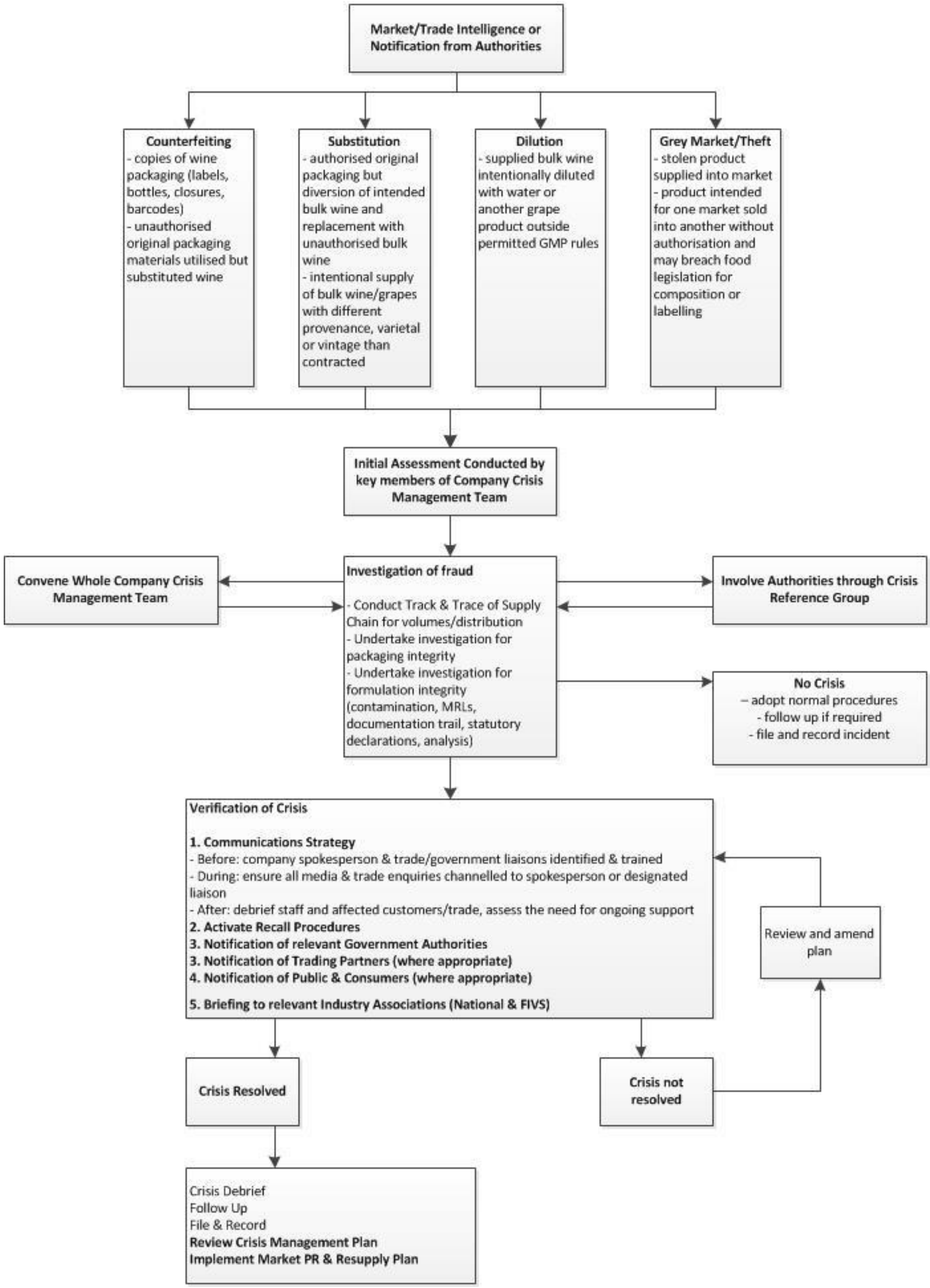
In the event of a crisis expanding in scope outside the corporate/company concern, due consideration should be given to the briefing and involvement of your national industry association or FIVS to assist in any key communication strategy to protect industry reputation and maintain consumer assurance.

