

W0. Introduction

---

W0.1

---

**(W0.1) Give a general description of and introduction to your organization.**

Pernod Ricard is a world's co-leader in the industry of wines and spirits. It was created in 1975 with the merger of Pernod and Ricard companies and has today 85 subsidiaries in more than 70 countries. The company is active in a number of beverage sectors, including: whiskies, vodka, aniseed spirits, liqueurs, cognacs and brandies, gin, rums, bitters, champagne and wines. The group's activities are focused on international brands such as Absolut, Chivas Regal, Ballantines, Beefeater, Havana Club, Malibu, Martell, The Glenlivet, Jameson or Jacob's Creek. In addition, the group owns and distributes a number of leading local brands.

Pernod Ricard's structure is divided between Brand Companies, such as the Absolut Company, Chivas Brothers or Martell Mumm Perrier-Jouët, that produce those brands and develop marketing strategies, and Market Companies, such as Pernod Ricard Europe, Middle East and Africa, Pernod Ricard North America or Pernod Ricard Asia that are in charge of the distribution of the brands in every local market.

Pernod Ricard business model is based on a decentralized organization where business decisions are taken in the local markets and countries close to the customers and to our "terroirs".

The Group holds a long tradition of Corporate Social Responsibility (CSR), including a strong commitment towards environment protection deeply rooted in its long history and in the local territories where its emblematic brands have been produced and developed since many generations. The Group environmental commitments are included into the Pernod Ricard Corporate Environmental Policy which is based on impacts and risks identified for the Group in term of environment. This policy covers the Group's entire value chain and all its business activities from upstream procurement, production and market distribution to the end of the product's life. It is directed to all our stakeholders, starting with all employees across the world, as well as numerous suppliers and partners. In 2010, Pernod Ricard set a series of environmental targets to be reached by 2020 to address climate change through its 2020 Environmental Roadmap so that this environmental policy can be rolled out to all affiliates. A new roadmap was initiated in April 2019, when Pernod Ricard launched a new Sustainability & Responsibility (S&R) strategy "We bring good times from a good place.", built on the United Nations Sustainable Development Goals (SDGs) and addressing the entire business from 'grain to glass'. This roadmap has ambitious targets from now until 2030, with key milestones for 2025. Below are the main commitments linked to environment and climate change which lies in two of the four pillars of the strategy Visit our website to read the entire strategy: <https://www.pernod-ricard.com/en/sustainability-responsibility>

W-FB0.1a/W-AC0.1a

---

**(W-FB0.1a/W-AC0.1a) Which activities in the food, beverage, and tobacco and/or agricultural commodities sectors does your organization engage in?**

- Agriculture
- Processing/Manufacturing

W0.2

---

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	July 1 2021	June 30 2022

W0.3

---

**(W0.3) Select the countries/areas in which you operate.**

- Argentina
- Armenia
- Australia
- Brazil
- Canada
- China
- Cuba
- Czechia
- Finland
- France
- Germany
- Greece
- India
- Ireland
- Italy
- Mexico
- New Zealand
- Poland
- Spain
- Sweden
- United Kingdom of Great Britain and Northern Ireland
- United States of America

**W0.4**

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

**W0.5**

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

**W0.6**

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

**W0.6a**

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Distribution activities	Distribution affiliates activities range from transport, commercial fleet, warehouse management, marketing if they are not located on the production sites and packaging development. The water consumption and waste-water related to these activities is negligible (less than 1%) compared to the production sites (especially distilleries) representing a total withdrawal of 27, 000 ML.
Head offices when not located on industrial sites	Head offices water consumption is negligible compared to the production sites and is therefore not integrated into the reporting. The total head offices water consumption represents less than 1% of the total Group water consumption (estimation based on an average water consumption per employee : 60L/employee/day).
Company-owned vineyards and agave fields	Water consumption related to cultivation of grapes and agave on company-owned farms is not included in this reporting. This reporting is limited only to our transformation operations such as winemaking, distillation, ageing and bottling activities. At Pernod Ricard and in this reporting, the environmental impact of our own cultivation is assessed along with other agricultural goods procurement, part of Pernod Ricard Nurturing Terroir program, i.e. part of our supply chain risk assessment.

**W0.7**

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	FR0000120693

**W1. Current state**

## W1.1

### (W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	<p>It is vital to have sufficient amounts of good quality freshwater as water is an essential component of the products manufactured by Pernod Ricard, both for our direct and indirect operations as well as for our profit from recurring operations (PRO), which is our main metric for assessing financial risk.</p> <p>Regarding our direct operations, water is essential to farmlands irrigation, cleaning of equipment, manufacture of liqueurs and spirits and cooling of distillery facilities.</p> <p>Our indirect use is heavily dependent on irrigated agricultural raw materials, which we source all around the world.</p> <p>Preservation of water resources at local level is part of the Group's five main commitments on environmental impacts, which is why we have considered direct and indirect use to be of vital importance. In the future, we expect our dependency on freshwater supplies to increase in our direct operations in areas of high water risk as well as throughout our indirect agricultural supply chain, due to growing water scarcity and shifts in agricultural production.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	<p>In our direct operations, we encourage water recycling within our production facilities to improve our water efficiency and decrease the amount of water abstracted from watersheds.</p> <p>Water recycling is even more important to consider in our direct operations sites located in high water risk areas. We implement water recycling practices at different steps of the production process for distillation cooling, heating and cleaning. The installation of water treatment plants allows us to recycle treated water into the process.</p> <p>Recycling water will become more important in the future for our direct operations but also in our supply chain for the irrigation of all agricultural raw materials as water scarcity will increase, resulting in potential issues for water availability and increase in water cost, which is why we have classified this matter as important. Water reuse can help mitigate these impacts.</p>

## W-FB1.1a/W-AC1.1a

### (W-FB1.1a/W-AC1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Other crop commodity, please specify (Alcohol)	41-60	Sourced	The largest source of our revenue (55%) is associated with purchased alcohol. To calculate this figure, we considered procurement of all types of alcohol in the past financial year. Main part of purchased alcohol are produced using cereal grains.
Other crop commodity, please specify (Agave)	Less than 10%	Both	Agave represents 3% of our revenue. To calculate this figure, we calculated all agave produced and purchased in the past financial year.
Other crop commodity, please specify (Cereals (Maize, Barley, Rice etc.))	10-20	Sourced	Cereals represent 18% of our revenue. To calculate this figure, we calculated all of cereal purchased (including malted cereals or maize), in the past financial year.
Other crop commodity, please specify (Grapes)	10-20	Both	Grapes represent 19% of our revenue. To calculate this figure, we calculated all of our grapes-based production and procurement in the past financial year.
Sugar	Less than 10%	Sourced	Sugar represents 2% of our revenue. To calculate this figure, we calculated all of sugar purchased during the past financial year.

## W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Daily	Water meters, calibrated yearly	Water is an essential component for the products manufactured by Pernod Ricard. On our industrial sites, it is used in distillation process, vinification, spirits blending and formulation. That is why it is crucial to regularly monitor total volumes of water withdrawn from local watersheds in order to maximise water efficiency and ensure that Pernod Ricard operations do not endanger local resources for the surrounding communities. Water withdrawals are monitored daily with on-site water meters and reported in our environmental reporting on a yearly basis. Please note that one of the sites that contribute significantly the group's water consumption has recently been equipped with meters.
Water withdrawals – volumes by source	100%	Daily	Water meters, calibrated yearly	Water is an essential component for the products manufactured by Pernod Ricard. On our industrial sites, it is used in distillation process, vinification, spirits blending and formulation. That is why it is crucial to regularly monitor total volumes of water withdrawn from local watersheds in order to ensure that Pernod Ricard operations do not endanger local resources, such as groundwater that can be used by local communities, or river water that can be a biodiversity hotspot. Thus, withdrawn water volumes are monitored by source (Public Network Water, Groundwater or Spring, River, Dam, Lake water and other sources) on a daily basis with water meters.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Daily	Sampling	Pernod Ricard uses water supplies from public networks, surface water or ground water. In general, water quality inspections are conducted by water suppliers or local authorities for these sources. Nevertheless, groundwater or surface water used for distillation is sampled and monitored every day on site. It is also the case for public network water used for bottling and blending activities, especially as water is in direct contact with the product. The parameters monitored are: pH, suspended solids, organics, bug count, etc...
Water discharges – total volumes	100%	Daily	Water meters, calibrated once a year	As Pernod Ricard's production sites use significant amounts of water to manufacture wine & spirits products, total volumes of wastewater discharged are monitored with water meters. This allows to quantify the amount of water that is effectively consumed, the amount that requires treatment, and the amount that could be recycled. Water discharge is monitored daily with on-site water meters and reported in our environmental reporting on a yearly basis.
Water discharges – volumes by destination	100%	Daily	Water meters, calibrated yearly	As Pernod Ricard's production sites use significant amounts of water to manufacture wine & spirits products, total volumes of wastewater discharged are monitored by destination so as to adapt the required treatment before discharge. For instance, water discharged to a local wastewater treatment plant does not require the same treatment as water discharged to surface water. Different destinations (external network, surface water, irrigation, etc.) are monitored on a daily basis with water meters.
Water discharges – volumes by treatment method	Not relevant	<Not Applicable>	<Not Applicable>	Several types of processes are used by Pernod Ricard's factories to reduce the water organic load and make it suitable for reuse or for release into the natural environment. These include anaerobic digestion to produce methane (biogas), aerobic lagoon treatment, membrane filtration, or the use of plants to purify water in so-called "filter garden" systems. Although these volumes are monitored locally, as the risk related to our waste water discharges is considered as immaterial, we do not consolidate the volume of wastewater by treatment method at Group level. Pernod Ricard does not have a water treatment objective within its water stewardship strategy, but we consider this parameter as potentially relevant in the future, and will re-evaluate the extent to which it shall be monitored over time.
Water discharge quality – by standard effluent parameters	100%	Daily	Sampling : measuring of the volume of waste water and of the concentration of COD at the same stage of a given process. Sample location is identical for each analysis.	The majority of waste water generated on Pernod Ricard's production sites contains organic matter. The pollutant load related to that organic matter is expressed in Chemical Oxygen Demand (COD). COD is monitored through monthly sampling after treatment and before discharge to any destination, in order to ensure that effluents meet local water discharge requirements.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	We do not consolidate emissions to water at Group level as the risk related to these parameters is considered as immaterial, and as the parameters depend on facilities type and special features. Nevertheless, they are monitored locally according to local regulatory compliance requirements. Pernod Ricard does not have an objective related to emissions to water within its water stewardship strategy, but we consider this aspect as potentially relevant in the future, and will re-evaluate the extent to which it shall be monitored over time.
Water discharge quality – temperature	100%	Daily	Sampling	Waste water temperature is measured at site level whenever applicable for local regulation. The frequency of measurement depends on local compliance requirements, and may also vary from site to site. In general, effluents discharged to surface water or sewers are sampled on site on a daily basis. Independent compliance samples can be done by sites' technical centres. Regulatory authorities do their own sampling as well.
Water consumption – total volume	100%	Daily	Water meters, calibrated yearly	Water is an essential component for the products manufactured by Pernod Ricard. On our industrial sites, it is used in distillation process, vinification, spirits blending and formulation. That is why it is crucial to regularly monitor total volumes of water consumed in order to maximise water efficiency and ensure that Pernod Ricard operations do not endanger local resources for the surrounding communities. Water consumption is monitored daily with on-site water meters and reported in our environmental reporting on a yearly basis.
Water recycled/reused	Not relevant	<Not Applicable>	<Not Applicable>	We do not consolidate water recycled/reused at Group level yet because of the significant diversity of our many production sites infrastructures and reuse cases, and because some water saving projects are still being trialled. Pernod Ricard does not have an objective related to water recycled/reused within its water stewardship strategy. However, we are aware that this parameter is increasingly relevant for addressing water circularity matters, and will re-evaluate the extent to which it shall be monitored over time.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yearly	Audits	Pernod Ricard has been a member of the UN CEO Water Mandate since September 2010 with a commitment dedicated to water management in direct operations. In all of Pernod Ricard's production sites, workers must have access to water supply and suitable sanitation and hygiene. ISO 14001 and 45001 certifications cover more than 99 % of production volumes. These standards ensure that the sites address water related aspects such as access, sanitation and hygiene. ISO norms application is verified every year by both internal teams and third parties.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	27223.81	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" and "five-year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  Total withdrawals 20% increase was mainly driven by a 18% increase in volumes of alcohol distilled.
Total discharges	25771.9	Much higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" and "five-year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  Total discharges 21% increase was mainly driven by a 18% increase in volumes of alcohol distilled.
Total consumption	1451.9	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	Description for "comparison with previous reporting year" and "five-year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  According to the CDP Water definition, "Water Total Consumption" = "Water Withdrawal" – "Water Discharge". Based on this definition, water consumption has decreased by 4% compared to last year despite an increase in the production of pure alcohol by 18% in volume. This is mainly due to improvements in water use efficiency through water recycling/reuse actions.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	About the same	Other, please specify (Pernod Ricard's production sites that account for most of water abstraction volumes are not located in high risk water basins. The % of water withdrawn from areas with water stress was hence not affected by increases in business activity.)	About the same	Investment in water-smart technology/process	WRI Aqueduct	Description for "comparison with previous reporting year" and "five-year forecast" thresholds: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower.  Pernod Ricard uses WRI Aqueduct to assess the water risk level of watersheds in which production sites are located. The assessment method takes into account current overall water risk, current water stress and projected water stress.  Although business activity is highly likely to increase in the future, Pernod Ricard's investments in water-efficient technology and equipment is expected to maintain a steady proportion of water withdrawn from areas with water stress.

W-FB1.2e/W-AC1.2e

(W-FB1.2e/W-AC1.2e) For each commodity reported in question W-FB1.1a/W-AC1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Sugar	Not applicable	Yes	<p>Pernod Ricard has conducted a Terroir Mapping to assess environmental and social risks &amp; opportunities related to the production and sourcing of key agricultural raw materials originating from priority terroirs. The same assessment is applied to sourced and produced commodities. This aims at mitigating the most pressing issues with sustainable agriculture plans.</p> <p>Key agricultural raw materials are ingredients that are either necessary for recipes, iconic, or with a strong sensory contribution. They cover more than 98% of annual purchases consolidated at group level.</p> <p>Priority terroirs are selected among terroirs growing key agricultural materials. They cover more than 90% of annual purchases consolidated at group level for a given material.</p> <p>The Terroir Mapping consists in listing all terroirs (one ingredient x one specific location), identifying priority terroirs, and assessing 8 environmental risks (including water availability &amp; water pollution) and 9 social risks at terroir level (i.e. country or regional level). Each risk assessment is made by answering predefined questions, which answers contribute to determine the final result (low / medium / high risk). For both sourced and produced commodities, responses provided rely either on specific data or on internationally recognized databases (eg. FAOstat). Eventually, the consolidation of all risks allows to calculate an overall risk score for each priority terroir.</p> <p>Water availability is one of the criteria of the environmental risk assessment and is evaluated based on WRI Aqueduct and WWF Water Risk Filter tools.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Alcohol)	Not applicable	Yes	<p>Pernod Ricard has conducted a Terroir Mapping to assess environmental and social risks &amp; opportunities related to the production and sourcing of key agricultural raw materials originating from priority terroirs. The same assessment is applied to sourced and produced commodities. This aims at mitigating the most pressing issues with sustainable agriculture plans.</p> <p>Key agricultural raw materials are ingredients that are either necessary for recipes, iconic, or with a strong sensory contribution. They cover more than 98% of annual purchases consolidated at group level.</p> <p>Priority terroirs are selected among terroirs growing key agricultural materials. They cover more than 90% of annual purchases consolidated at group level for a given material.</p> <p>The Terroir Mapping consists in listing all terroirs (one ingredient x one specific location), identifying priority terroirs, and assessing 8 environmental risks (including water availability &amp; water pollution) and 9 social risks at terroir level (i.e. country or regional level). Each risk assessment is made by answering predefined questions, which answers contribute to determine the final result (low / medium / high risk). For both sourced and produced commodities, responses provided rely either on specific data or on internationally recognized databases (eg. FAOstat). Eventually, the consolidation of all risks allows to calculate an overall risk score for each priority terroir.</p> <p>Water availability is one of the criteria of the environmental risk assessment and is evaluated based on WRI Aqueduct and WWF Water Risk Filter tools.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Agave)	Yes	Yes	<p>Pernod Ricard has conducted a Terroir Mapping to assess environmental and social risks &amp; opportunities related to the production and sourcing of key agricultural raw materials originating from priority terroirs. The same assessment is applied to sourced and produced commodities. This aims at mitigating the most pressing issues with sustainable agriculture plans.</p> <p>Key agricultural raw materials are ingredients that are either necessary for recipes, iconic, or with a strong sensory contribution. They cover more than 98% of annual purchases consolidated at group level.</p> <p>Priority terroirs are selected among terroirs growing key agricultural materials. They cover more than 90% of annual purchases consolidated at group level for a given material.</p> <p>The Terroir Mapping consists in listing all terroirs (one ingredient x one specific location), identifying priority terroirs, and assessing 8 environmental risks (including water availability &amp; water pollution) and 9 social risks at terroir level (i.e. country or regional level). Each risk assessment is made by answering predefined questions, which answers contribute to determine the final result (low / medium / high risk). For both sourced and produced commodities, responses provided rely either on specific data or on internationally recognized databases (eg. FAOstat). Eventually, the consolidation of all risks allows to calculate an overall risk score for each priority terroir.</p> <p>Water availability is one of the criteria of the environmental risk assessment and is evaluated based on WRI Aqueduct and WWF Water Risk Filter tools.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Cereals (Maize, Barley, Rice, etc.))	Not applicable	Yes	<p>Pernod Ricard has conducted a Terroir Mapping to assess environmental and social risks &amp; opportunities related to the production and sourcing of key agricultural raw materials originating from priority terroirs. The same assessment is applied to sourced and produced commodities. This aims at mitigating the most pressing issues with sustainable agriculture plans.</p> <p>Key agricultural raw materials are ingredients that are either necessary for recipes, iconic, or with a strong sensory contribution. They cover more than 98% of annual purchases consolidated at group level.</p> <p>Priority terroirs are selected among terroirs growing key agricultural materials. They cover more than 90% of annual purchases consolidated at group level for a given material.</p> <p>The Terroir Mapping consists in listing all terroirs (one ingredient x one specific location), identifying priority terroirs, and assessing 8 environmental risks (including water availability &amp; water pollution) and 9 social risks at terroir level (i.e. country or regional level). Each risk assessment is made by answering predefined questions, which answers contribute to determine the final result (low / medium / high risk). For both sourced and produced commodities, responses provided rely either on specific data or on internationally recognized databases (eg. FAOstat). Eventually, the consolidation of all risks allows to calculate an overall risk score for each priority terroir.</p> <p>Water availability is one of the criteria of the environmental risk assessment and is evaluated based on WRI Aqueduct and WWF Water Risk Filter tools.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Grapes)	Yes	Yes	<p>Pernod Ricard has conducted a Terroir Mapping to assess environmental and social risks &amp; opportunities related to the production and sourcing of key agricultural raw materials originating from priority terroirs. The same assessment is applied to sourced and produced commodities. This aims at mitigating the most pressing issues with sustainable agriculture plans.</p> <p>Key agricultural raw materials are ingredients that are either necessary for recipes, iconic, or with a strong sensory contribution. They cover more than 98% of annual purchases consolidated at group level.</p> <p>Priority terroirs are selected among terroirs growing key agricultural materials. They cover more than 90% of annual purchases consolidated at group level for a given material.</p> <p>The Terroir Mapping consists in listing all terroirs (one ingredient x one specific location), identifying priority terroirs, and assessing 8 environmental risks (including water availability &amp; water pollution) and 9 social risks at terroir level (i.e. country or regional level). Each risk assessment is made by answering predefined questions, which answers contribute to determine the final result (low / medium / high risk). For both sourced and produced commodities, responses provided rely either on specific data or on internationally recognized databases (eg. FAOstat). Eventually, the consolidation of all risks allows to calculate an overall risk score for each priority terroir.</p> <p>Water availability is one of the criteria of the environmental risk assessment and is evaluated based on WRI Aqueduct and WWF Water Risk Filter tools.</p>

W-FB1.2f/W-AC1.2f

(W-FB1.2f/W-AC1.2f) What proportion of the produced agricultural commodities reported in W-FB1.1a/W-AC1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity produced in areas with water stress	Please explain
Other produced commodities from W-FB1.2e/W-AC1.2e, please specify (Agave)	100%	<p>Agave cultivated on Pernod Ricard's farms which are located in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represents 100% of the total financial value of produced agave.</p> <p>As part of the TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23, the probability that the risk of water stress increases by 2040 (scenario RCP4.5) is very high. The proportion of agave crops cultivated in water-stressed areas is hence expected to stay the same by then.</p> <p>As agave is one of Pernod Ricard's key agricultural materials, and based on these results, the company is committed to certify this production against a sustainable agriculture standard (that addresses water use among other parameters*) and to launch a project to address this pressing sustainability issue. The proportion of produced agricultural commodities originating from water-stressed areas contributes to the prioritization of risks and supports the decision-making process for mitigation projects.</p> <p>*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.</p>
Other produced commodities from W-FB1.2e/W-AC1.2e, please specify (Grapes)	11-25	<p>Grapes cultivated on Pernod Ricard's vineyards which are located in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represent 21% of the total financial value of produced grapes.</p> <p>The TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23 stipulates that the terroirs where Pernod Ricard has vineyards in Spain and China are likely to become water-stressed by 2040 (scenario RCP4.5), whereas they are not considered as water-stressed today. As it represents 3% of grapes internal production, the proportion of grapes cultivated in water-stressed areas is hence expected to stay the same by then.</p> <p>As grapes are one of Pernod Ricard's key agricultural materials, and based on these results, the company has launched regenerative agriculture pilots on its own vineyards. By 2025, eight wine regions will have a model regenerative farming system to be shared with the wine industry. Regenerative agriculture practices are expected to increase the soil's water retention capacity through landscape design, crop associations and agroforestry.</p> <p>The identification of vineyards located in water-stressed areas contributes to the prioritization and decision-making process related to the conduct of these regenerative agriculture pilots.</p>