EXTORTION / PRODUCT TAMPERING THREAT



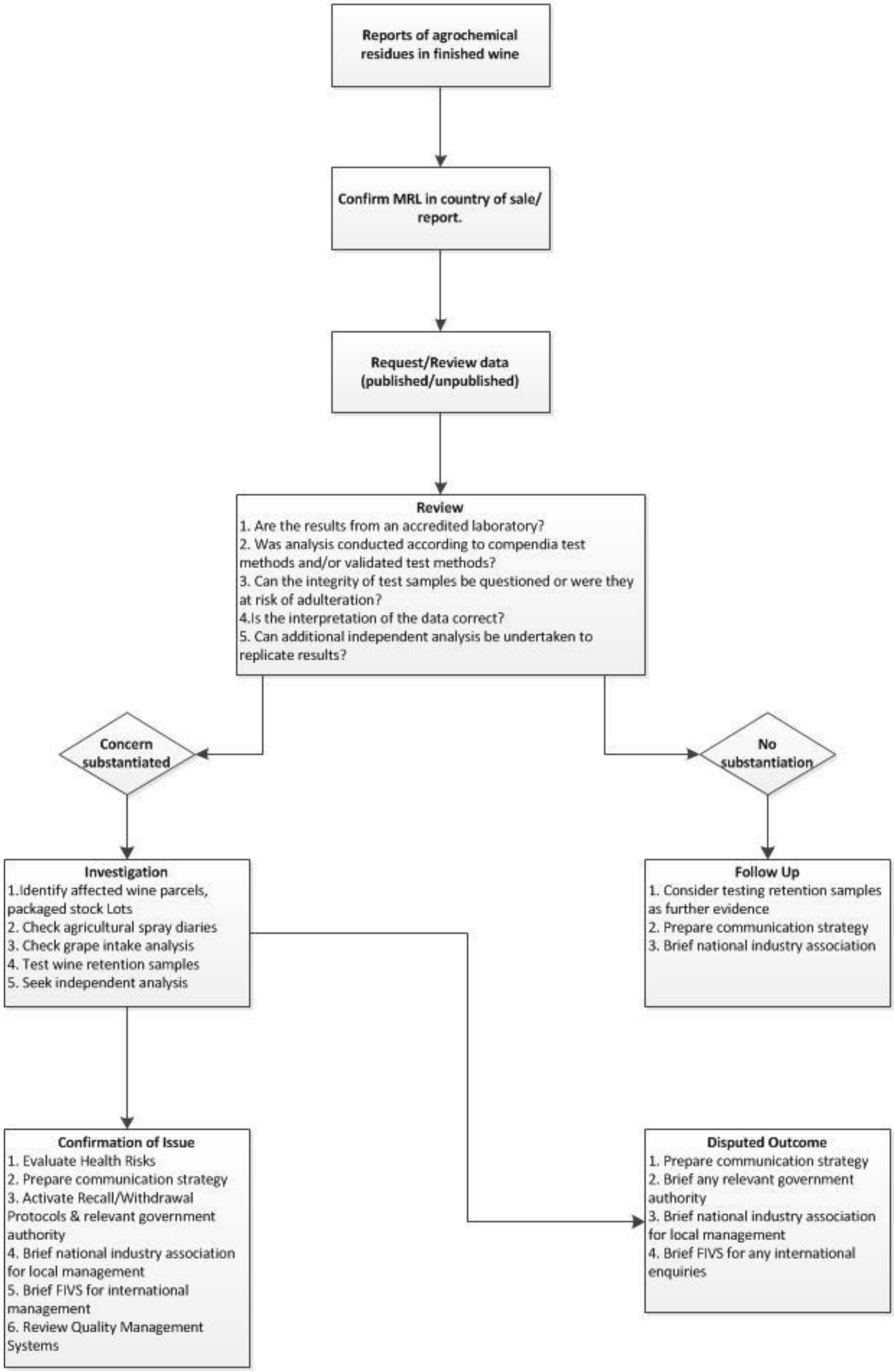
FIVS

PRODUCT FRAUD



FIVS

AGROCHEMICAL CONTAMINATION RISK



FIVS

PHYSICAL OBJECT/CHEMICAL/ MICROBIOLOGICAL CONTAMINATION RISK