W-FB1.2g/W-AC1.2g

(W-FB1.2g/W-AC1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a/W-AC1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Sugar	26-50	<p>Raw materials used to produce sugar purchased by Pernod Ricard which are cultivated in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represent 39% of the total spend on sourced sugar.</p> <p>The TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23 stipulates that the terroir on which sugarbeet is cultivated in France is likely to become water-stressed by 2040 (scenario RCP4.5), whereas it is not considered as water-stressed today. As it represents 9% of sourced sugar, the proportion of sugar sourced in water-stressed areas is hence expected to slightly increase by then.</p> <p>As sugar is one of Pernod Ricard's key agricultural materials, and based on these results, the company is committed to source 100% sugar certified against a sustainable agriculture standard (that addresses water use among other parameters*) by 2030 and to launch a project to address this pressing sustainability issue.</p> <p>The proportion of sourced agricultural commodities originating from water-stressed areas contributes to the prioritization of risks and supports the decision-making process for mitigation projects.</p> <p>*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.</p>
Other sourced commodities from W-FB1.2e/W-AC1.2e, please specify (Alcohol)	26-50	<p>Raw materials used to produce alcohol purchased by Pernod Ricard which are cultivated in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represent 32% of the total spend on sourced alcohol.</p> <p>The TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23 stipulates that some terroirs on which these raw materials are cultivated are likely to become water-stressed by 2040 (scenario RCP4.5), whereas they are not considered as water-stressed today. As it represents 17% of sourced alcohol, the proportion of alcohol sourced in water-stressed areas is hence expected to increase by then.</p> <p>As alcohol is one of Pernod Ricard's key agricultural materials, and based on these results, the company is committed to source 100% alcohol made from raw materials certified against a sustainable agriculture standard (that addresses water use among other parameters*) by 2030 and to launch a project to address this pressing sustainability issue.</p> <p>The proportion of sourced agricultural commodities originating from water-stressed areas contributes to the prioritization of risks and supports the decision-making process for mitigation projects.</p> <p>*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.</p>
Other sourced commodities from W-FB1.2e/W-AC1.2e, please specify (Agave)	100%	<p>Agave purchased by Pernod Ricard which is cultivated in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represents 100% of the total spend on sourced agave.</p> <p>As part of the TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23, the probability that the risk of water stress increases by 2040 (scenario RCP4.5) is very high. The proportion of agave crops cultivated in water-stressed areas is hence expected to stay the same by then.</p> <p>As agave is one of Pernod Ricard's key agricultural materials, and based on these results, Pernod Ricard is committed to certify this production against a sustainable agriculture standard (that addresses water use among other parameters*) and to launch a project to address this pressing sustainability issue.</p> <p>The proportion of sourced agricultural commodities originating from water-stressed areas contributes to the prioritization of risks and supports the decision-making process for mitigation projects.</p> <p>*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.</p>
Other sourced commodities from W-FB1.2e/W-AC1.2e, please specify (Cereals (Maize, Barley, Rice, etc.))	1-10	<p>Cereals purchased by Pernod Ricard which are cultivated in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represent 3% of the total spend on sourced cereals.</p> <p>The TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23 stipulates that some terroirs on which these cereals are cultivated are likely to become water-stressed by 2040 (scenario RCP4.5), whereas they are not considered as water-stressed today. As it represents 18% of sourced cereals, the proportion of cereals sourced in water-stressed areas is hence expected to increase by then.</p> <p>As cereals is one of Pernod Ricard's key agricultural materials, and based on these results, the company is committed to source 100% cereals certified against a sustainable agriculture standard (that addresses water use among other parameters*) by 2030 and to launch a project to address this pressing sustainability issue.</p> <p>The proportion of sourced agricultural commodities originating from water-stressed areas contributes to the prioritization of risks and supports the decision-making process for mitigation projects.</p> <p>*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.</p>
Other sourced commodities from W-FB1.2e/W-AC1.2e, please specify (Grapes)	26-50	<p>Grapes purchased by Pernod Ricard which are cultivated in areas with medium to high water availability risk (according to the Terroir Mapping mentioned in W-FB1.2e/W-AC1.2e) represent 27% of the total spend on sourced grapes.</p> <p>The TCFD-Climate scenarios analysis conducted by Pernod Ricard in FY23 stipulates that the terroirs where Pernod Ricard has vineyards in Spain and China are likely to become water-stressed by 2040 (scenario RCP4.5), whereas they are not considered as water-stressed today. As it represents 62% of sourced grapes, the proportion of grapes cultivated in water-stressed areas is hence expected to significantly increase by then.</p> <p>As grapes is one of Pernod Ricard's key agricultural materials, and based on these results, the company is committed to source 100% grapes certified against a sustainable agriculture standard (that addresses water use among other parameters*) by 2030 and to launch a project to address this pressing sustainability issue.</p> <p>The proportion of sourced agricultural commodities originating from water-stressed areas contributes to the prioritization of risks and supports the decision-making process for mitigation projects.</p> <p>*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.</p>

W1.2h



(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	22847.33	Higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  The 20% increase in fresh surface water withdrawals was mainly driven by the 18% increase in production of distilled alcohol.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Pernod Ricard sites do not withdraw brackish surface water nor seawater for their operations.  In the future, we do not anticipate withdrawing water from this source.
Groundwater – renewable	Relevant	2630.83	Higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  The 20% increase in groundwater withdrawals was mainly driven by the 18% increase in production of distilled alcohol.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Pernod Ricard sites do not withdraw non-renewable groundwater for their operations.  In the future, we do not anticipate withdrawing water from this source.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Pernod Ricard sites do not withdraw produced / entrained water for their operations.  In the future, we do not anticipate withdrawing water from this source.
Third party sources	Relevant	1745.65	Higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  The 19% increase in fresh surface water withdrawals was mainly driven by the 18% increase in production of distilled alcohol.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	21540.56	Much higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower  Water discharged to fresh surface water corresponds to cooling water returned in physical and chemical conditions that do not affect the receiving water body.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Pernod Ricard sites do not discharge water to brackish surface water nor seawater for their operations.
Groundwater	Relevant	258.39	About the same	Maximum potential volume reduction already achieved	Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower
Third-party destinations	Relevant	3972.96	Higher	Increase/decrease in business activity	Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1070100	27223.81	393.075032480759	We expect that future total withdrawal efficiency may decrease in line with on-going water stewardship initiatives and with our targets to achieve a 20% further reduction of water consumption intensity by 2030, compared to 2018 baseline.

W-FB1.3/W-AC1.3

(W-FB1.3/W-AC1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a/W-AC1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Sugar	Not applicable	Yes	<p>In parallel to the terroir risk mapping mentioned in W-FB1.2e/W-AC1.2e, Pernod Ricard has conducted in FY22 the calculation of its key agricultural raw material water footprint.</p> <p>The water intensity of each agricultural commodities has been calculated based on key agricultural raw materials volumes purchased, and on the Water Footprint Network's dataset. This dataset provides country-specific amounts of water required to grow a functional unit of given raw agricultural material.</p> <p>The figures reported are expressed in freshwater consumption (i.e. blue water footprint) per ton of agricultural raw material.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Alcohol)	Not applicable	Yes	<p>In parallel to the terroir risk mapping mentioned in W-FB1.2e/W-AC1.2e, Pernod Ricard has conducted in FY22 the calculation of its key agricultural raw material water footprint.</p> <p>The water intensity of each agricultural commodities has been calculated based on key agricultural raw materials volumes purchased, and on the Water Footprint Network's dataset. This dataset provides country-specific amounts of water required to grow a functional unit of given raw agricultural material.</p> <p>The figures reported are expressed in freshwater consumption (i.e. blue water footprint) per ton of agricultural raw material.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Agave)	Yes	Yes	<p>In parallel to the terroir risk mapping mentioned in W-FB1.2e/W-AC1.2e, Pernod Ricard has conducted in FY22 the calculation of its key agricultural raw material water footprint.</p> <p>The water intensity of each agricultural commodities has been calculated based on key agricultural raw materials volumes purchased, and on the Water Footprint Network's dataset. This dataset provides country-specific amounts of water required to grow a functional unit of given raw agricultural material.</p> <p>The figures reported are expressed in freshwater consumption (i.e. blue water footprint) per ton of agricultural raw material.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Cereals (Maize, Barley, Rice, etc.) )	Not applicable	Yes	<p>In parallel to the terroir risk mapping mentioned in W-FB1.2e/W-AC1.2e, Pernod Ricard has conducted in FY22 the calculation of its key agricultural raw material water footprint.</p> <p>The water intensity of each agricultural commodities has been calculated based on key agricultural raw materials volumes purchased, and on the Water Footprint Network's dataset. This dataset provides country-specific amounts of water required to grow a functional unit of given raw agricultural material.</p> <p>The figures reported are expressed in freshwater consumption (i.e. blue water footprint) per ton of agricultural raw material.</p>
Other commodities from W-FB1.1a/W-AC1.1a, please specify (Grapes)	Yes	Yes	<p>In parallel to the terroir risk mapping mentioned in W-FB1.2e/W-AC1.2e, Pernod Ricard has conducted in FY22 the calculation of its key agricultural raw material water footprint.</p> <p>The water intensity of each agricultural commodities has been calculated based on key agricultural raw materials volumes purchased, and on the Water Footprint Network's dataset. This dataset provides country-specific amounts of water required to grow a functional unit of given raw agricultural material.</p> <p>The figures reported are expressed in freshwater consumption (i.e. blue water footprint) per ton of agricultural raw material.</p>

W-FB1.3a/W-AC1.3a

(W-FB1.3a/W-AC1.3a) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3/W-AC1.3 that you produce.

**Agricultural commodity**

Other produced commodities from W-FB1.3/W-AC1.3, please specify (Agave)

**Water intensity value (m3/denominator)**

0

**Numerator: water aspect**

Freshwater consumption

**Denominator**

Tons

**Comparison with previous reporting year**

About the same

**Please explain**

In order to meet its 2030 Sustainability & Responsibility ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identifying local social and environmental risks & opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context.

As agave crops are not irrigated, the calculated blue water footprint is null. This result has not changed since the last reporting year and is not expected to increase in the future. Thus, there is no current strategy to reduce the water intensity.

Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower

---

**Agricultural commodity**

Other produced commodities from W-FB1.3/W-AC1.3, please specify (Grapes)

**Water intensity value (m3/denominator)**

209

**Numerator: water aspect**

Freshwater withdrawals

**Denominator**

Tons

**Comparison with previous reporting year**

Lower

**Please explain**

In order to meet its 2030 Sustainability & Responsibility ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identifying local social and environmental risks & opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context.

Internal grapes production water intensity was calculated based on consolidated harvest volumes (tons) and on vineyards total water consumption (m3). It decreased by 15% since last year due to weather variability and implementation of sustainable agriculture practices.

As the proportion of grapes produced in water-stressed areas is expected to increase in the future (question W-FB1.2f), produced grapes water intensity is expected to increase due to higher irrigation water demand. To mitigate this risk, the company has launched regenerative agriculture pilots on its own vineyards. By 2025, eight wine regions will have a model regenerative farming system to be shared with the wine industry. Regenerative agriculture practices are expected to increase the soil's water retention capacity through landscape design, crop associations and agroforestry.

Description for "comparison with previous reporting year" threshold: Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower

---

**W-FB1.3b/W-AC1.3b**

(W-FB1.3b/W-AC1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3/W-AC1.3 that you source.

**Agricultural commodities**

Other sourced commodities from W-FB1.3/W-AC1.3, please specify (Sugar)

**Water intensity value (m3/denominator)**

314

**Numerator: Water aspect**

Freshwater consumption

**Denominator**

Tons

**Comparison with previous reporting year**

This is our first year of measurement

---

### Please explain

In order to meet our 2030 ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identify local social and environmental risks & opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context. Through the water-related requirements that they involve, sustainable agriculture plans and certifications should contribute to reduce the water intensity, either by avoiding useless water consumption (e.g. water management plan, installation of drip irrigation...) or by decreasing the need for irrigation (e.g. improvement of soil's water retention capacity).

The reported figure represents a ponderated average of the blue water footprint of all sugar sourced.

We are not able to provide a comparison with previous reporting year as this is our first year of measurement.

As the proportion of sugar sourced in water-stressed areas is expected to slightly increase in the future (question W-FB1.2g), sugar water intensity is expected to increase due to higher irrigation water demand. To mitigate this risk, the company is committed to source 100% sugar certified against a sustainable agriculture standard (that addresses water use among other parameters\*) by 2030 and to launch a project to address this pressing sustainability issue.

\*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.

---

### Agricultural commodities

Other sourced commodities from W-FB1.3/W-AC1.3, please specify (Alcohol)

#### Water intensity value (m3/denominator)

2199

#### Numerator: Water aspect

Freshwater consumption

#### Denominator

Other, please specify (kL of pure alcohol)

#### Comparison with previous reporting year

This is our first year of measurement

### Please explain

In order to meet our 2030 ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identify local social and environmental risks and opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context. Through the water-related requirements that they involve, sustainable agriculture plans and certifications should contribute to reduce the water intensity, either by avoiding useless water consumption (e.g. water management plan, installation of drip irrigation...) or by decreasing the need for irrigation (e.g. improvement of soil's water retention capacity).

Both the terroir risk mapping and the water footprint calculations are based on raw agricultural materials only, meaning that for alcohol we consider the equivalent amount of raw material needed to produce 1hl of pure alcohol (grains, sugar, etc. depending on the type of alcohol). Here, the water intensity of alcohol is estimated based on the water intensity of the cereals needed to produced 1hl of pure alcohol, summed with the water consumed to distill 1hl of alcohol (internal data source). We are not able to provide a comparison with previous reporting year as this is our first year of measurement.

As the proportion of alcohol made from agricultural raw materials produced in water-stressed areas is expected to increase in the future (question W-FB1.2g), alcohol water intensity is expected to increase due to higher irrigation water demand. To mitigate this risk, the company is committed to source 100% alcohol made from raw materials certified against a sustainable agriculture standard (that addresses water use among other parameters\*) by 2030 and to launch a project to address this pressing sustainability issue.

\*E.g. of SAI Platform described in the sugar row

---

### Agricultural commodities

Other sourced commodities from W-FB1.3/W-AC1.3, please specify (Agave)

#### Water intensity value (m3/denominator)

0

#### Numerator: Water aspect

Freshwater consumption

#### Denominator

Tons

#### Comparison with previous reporting year

This is our first year of measurement

### Please explain

In order to meet our 2030 ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identify local social and environmental risks and opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context. Through the water-related requirements that they involve, sustainable agriculture plans and certifications should contribute to reduce the water intensity, either by avoiding useless water consumption (e.g. water management plan, installation of drip irrigation...) or by decreasing the need for irrigation (e.g. improvement of soil's water retention capacity).

We are not able to provide a comparison with previous reporting year as this is our first year of measurement.

As agave crops are not irrigated, the calculated blue water footprint is null and is not expected to increase in the future. Thus, there is no current strategy to decrease the

water intensity.

---

#### Agricultural commodities

Other sourced commodities from W-FB1.3/W-AC1.3, please specify (Cereals (Maize, Barley, Rice, etc.))

#### Water intensity value (m3/denominator)

6734

#### Numerator: Water aspect

Freshwater consumption

#### Denominator

Tons

#### Comparison with previous reporting year

This is our first year of measurement

#### Please explain

In order to meet our 2030 ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identify local social and environmental risks and opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context. Through the water-related requirements that they involve, sustainable agriculture plans and certifications should contribute to reduce the water intensity, either by avoiding useless water consumption (e.g. water management plan, installation of drip irrigation...) or by decreasing the need for irrigation (e.g. improvement of soil's water retention capacity). In the south of France, where Irish Distillers source their maize, the Group has enrolled 27 farmers in the regenerative index to identify their areas of progress and transform their practices, such as no or low tillage.

The reported figure represents a ponderated average of the blue water footprint of all cereals sourced.

We are not able to provide a comparison with previous reporting year as this is our first year of measurement.

As the proportion of cereals sourced in water-stressed areas is expected to increase in the future (question W-FB1.2g), cereals yields are likely to decrease and water consumption for irrigation is likely to increase due to soils water resources depletion. Cereals water intensity is consequently expected to increase. To mitigate this risk, the company is committed to source 100% cereals certified against a sustainable agriculture standard (that addresses water use among other parameters\*) by 2030 and to launch a project to address this pressing sustainability issue.

\*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.

---

#### Agricultural commodities

Other sourced commodities from W-FB1.3/W-AC1.3, please specify (Grapes)

#### Water intensity value (m3/denominator)

1271

#### Numerator: Water aspect

Freshwater consumption

#### Denominator

Tons

#### Comparison with previous reporting year

This is our first year of measurement

#### Please explain

In order to meet our 2030 ambitions, on top of developing a corporate Sustainable Agricultural Principles, Pernod Ricard conducted in FY22 a terroir risk mapping for its owned farms and agricultural supply chains (detailed in W-FB1.2e/W-AC1.2e). This exercise aims at mapping the origins of key agricultural raw materials and identify local social and environmental risks and opportunities in the environment where they are cultivated. As part of this terroir risk mapping, water availability and water pollution are addressed.

The calculation of key agricultural raw materials water footprint started in FY23, completed by the results of the risk mapping, allows Pernod Ricard to mitigate most pressing issues with sustainable agriculture plans and to identify best certifications based on local context. Through the water-related requirements that they involve, sustainable agriculture plans and certifications should contribute to reduce the water intensity, either by avoiding useless water consumption (e.g. water management plan, installation of drip irrigation...) or by decreasing the need for irrigation (e.g. improvement of soil's water retention capacity).

We are not able to provide a comparison with previous reporting year as this is our first year of measurement.

As the proportion of grapes sourced in water-stressed areas is expected to increase in the future (question W-FB1.2g), grapes water intensity is expected to increase due to higher irrigation water demand. To mitigate this risk, the company is committed to source 100% grapes certified against a sustainable agriculture standard (that addresses water use among other parameters\*) by 2030 and to launch a project to address this pressing sustainability issue.

\*E.g. SAI Platform Farm Sustainability Assessment (FSA) includes water flows mapping and monitoring as essential criteria of the certification. More advanced levels (e.g. FSA gold) require to develop a water management plan, to use equipments for precision irrigation, to frequently sample water quality, etc.

---

## W1.4

### (W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	

## W1.5

### (W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	No	Judged to be unimportant	Our customers (retailers, bars, hotels...) are considered to have a non significant impact on water-related issues compared to our suppliers of agricultural commodities and packaging material.

## W1.5a

### (W1.5a) Do you assess your suppliers according to their impact on water security?

#### Row 1

##### Assessment of supplier impact

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

##### Considered in assessment

<Not Applicable>

##### Number of suppliers identified as having a substantive impact

<Not Applicable>

##### % of total suppliers identified as having a substantive impact

<Not Applicable>

##### Please explain

Within Pernod Ricard's (PR) Terroir Risk Mapping, the number of priority terroirs which basin status is considered as risky regarding water availability is assessed. There are currently 28 / 60 terroirs in that case. Moreover, through the agricultural supply chain water footprint assessment conducted in FY23, the impact on water quality/quantity of each key agricultural raw materials is also already evaluated.

In 2022, to reinforce its Responsible Procurement programme PR decided to launch the "Amazone project". It aims to enhance the whole supply chain procurement-related risk management, including water risks, through:

- A diagnostic to understand the program maturity, challenge the existing model and get best practices and recommendations adapted to Pernod Ricard organisation;
- A preparation phase to implement the new Pernod Ricard Responsible Procurement model in FY23.

This will allow a broader and more precise assessment of Pernod Ricard's suppliers impact on water security.

## W1.5b

### (W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

## W1.5c

**(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.**

**Water-related requirement**

Reducing water demands in water stressed basins

**% of suppliers with a substantive impact required to comply with this water-related requirement**

<Not Applicable>

**% of suppliers with a substantive impact in compliance with this water-related requirement**

<Not Applicable>

**Mechanisms for monitoring compliance with this water-related requirement**

Certification

On-site third-party audit

**Response to supplier non-compliance with this water-related requirement**

Suspend and engage

**Comment**

As part of Pernod Ricard’s responsible procurement process, all direct suppliers of packaging, raw materials and promotional items are entitled to sign a CSR Supplier Standard. It includes commitments on environmental impact and is aligned to internationally recognized standards and guidelines.

The signature is mandatory, and suppliers must also ensure that this document is observed by subcontractors. Currently, 70% of direct suppliers have signed the Suppliers Standards document.

As part of environmental requirements, suppliers shall measure and optimize water consumptions, especially in water-stressed areas. The wastewaters of any kind shall be monitored, controlled and treated before discharge.

Suppliers considered as risky in our due diligence screening must undertake an EcoVadis or Smeta assessment. If there is no commitment or lack of corrective measures following audits, such may result in Pernod Ricard ceasing to do business, and as a final resort terminating the contract.

**Water-related requirement**

Providing fully-functioning, safely managed WASH services to all workers

**% of suppliers with a substantive impact required to comply with this water-related requirement**

<Not Applicable>

**% of suppliers with a substantive impact in compliance with this water-related requirement**

<Not Applicable>

**Mechanisms for monitoring compliance with this water-related requirement**

Certification

On-site third-party audit

**Response to supplier non-compliance with this water-related requirement**

Suspend and engage

**Comment**

As part of Pernod Ricard’s responsible procurement process, all direct suppliers of packaging, raw materials and promotional items are entitled to sign a CSR Supplier Standard. Its includes commitments on Health & Safety and is aligned to internationally recognized standards and guidelines. The signature is mandatory, and suppliers must also ensure that this document is observed by subcontractors. Currently, 70% of concerned suppliers have signed the Suppliers Standards document.

As part of Health & Safety requirements, suppliers shall provide workers with ready access to clean toilet facilities, drinkable water and sanitary food preparation, storage, and eating facilities. These measures must be under regular control to avoid the creation of new risks.

If there is no commitment or lack of corrective measures following audits, such may result in Pernod Ricard ceasing to do business, and as a final resort terminating the contract.

W1.5d

**(W1.5d) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Innovation & collaboration

**Details of engagement**

Encourage/incentivize suppliers to work collaboratively with other users in their river basins toward sustainable water management  
Other, please specify (Provide training and support on sustainable agriculture practices to improve water stewardship)

**% of suppliers by number**

Less than 1%

**% of suppliers with a substantive impact**

<Not Applicable>

**Rationale for your engagement**

A sustainable project has been developed starting in 2016 with additional steps until 2021 with our main coffee supplier in Mexico.

The objective was to increase sustainable development based on organization, teamwork, participatory planning and involvement of supplier and local people as main actors of their development.

A focus has been made on preserving environmental services provided by coffee farms and forests as means to achieve biodiversity, soil and water preservation, as well as high yields in production, food crops, and other outcomes. Trainings to use water in a sustainable way and preserve water reservoirs were included.

To achieve project goals, we need to improve skills in economic production with a focus on coffee farming, and to provide all the necessary training and incomes to generate the conditions to produce high yields and fair trade with farmers (our suppliers).

**Impact of the engagement and measures of success**

The beneficial outcomes of the activity are social, environmental and economic, primarily resulting from improved economic development in the targeted communities and the implementation of more sustainable on-farm practices.

The environmental dimension of the project has for objective to improve coffee management in farms with focused on environmental services conservation and integrating landscapes elements.

The social dimension of the project has for objective to increase social cohesion in four villages, and to addressing communities' most basic needs, such as improving access to fresh water and sanitation.

The economic dimension of the project has for objective to achieve an income greater than 4 000 MXN per family per month

The impact of the engagement and measure of success are assessed with a "Balance ScoreCard" that details all the specific objectives of the project on three pillars (environmental, economic and social), the KPIs related to each objective, the expected results and the responsibilities to achieve the target.

An example of Environmental KPI is: % Of people identifying and managing farms to conserve Environmental Services.

An example of Social KPI is: % Families with water access and sanitation

**Comment**

---

**W2. Business impacts**

---

**W2.1**

---

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

---

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Fines, but none that are considered as significant	Pernod Ricard's affiliate Yerevan Brandy Company was subject to a fine in FY22. Irrigation purpose and water norms had been calculated and approved by the Ministry of Environment, but were not included in the final water permission document. The measure taken was the revision of Water Normatives and their submission to Ministry of Environment Armenia for new water permits.

**W2.2a**

---



**(W2.2a) Provide the total number and financial value of all water-related fines.**

**Row 1**

**Total number of fines**

1

**Total value of fines**

3640

**% of total facilities/operations associated**

0.31

**Number of fines compared to previous reporting year**

Much lower

**Comment**

Description for "comparison with previous reporting year" threshold:

Deviation +/- 5% = about the same; Deviation between +/- 5-20% = higher / lower; Deviation > +/- 20% = much higher / lower

The value of fines is in euros.

Pernod Ricard was subject to only one fine in FY22, and four fines in FY21.

The % of total facilities/operations associated is calculated as follows : concerned site water consumption / group total water consumption

**W3. Procedures**

**W3.1**

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>Pernod Ricard manufacturing sites must comply with the corporate Environmental Standard in which minimum water management requirements are described. As a result, waste water discharge quantities and qualities should be monitored with an appropriate method and sampling protocol, and comply with applicable regulations. Potential pollutants (zinc, pH, biological oxygen demand, suspended solids etc.) or negative impacts of the waste water discharge on receiving bodies are assessed and controlled.</p> <p>Additionally, all sites environmental management systems must align to ISO 14001 : 92% of sites were certified in FY22, covering &gt;99% of production volumes. Clause 5.2 of ISO 14001:2015 requires to identify and meet compliance obligations, to make a commitment to protect the environment by preventing pollution, and to ensure continual improvement of environmental performance.</p> <p>The main pollutant in Pernod Ricard's production sites waste water discharge is organic matter. The pollutant load related to that parameter is expressed in Chemical Oxygen Demand (COD). COD is monitored through monthly sampling and reported annually at corporate level.</p> <p>As for Pernod Ricard-owned vineyards, farms must report annually their consumption of six different types of phytosanitary products and fertilizers (synthetic fungicide, sulphur, copper, insecticide, herbicide, fertilizer in nitrogen unit), which may be involved in water pollution. These metrics are reported in kilograms of active ingredients.</p>	<Not Applicable>

**W3.1a**

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

**Water pollutant category**

Other nutrients and oxygen demanding pollutants

**Description of water pollutant and potential impacts**

The majority of waste water generated on Pernod Ricard's production sites contains organic matter that mainly comes from distillation processes (washing water, condensate from the concentration of distillation residues , etc.). The pollutant load related to that organic matter is expressed in Chemical Oxygen Demand (COD). The accumulation of these organic pollutants in the water bodies may favor the growth of different microorganisms that will eventually lead to oxygen depletion and disorder in the functioning of the aquatic ecosystem.

**Value chain stage**

Direct operations

**Actions and procedures to minimize adverse impacts**

Water recycling  
 Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements  
 Upgrading of process equipment/methods

**Please explain**

As part of the corporate Environmental Standard requirements, Pernod Ricard manufacturing sites must take measures to reduce pollutant load at source, and to ensure waste water discharge complies with legal requirements before its release into the environment. Preventive measures to reduce pollutant load include waste water recycling (for washing, cooling system...), the recovery of wastes in a dry state and the valorization of by-products. Waste water treatments include aerobic and anaerobic digestion.

Sites that most contribute to Pernod Ricard's discharge of waste water are encouraged to upgrade their treatment equipment. For instance, one of them is exploring ways to optimize the treatment of waste waters containing organic pollutants thanks to ozonation process.

Progress is monitored through annual reporting of COD content of water discharge.

---

#### Water pollutant category

Pesticides

#### Description of water pollutant and potential impacts

Pesticides, because they are toxic chemicals meant to kill pest species, can affect non-target species, such as plants, animals and humans. As they are used in Pernod Ricard vineyards and agricultural supply chain, they may contaminate water bodies, representing a threat for both human health and biodiversity.

#### Value chain stage

Direct operations  
Supply chain

#### Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements  
Reduction or phase out of hazardous substances  
Requirement for suppliers to comply with regulatory requirements

#### Please explain

As part of its "Nurturing Terroir" strategy, Pernod Ricard has defined a set of Sustainable Agriculture Key Principles. This serves both as a guideline for company-controlled agricultural activities, and as a foundation for collaborating with suppliers in order to meet our 2030 target to have 100% of agricultural raw material produced or sourced in line with selected sustainability standards. The criteria that are addressed by these standards systematically include pesticides management.

In 2021, Pernod Ricard became the first corporate partner of the IUCN "Agriculture and Land Health initiative", which aims to build a global movement for sustainable and regenerative agriculture and create metrics to monitor progress by bringing together businesses, experts, academia and international organisations. In FY22 9,933 farmers have been empowered, supported and trained to sustainable agriculture principles through that programme.

In parallel, Pernod Ricard seeks to progressively phase out of the use of pesticides by transitioning to Regenerative Agriculture. The groups aims at having 100% of direct affiliates with a regenerative agriculture or biodiversity programme, linked to the group's priority terroirs.

Local models for regenerative farming systems are currently being tested in the group's vineyards. There shall be 8 pilots by 2025, which will allow to share knowledge with the wine industry.

---

#### Water pollutant category

Nitrates

#### Description of water pollutant and potential impacts

Nitrates and organic nitrogen compounds from fertilizers and manure enter groundwater through leaching and reach surface water through runoff from agricultural fields. A high level of nitrate makes water unsuitable as drinking water and excessive nutrient concentration in water systems will cause algae to grow excessively. Fertilizers use in Pernod Ricard vineyards and agricultural supply chain may affect the natural ecosystem and can lead to depletion of the oxygen in the water, having negative consequences for biodiversity, fisheries and recreational activities.

#### Value chain stage

Direct operations  
Supply chain

#### Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements  
Reduction or phase out of hazardous substances  
Requirement for suppliers to comply with regulatory requirements

#### Please explain

As part of its "Nurturing Terroir" strategy, Pernod Ricard has defined a set of Sustainable Agriculture Key Principles. This serves both as a guideline for company-controlled agricultural activities, and as a foundation for collaborating with suppliers in order to meet our 2030 target to have 100% of agricultural raw material produced or sourced in line with selected sustainability standards. The criteria that are addressed by these standards systematically include fertilizers management.

In 2021, Pernod Ricard became the first corporate partner of the IUCN "Agriculture and Land Health initiative", which aims to build a global movement for sustainable and regenerative agriculture and create metrics to monitor progress by bringing together businesses, experts, academia and international organisations. In FY22 9,933 farmers have been empowered, supported and trained to sustainable agriculture principles through that programme.

In parallel, Pernod Ricard seeks to progressively phase out of the use of fertilizers by transitioning to Regenerative Agriculture. The groups aims at having 100% of direct affiliates with a regenerative agriculture or biodiversity programme, linked to the group's priority terroirs.

Local models for regenerative farming systems are currently being tested in the group's vineyards. There shall be 8 pilots by 2025, which will allow to share knowledge with the wine industry.

---

### W3.3

#### (W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

---

### W3.3a

#### (W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

#### Value chain stage

Direct operations

#### Coverage

Full

#### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

#### Frequency of assessment

Annually

#### How far into the future are risks considered?

More than 6 years

#### Type of tools and methods used

Tools on the market

International methodologies and standards

#### Tools and methods used

WRI Aqueduct

ISO 14001 Environmental Management Standard

#### Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

#### Stakeholders considered

Customers

Employees

Investors

Local communities

Regulators

Water utilities at a local level

#### Comment

We have evaluated the effects of water risks on the success of our organisation growth strategy through different methods for our operations:

1/ The risks identification process is managed by the Internal Audit team every 2 to 3 years. This Risk Mapping covers all potential risks that may affect the Group (incl. water) with its different expressions such as water scarcity, raw materials volatility, flooding, etc. Each Brand Owner with manufacturing activities is certified ISO 14001 and therefore has identified the impacts of its activities on the environment (incl. water). Based on this assessment, risks are addressed through an action plan. In addition, internal audits are carried out by the corporate Sustainability team which covers various risks linked including the water risks.

At Group level, we use WRI Aqueduct tool to identify the industrial sites located in high water-risk regions. For that purpose, we use Aqueduct's Overall Water Risk Index . This aggregated index combines multiple physical, regulatory and reputational risks indicators, among which :

- Water stress, water depletion indicators assess water availability at basin level
- Untreated connected wastewater, coastal eutrophication potential indicators assess water quality at basin level
- Unimproved/No drinking water or sanitation indicators assess WASH access
- Peak RepRisk Country ESG Risk Index assesses water regulatory frameworks and status of ecosystems/habitats.

This tool has been used by all affiliates to identify their risks and allow the Group to classify sites according to 4 risk categories: extremely high/high/medium/low. This Survey identified 15 sites located in at least high risk areas. It covers the FY21 reporting period (July 2020 to June 2021). The periodic water risk assessments are used to inform our on-going water balance strategy and internal water use reduction efforts alongside other 2030 water goals.

2/ At business unit level, we used the methodology described above (1/) to identify risks related to our licence to operate, extreme climate conditions (flooding etc.) and discharge constraints. Then, we could anticipate risks that could have an impact on our growth strategy by implementing specific measures such as installing waste-water treatment plants and reducing the amount of water used to avoid water abstractions exceedances.

---

#### Value chain stage

Supply chain

#### Coverage

Full

#### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

#### Frequency of assessment

Every three years or more

#### How far into the future are risks considered?

More than 6 years

#### Type of tools and methods used

Tools on the market

Other

#### Tools and methods used

WRI Aqueduct

WWF Water Risk Filter

Nation specific databases, tools, or standards

Other, please specify (Internal Terroir Mapping Tool)

#### Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

- Customers
- Employees
- Investors
- Local communities
- Regulators
- Suppliers

**Comment**

We have evaluated the effects of water risks on the success of our organisation growth strategy through different methods for our supply chain:

1/ At Group level, we carried out a water footprint analysis to identify water risks in our supply chain, which demonstrates that our main challenge relates to supplies of farm raw materials.

2/ To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, Pernod Ricard has conducted a terroir risk mapping exercise of its agricultural supply chains. The aim of this exercise is to map the origins of agricultural raw materials and identify social and environmental risks and opportunities in the local environment where they are grown. From the findings of the risk mapping, the Group will define preferred standards for each crop, introduce them in the sourcing requirements, get all key agricultural raw materials certified by a third party and eventually implement sustainability programmes.

As part of this terroir risk mapping, water availability and water pollution risks are addressed using mainly Aqueduct tool and WWF Water Risk Filter, both covering physical, reputational and regulatory risks.

**W3.3b**

**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Current and future water risks in our direct operations are analyzed and mapped using WRI Aqueduct tool. To identify sites located in high-risk watersheds, the geographic coordinates of all company-controlled production facilities are uploaded in the tool. Three key risk indicators are selected to run the analysis: overall water risk, (includes physical, regulatory and reputational risks), baseline water stress and 2030 projected water stress. An aggregated index is calculated based on the three indicator scores for each site. Above a certain index threshold, sites are considered as being located in high-risk watersheds.</p> <p>Concerning water-related risks in our supply chain, all our priority terroir undergo a risk screening through our Terroir Risk Mapping, in which water availability and water pollution risks are assessed using mainly WRI Aqueduct and GEMStats tools, among other databases. The results of the analysis are translated into a level of risk for each terroir. Water regulatory frameworks risk is assessed based on locally available analysis of regulatory frameworks.</p> <p>The risk related to the status of ecosystems and habitats is assessed using locally available public or academic studies, along with community surveys where possible.</p>	<p>Water availability and quality parameters at local level are part of our risk assessment as water is an essential component of the products manufactured by Pernod Ricard. It is used in all operations: irrigation of farmlands, cleaning of equipment, manufacture of liqueurs &amp; spirits and cooling of distillery facilities.</p> <p>Water regulatory frameworks and tariffs at local level are part of our water risk assessment as there are location-specific regulations for our operations.</p> <p>The status of ecosystems and habitats at local level is relevant because ecosystem services are particularly crucial for the production of our agricultural raw materials.</p> <p>Fully-functioning, safely managed WASH services are accessible to all employees. Pernod Ricard has been a member of the UN CEO Water Mandate since September 2010 with a commitment area dedicated to water management in our direct operations. Majority of Pernod Ricard sites are certified ISO 14001 in order to ensure water management system and access to WASH services for all employees</p> <p>Stakeholder conflicts concerning water resources at local level are relevant to our risk assessment as local communities and other agri-business are located in the regions where we operate. This risk is managed locally by our affiliates. Following the internal water risk mapping, affiliates have tackled different questions related to "Social and reputational risks".</p>	<p>Customers are more and more concerned by how Pernod Ricard manages water-related risks in general and the quality of water as an ingredient. As an example of response, we respond to Walmart annual request in the CDP Supply Chain rating.</p> <p>Employees are a relevant stakeholder as they may have a direct impact on water performance within operations. They are actors in implementing initiatives and reaching objectives defined in our S&amp;R strategy. Employees are regularly informed and trained on water stewardship topics.</p> <p>Investors are concerned about Pernod Ricard's business water-related risks and want transparency on how the group manages them. They have access to the company's water performance, risks and targets through our Universal Registration Document and CDP Water report.</p> <p>Local communities contribute to managing watersheds properly. Some affiliates like Pernod Ricard India work closely with them as part of our replenishment strategy, as well as on other initiatives through meetings, stakeholder outreach and beneficiary communication.</p> <p>Regulators: As part of our Water Replenishment strategy, we implement water replenishment projects and collaborate with local stakeholders. Prior to the identification of projects and also during their implementation, we engage discussion with all relevant stakeholders, including regulators. We also engage with professional associations (French Federation of Spirits, Scotch Whisky association, etc.) to promote water efficiency.</p>	<p>The outcome of the water risk assessment for our operations influences the way sites are operated.</p> <p>Sites identified as falling into the high-risk watershed category must identify water challenges and local context, engage discussion with partners, identify potential existing water projects and eventually start a water balance project.</p> <p>Identified water-related risks in our agricultural supply chain are mitigated through the certification of key raw agricultural material and through the implementation of regenerative agriculture &amp; biodiversity programs. The outcomes of the risk assessment shape strategic sourcing decisions in the long run.</p>

**W4. Risks and opportunities**

**W4.1**

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

## W4.1a

---

### (W4.1a) How does your organization define substantive financial or strategic impact on your business?

A first global risk mapping is updated every 2 to 3 years, and the monitoring of the Group's main risks is performed annually. It covers all **current** risks that may affect the Group:

1) At a company level, the risks identification process is managed by the Internal Audit team every 2 to 3 years. This team reports to the Managing Director for Finance and Operations. The results are presented to the Executive Committee and to the Audit Committee of the Board.

The risk mapping is based on two types of information:

- Reporting of the local business risks by each Group affiliate (Market Companies or Brand Companies) and consolidation at a Group level;
- Collection of functional risks from each Group function.

2) At an asset level, each affiliate is responsible to identify risks and opportunities related to its business. Each Brand Owner with manufacturing activities is certified according to ISO 14001 Environment Management System, and therefore has identified the impacts and risks of its activities on the environment, water, energy and climate change being part of them. Based on this assessment, risks on the business are identified and taken into account in an action plan. In addition, internal audits are carried out by the corporate Sustainability team which covers various risks linked to environment: water is one of the risks taken into consideration during these audits.

#### **Definition of 'substantive financial impact' on our business**

For Pernod Ricard, substantive financial impact is defined by the Profit from Recurring Operations (PRO). A financial impact is defined as substantive if the risk affects more than 2% of the Group's PRO and can be derived from either direct operational risks or supply chain risks. A major crisis affecting the economic environment in a large country is defined as a substantive financial impact.

For examples, Operations Risks, which have been identified as having a substantive financial impact, are those following:

- Damage to a major production facility due to an accident/ natural disaster (storm, earthquake, drought, ...)

For example, in New Zealand, two production sites (Marlborough Winery and Church Road Winery) are located in active seismic zones. Marlborough experienced a 6.5 magnitude earthquake followed by a 6.6 earthquake a month later in 2013.

There was significant damage to winery infrastructure. The losses in New Zealand related to earthquakes in 2007, 2013 and 2016 represented more than 36 million euros in impacts due to operating losses and shutdowns. Based on FY21 PRO, the cumulated losses represent 1.6% of the Group's PRO (not considered as substantive impact).

#### **Processes in place for assessing the potential size and scope of identified risks, determining the relative significance of water risks in relation to other risks, a substantive financial or strategic impact on the business and definitions of risk terminologies used**

To analyse the potential size and scope of identified risks we use the multi-criteria mapping tool. We evaluate three aspects of each risk:

- Its impact (4 scores possible: 1, 3, 5 and 7): that include an estimation of the financial impact;
- Its likelihood (3 scores possible: 1, 3 and 5);
- Its management effectiveness (3 levels possible from insufficient to reasonable level of assurance on the effectiveness of the mitigating actions).

#### **Thanks to the 3 criteria, we classify our risks by priority.**

We then choose the top priority risks and categorize them as **'major environmental risks'**.

We describe them along with their cause, impacts and risk management.

At this stage, several categories of environmental risks were identified: raw materials, energy, water, pollution, reputation, packaging, waste, climatic conditions, nature, others.

For information:

- Each affiliate defines what is considered as a substantive financial impact (cost, sales) in regards to his own activity;
- We use our own terminology to define risks and each affiliate determines risks related to his activities;
- HQ harmonizes and consolidates all the data to have a global and unique vision.

## W4.1b

---

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 8 1		1-25	The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume. These facilities are located in high water risk areas with strict regulation that limits water consumption.

**W4.1c**

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

India	Ganges - Brahmaputra
-------	----------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume. This facilities is located in a high water risk area with strict regulation that limits water consumption.

**Country/Area & River basin**

India	Other, please specify (Sabarmati)
-------	-----------------------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume. This facilities is located in a high water risk area with strict regulation that limits water consumption.

**Country/Area & River basin**

India	Godavari
-------	----------

**Number of facilities exposed to water risk**

2

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume. This facilities is located in a high water risk area with strict regulation that limits water consumption.

---

**Country/Area & River basin**

Armenia	Other, please specify (Sevan Hrazdan)
---------	---------------------------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume.

---

**Country/Area & River basin**

China	Huang He (Yellow River)
-------	-------------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume.

---

**Country/Area & River basin**

Mexico	Santiago
--------	----------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume.

**Country/Area & River basin**

India	Krishna
-------	---------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

The percentage of company-wide facilities exposed to water risks within identified river basins is calculated based on the proportion of these sites' production volume compared to the group's total production volume. This facilities is located in a high water risk area with strict regulation that limits water consumption.

**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

India	Ganges - Brahmaputra
-------	----------------------

**Type of risk & Primary risk driver**

Chronic physical	Seasonal supply variability/inter annual variability
------------------	--

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

One site is located in the dry region of Rajasthan in India. The water risk is identified based on Aqueduct tool risk analysis and the knowledge of the local team. The baseline water stress and the interannual variability is extremely high in this area and it is expected to increase in the future. Currently water resources continue facing pressure due to a population explosion, urbanization, rising demand for water from agriculture, energy and industry sectors, pollution, inefficient use and poor management, as well as institutional mechanisms. As a result, production disruptions either from a lack of water resources or from price changes, can occur.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Low

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

5000000

**Potential financial impact figure - maximum (currency)**

10000000

**Explanation of financial impact**

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices



### Description of response

The primary response to water-related risks is to improve on-site water efficiency. Water saving projects (reuse of treatment plant backwash as raw water, installation of new treatment equipment...) are currently being developed on the site located in this river basin.

Additionally, project Samridhi allowed the installation of a 4-sprinkler system to deliver optimal amount of water to standing crop instead of flood irrigation, which has been the norm even in semi-arid landscape of Behror. This has helped reduce water use in fields by 25-40%. Moreover, 38 laser levelling demonstrations over 1-acre plots have helped farmers reap 25% further savings through equal distribution of water. More than 14,735 meters of fields bunds have also been contoured for 123 farmers over 40 acres of land to facilitate better water retention and rainwater harvesting during the monsoon season. Over the course of the program, construction of 3 farm ponds and 1 nala bund structures will assist in a total water savings of 57 million liters in terms of surface water storage capacity and groundwater recharge.

There is an alignment of public policy positions with water stewardship goals, which includes engagement with the community through the development of water replenishment projects and ensuring water access as well as engagement with other stakeholders in the river basin, to address joint water risks.

### Cost of response

430000

### Explanation of cost of response

Pernod Ricard India believes in "creating shared value" for our business and our communities in a way that it ensures economic and social progress in peoples' lives and helps us provide transformational growth and development for the country.

With a strong plant-based footprint, we are actively engaged with communities around 16 plant locations across 11 states with more than 30 programs spanning across thematic areas like Clean Drinking Water & Sanitation or Water Harvesting and Watershed Management.

The affiliate has invested around 430 000 euros in WAL projects in 2020-2021 in Rajasthan, Haryana and Uttar Pradesh areas.

### Country/Area & River basin

India	Other, please specify (Sabarmati)
-------	-----------------------------------

### Type of risk & Primary risk driver

Chronic physical	Seasonal supply variability/inter annual variability
------------------	--

### Primary potential impact

Reduction or disruption in production capacity

### Company-specific description

The site is located in Sabamarti water basin. The water risk is identified based on Aqueduct tool risk analysis and the knowledge of the local team. The baseline water stress and the interannual variability is extremely high in this area and it is expected to increase in the future.

Currently water resources continue facing pressure due to a population explosion, urbanization, rising demand for water from agriculture, energy and industry sectors, pollution, inefficient use and poor management, as well as institutional mechanisms. As a result, production disruptions either from a lack of water resources or from price changes, can occur.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium-high

### Likelihood

Very likely

### Are you able to provide a potential financial impact figure?

Yes, an estimated range

### Potential financial impact figure (currency)

<Not Applicable>

### Potential financial impact figure - minimum (currency)

3000000

### Potential financial impact figure - maximum (currency)

7000000

### Explanation of financial impact

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

### Description of response

The primary response to water-related risks is to improve on-site water efficiency. Water saving projects (reuse of treated waste water, reuse of treatment plant backwash water, installation of efficient spray nozzles for hand wash stations...) are currently being developed on the site located in this river basin.

In the Agriheartland of Derabassi, Punjab, Project Srijal is working to create a total water potential of 33.1 million liters through construction of one check dam, one farm pond, installation of 8 injection wells, 10 rainwater harvesting systems and desiltation of 8 dilapidated ponds. At Derabassi, 2 specialized awareness sessions have been conducted to sensitize 151 farmers on judicial water resource management.

Project Srijal has engaged small and medium farmers mainly dependent on growing Wheat and Rice Intensification (SRI) and 19 System of Wheat Intensification (SWI). While both SRI and SWI are well established techniques of scaling up the production, these demonstrations have been planned in a manner they can be implemented on small landholdings as well, thereby offering more than 20% yield increase at negligible cost for the farmers.

There is an alignment of public policy positions with water stewardship goals, which includes engagement with the community through the development of water replenishment projects and ensuring water access as well as engagement with other stakeholders in the river basin, to address joint water risks.

### Cost of response

87000

### Explanation of cost of response

Pernod Ricard India believes in "creating shared value" for our business and our communities in a way that it ensures economic and social progress in peoples' lives and helps us provide transformational growth and development for the country.

With a strong plant-based footprint, we are actively engaged with communities around 16 plant locations across 11 states with more than 30 programs spanning across thematic areas like Clean Drinking Water & Sanitation or Water Harvesting and Watershed Management.

The affiliate has invested around 87 000 euros in WAL projects in 2020-2021 in Punjab area.

---

### Country/Area & River basin

India	Godavari
-------	----------

### Type of risk & Primary risk driver

Chronic physical	Seasonal supply variability/inter annual variability
------------------	--

### Primary potential impact

Reduction or disruption in production capacity

### Company-specific description

Two sites are located in Godavari water basin next to the Godavari River. The water risk is identified based on Aqueduct tool risk analysis and the knowledge of the local team. The baseline water stress and the interannual variability is extremely high in this area and it is expected to increase in the future.

Currently water resources continue facing pressure due to a population explosion, urbanization, rising demand for water from agriculture, energy and industry sectors, pollution, inefficient use and poor management, as well as institutional mechanisms. As a result, production disruptions either from a lack of water resources or from price changes, can occur.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium-high

### Likelihood

Very likely

### Are you able to provide a potential financial impact figure?

Yes, an estimated range

### Potential financial impact figure (currency)

<Not Applicable>

### Potential financial impact figure - minimum (currency)

75000000

### Potential financial impact figure - maximum (currency)

85000000

### Explanation of financial impact

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

### Description of response

The primary response to water-related risks is to improve on-site water efficiency. Multiple water saving projects (treatment and reuse of waste water, installation of reverse osmosis plants to treat rinsing water, installation of equipment to collect lost water, current equipment efficiency improvement...) are currently being developed on the two sites located in this river basin.

At Nashik, in FY21, under the Integrated Tribal Village Development Project, construction of 7 new poly ponds and desiltation, strengthening of additional 2 existing percolation tanks have added a total water potential of 67 million liters. In addition to this, 3.6 kilometers of Nala widening and deepening has further created a 17.64 million liters water potential. The project has also strived to improve community water access through strengthening of drinking water sources at two schools and 2 villages benefitting 140 children and 333 community members.

Pernod Ricard Water Replenishment Strategy has enabled the development of contextual programs centered around fostering water resilience with communities, aiming to create surface storage and natural harvesting structures and embedding deep aquifer recharge channels for groundwater replenishment.

There is an alignment of public policy positions with water stewardship goals, which includes engagement with the community through the development of water replenishment projects and ensuring water access as well as engagement with other stakeholders in the river basin, to address joint water risks.

### Cost of response

130000

### Explanation of cost of response

Pernod Ricard India believes in "creating shared value" for our business and our communities in a way that it ensures economic and social progress in peoples' lives and helps us provide transformational growth and development for the country.

With a strong plant-based footprint, we are actively engaged with communities around 16 plant locations across 11 states with more than 30 programs spanning across thematic areas like Clean Drinking Water & Sanitation or Water Harvesting and Watershed Management.

The affiliate has invested around 130 000 euros in WAL projects in 2020-2021 in Maharashtra region.

---

### Country/Area & River basin

Armenia	Other, please specify (Sevan Hrazdan)
---------	---------------------------------------

### Type of risk & Primary risk driver

Chronic physical	Inadequate infrastructure
------------------	---------------------------

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Due to the high quality groundwater, the citizens of Yerevan consume a majority of water from this source. However, some challenges have been identified related to Yerevan Water Supply and Infrastructure Management.

Compared to drinking water, the quality of surface water (River Hrazdan, Lake Yerevan..) is much lower than international standards. The problem is insufficient wastewater cleaning and Insufficient condition of the removal system. Other challenge is unregistered water, which makes up more than 73% of drinking water. Besides climate change is putting pressure on the city to remove rainwater on the system: only one common system for wastewater and rainwater. Then, the treatment of wastewater is difficult.

Finally, the quality and quantity of groundwater resources is not possible evaluate due to lack of groundwater system protection and monitoring.

Yerevan sites receives drinking water from 10 main water sources through wells and artesian wells located in many communities outside the city, such as Aparan, Gyumush, Arzni, Katnaghbyur, Garni, Tcaravaghbyur (52% from public network / 48% from surface water).

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

5000000

**Potential financial impact figure - maximum (currency)**

10000000

**Explanation of financial impact**

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

The site is concerned by two water targets: 1) to reduce by 20% the water use intensity by 2030 and 2) to replenish the amount of water consumed at site level back into the water basin.

Part of our global water reduction roadmap, the affiliates has defined in FY21 a water efficiency program including some water reuse and recycling actions.

The site has defined a water reduction plan for the following years, will invest in water efficiency actions. Besides in FY21, Yerevan Brandy Company has implemented a water replenishment project to reduce the waste of drinking water in Yerevan City. More than 3000 drinking fountains are installed in Yerevan with an average of 3000 to 5000 liters of drinking water per day per fountain. The estimation of wasted water are 4.3 billion liters. The objective of the project was to install push button metering handle on each water fountain to reduce the waste of water by more than 10 times. Thus, 250 water push buttons have been installed in order to save around 315 million liters of clean water per year.

**Cost of response**

65000

**Explanation of cost of response**

The site has defined a water reduction plan for the following years, will invest in water efficiency actions and has also implement a water replenishment project that would replenish the amount required at site level to reach the target next year.

The site has invested 65 000 euros in water efficiency mesures linked to the project described above.

**Country/Area & River basin**

China	Huang He (Yellow River)
-------	-------------------------

**Type of risk & Primary risk driver**

Chronic physical	Water scarcity
------------------	----------------

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Water availability for agriculture in the Yellow River basin is threatened by rapid growth in the demand for industrial and urban water, the need to flush sediment from the river's lower reaches, environmental demands and growing water pollution. The source of water used for the Winery is from ground water well. A watershed assessment was completed to understand the water challenges and the water users in the watershed boundary and also all existing water stewardship initiatives already in place. This site is classified as water stressed and are concerned by water supply disruption due to this local context.

We have already experienced production disruptions due to water scarcity and subsequent restricted usages defined by local authorities, the latest being a shortage of energy supply from hydropower plant in our distillery located within Sichuan region during summer 2022. Indeed, more intense and longer droughts will exacerbate the local tensions between competing usages over the water resource.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - minimum (currency)**

100000

**Potential financial impact figure - maximum (currency)**

200000

**Explanation of financial impact**

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

The site is committed to replenishing the amount of water consumed at site level back into the water basin.

The facility has made investments in FY21 to implement a water replenishment project that would replenish the amount required.

Some of the green areas in Baohu National Urban Wetland Park in the Yellow River Basin have been equipped with drip irrigation and sprinkler irrigation facilities at present, but there are still some problems such as « no irrigation system » in some parts, incomplete coverage of drip irrigation pipes, damaged pipes and sprinkler heads and leakage, which lead to the loss and waste of water resources. The objectives of the project are:

- Cover drip irrigation and sprinkler irrigation facilities in green areas
- Maintain and repair of drip irrigation pipes to prevent water leakage caused by pipe damage during irrigation
- Maintenance and management of irrigation water source and pumping station equipment and facilities and pay for the labor cost of irrigation management
- Water saving data and performance analysis

This project will contribute to save around 20, 000 m3 water per year.

**Cost of response**

5600

**Explanation of cost of response**

The site has defined a water reduction plan for the following years, will invest in water efficiency actions and has also implement a water replenishment project that would replenish the amount required at site level to reach the target next year.

The site has invested 5600 euros in water efficiency measures linked to the project described above.

**Country/Area & River basin**

Mexico	Santiago
--------	----------

**Type of risk & Primary risk driver**

Chronic physical	Water scarcity
------------------	----------------

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

The site is located in Santiago Guadalajara water basin. The water risk is identified based on Aqueduct tool risk analysis and the knowledge of the local team. The main concerns in the basin are the lack of water availability and supply, industries overexploiting water sources, water and soil erosion caused by changes in land and lack of society's participation in public socio-environmental affairs. The Plant water source is a well that belong to the minor Lerma-Chapala Basin. This is located in the Ocotlán Aquifer from the Lerma-Santiago Hydrologic Region in Arandas Municipality. The risk to water supply disruption is important and is expected to increase in the future.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - minimum (currency)**

10000000

**Potential financial impact figure - maximum (currency)**

15000000

**Explanation of financial impact**

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

#### Description of response

The primary response to water-related risks is to improve on-site water efficiency. Water saving projects (rainwater harvesting system, current equipment efficiency improvement, employees sensitization...) are currently being developed on the site located in this river basin.

The site is also concerned by the water replenishment target to replenish the amount of water consumed at site level back into the water basin. As a result of the water risk assessment and watershed analysis, Pernod Ricard has joined in FY20 a collaborative initiative with 6 BIER (Beverage Industry Environmental Roundtable) members companies to restore the buffer zone of Cerro Viejo protected area in the Santiago river watershed. The area is currently under stress due to land use changes and loss of connectivity between forest and the lagoon, this impacts water availability and ecosystem integrity. The planned actions are the development of environmental education for communities, repairing water infrastructures, the restoration of area by planting trees and soil conservation measures.

#### Cost of response

140000

#### Explanation of cost of response

Pernod Ricard Mexico has invested 150 000 USD (about 140 000€) so far in the collective water replenishment project coordinated by the Beverage Industry Environmental Roundtable (BIER) in the Santiago Guadalajara water basin.

#### Country/Area & River basin

India	Krishna
-------	---------

#### Type of risk & Primary risk driver

Chronic physical	Seasonal supply variability/inter annual variability
------------------	--

#### Primary potential impact

Reduction or disruption in production capacity

#### Company-specific description

On site is located in Krishna water basin. The water risk is identified based on Aqueduct tool risk analysis and the knowledge of the local team. The baseline water stress and the interannual variability is extremely high in this area and it is expected to increase in the future.

Currently water resources continue facing pressure due to a population explosion, urbanization, rising demand for water from agriculture, energy and industry sectors, pollution, inefficient use and poor management, as well as institutional mechanisms. As a result, production disruptions either from a lack of water resources or from price changes, can occur.

#### Timeframe

1-3 years

#### Magnitude of potential impact

Medium-high

#### Likelihood

Very likely

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure - minimum (currency)

2000000

#### Potential financial impact figure - maximum (currency)

5000000

#### Explanation of financial impact

We have estimated the range of financial impact based on the potential lost sales volumes that would result from a 30-day production disruption at this site.

#### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

#### Description of response

Project Neer Sanrakshan has been deployed in FY21 in the Kolhapur district of Maharashtra. This project has created a recharge potential for 30 million litres of water and will also enhance water availability in the target villages for agriculture/irrigation benefitting to more than 100 acre of land.

There is an alignment of public policy positions with water stewardship goals, which includes engagement with the community through the development of water replenishment projects and ensuring water access as well as engagement with other stakeholders in the river basin, to address joint water risks..

#### Cost of response

130000

#### Explanation of cost of response

Pernod Ricard India believes in "creating shared value" for our business and our communities in a way that it ensures economic and social progress in peoples' lives and helps us provide transformational growth and development for the country.

The affiliate has invested around 130 000 euros in WAL projects in 2020-2021 in Maharashtra region.

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

India	Ganges - Brahmaputra
-------	----------------------

**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Chronic physical	Seasonal supply variability/inter annual variability
------------------	--

**Primary potential impact**

Supply chain disruption

**Company-specific description**

India faces a pressing challenge in clean water and sanitation, and has been actively working to increase water use efficiency and providing access to sustainable sanitation practices for all through multi-sector interventions. The national target is to provide all with access to safe drinking water and sanitation, yet currently only 71.8% of the rural population has access to safe and adequate drinking water. Efforts are being made to optimise water resource endowments in the country, taking an integrated and balanced approach to manage water resources towards effective water governance. Pernod Ricard provides water access services to communities located near our production facilities and critical supply chain networks in order to meet this need and enhance our license to operate in markets where social issues related to water are critical.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-high

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

5000000

**Potential financial impact figure - maximum (currency)**

10000000

**Explanation of financial impact**

We have estimated the financial impact regarding the potential disruption in supply chain sourcing (30 days) and consequent lost sales volume.

**Primary response to risk**

Downstream	Increase/review infrastructure investment
------------	---

**Description of response**

As the country's groundwater extraction rate peaks beyond 63%, its rural landscapes face an unprecedented challenge: there's not enough water to fulfill the needs of the primarily agrarian population. Pernod Ricard India has enabled the development of contextual programs centered

Reaching out to communities for whom access to clean and safe drinking water remains a major struggle in leading healthy and disease-free lives, our program aligned to SDG target 6.1 has deployed 550 Water ATMS at 18 locations across 6 states . These water ATMs provide year round access to safe and subsidized drinking water to close to more than 150, 000 persons. The state-of-the-art ATMs have been equipped with remote monitoring technology to ascertain quality and amount of source and filter water processed. Apart from this, they are provided with solar panels for continual functionality and recharge pits for reject water treatment to optimize water use efficiency. For a sustainable impact in the long run, in Maharashtra, the program has employed a community ownership model to groom women SHGs or local entrepreneurs within the community to manage the ATMs, sustaining livelihoods from the revenue generated from subsidized sale of water.

In FY21, Project Samridhi deploys a comprehensive model which involves installation of 20 drip and sprinkler system on 18 acres of land to reduce deliver optimal amount of water to standing crop instead of flood irrigation which has been the norm even in semi-arid landscape of Behror. This has led to a 40% decrease in water use for irrigation. Additionally 100 laser levelling demonstrations on 50 acres of fields has further reaped 25% savings through equal distribution of water in the field and at the same time improving the yield and potency of the wheat crop by 10%. Over the course of the program, construction of 3 farm ponds, 12 recharge wells and 1 nala bund structures will assist in a total water savings of 58 million liters in terms of surface water storage capacity and ground water recharge.

**Cost of response**

430000

**Explanation of cost of response**

Pernod Ricard India believes in "creating shared value" for our business and our communities in a way that it ensures economic and social progress in peoples' lives and helps us provide transformational growth and development for the country.

With a strong plant-based footprint, we are actively engaged with communities around 16 plant locations across 11 states with more than 30 programs spanning across thematic areas like Clean Drinking Water & Sanitation or Water Harvesting and Watershed Management.

The affiliate has invested around 430 000 euros in WAL projects in 2020-2021 in Rajasthan, Haryana and Uttar Pradesh areas.

W4.3

---

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

---

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Cost savings

**Company-specific description & strategy to realize opportunity**

As part of the 2030 roadmap with the objective to reduce by 20% the water consumption efficiency in our production sites, we continue to invest in water efficiency actions to reduce, recycle or reuse water in the processes. From irrigating crops to processing raw materials, distilling, blending eaux-de-vie and formulating products, water is involved in every stage of the product's life cycle.

Water efficiency in our production sites is key for the Group as water is an essential component of the products manufactured by Pernod Ricard (distillation, blending, formulation, etc.). Sites are facing increasing pressures on water resources from climate change, population growth or industries consumption. With some of our production sites located in high-risks water stress areas, we face also an important challenge on policy and regulatory landscape. Resilience model to water stress is needed.

To reduce direct water consumption at production sites, the

Group focuses its efforts on two main drivers:

- i) setting up systems to measure and monitor water use, and
- ii) identifying measures to save, reuse and recycle water (close loop system, rain water harvesting structure, process optimization to minimize leakage, ...)

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

15000000

**Potential financial impact figure – maximum (currency)**

25000000

**Explanation of financial impact**

All water efficiency measures allow to save money. With an estimated price of 5€/m3 and savings planned over 10 years plan (at least -20% reduction), we expect a total cost of savings between 15,000,000 and 25,000,000.

This year, the Group has consolidated the water reduction roadmaps shared by main contributing affiliates with water efficiency actions and investment planned until 2030.

Note : This estimation might be unvalidated by production growth circumstances.

---

**Type of opportunity**

Resilience

**Primary water-related opportunity**

Increased resilience to impacts of climate change

**Company-specific description & strategy to realize opportunity**

Because water resources are unevenly distributed throughout the world and because agricultural commodities are key ingredients in our products, particular attention is paid to water management at sites located in geographical regions where water is a sensitive resource, whether from our production plants or within our supply chains. Our strategy to improve water efficiency and thus improve resiliency for all of our sites is based on four levers:

- measuring consumption
- ensuring that water intake does not endanger resources
- taking measures to save, reuse and recycle water
- ensuring effective treatment of waste water before it's released into the environment.

For sites located in high risks areas, we developed a water replenishment strategy that contributes to preserving and restoring water ecosystems.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

We do not track the financial impact regarding the opportunity's implications.

---



## W5. Facility-level water accounting

---

### W5.1

---

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

**Facility reference number**

Facility 1

**Facility name (optional)**

Behror

**Country/Area & River basin**

India	Ganges - Brahmaputra
-------	----------------------

**Latitude**

27.454594

**Longitude**

76.234454

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

12.16

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

12.16

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

1.61

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

1.61

**Total water consumption at this facility (megaliters/year)**

12.16

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Waste water is discharged to irrigation. It is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

Country/Area & River basin

India	Other, please specify (Sabarmati)
-------	-----------------------------------

Latitude

30.5853

Longitude

76.8432

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

5.3

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

5.3

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

0.24

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.24

Total water consumption at this facility (megaliters/year)

5.3

Comparison of total consumption with previous reporting year

About the same

Please explain

Waste water is discharged to irrigation. It is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

Facility reference number

Facility 3

Facility name (optional)

Nashik Distillery

Country/Area & River basin

India	Godavari
-------	----------

Latitude

20.001388

Longitude

73.791666

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

363.29

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

363.29

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

45.98

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

45.98

**Total water consumption at this facility (megaliters/year)**

363.29

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Waste water is discharged to irrigation. It is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

**Facility reference number**

Facility 4

**Facility name (optional)**

Nashik Winery

**Country/Area & River basin**

India	Godavari
-------	----------

**Latitude**

20.0153

**Longitude**

73.7965

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

0.97

**Comparison of total withdrawals with previous reporting year**

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.97

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

0.12

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.12

Total water consumption at this facility (megaliters/year)

0.97

Comparison of total consumption with previous reporting year

Lower

Please explain

Waste water is discharged to irrigation. It is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

---

Facility reference number

Facility 5

Facility name (optional)

Yerevan

Country/Area & River basin

Armenia	Other, please specify (Sevan Hrazdan)
---------	---------------------------------------

Latitude

40.18111

Longitude

44.51361

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

20.06

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

5.72

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

**Withdrawals from third party sources**

14.34

**Total water discharges at this facility (megaliters/year)**

17.47

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

17.47

**Total water consumption at this facility (megaliters/year)**

20.06

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Water discharged is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

---

**Facility reference number**

Facility 6

**Facility name (optional)**

Helan Mountain Winery

**Country/Area & River basin**

China	Huang He (Yellow River)
-------	-------------------------

**Latitude**

38.244166

**Longitude**

106.078055

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

11.57

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

11.57

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

6.77

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

6.77

**Total water consumption at this facility (megaliters/year)**

11.57

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Waste water is discharged to irrigation. It is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

**Facility reference number**

Facility 7

**Facility name (optional)**

Arandas

**Country/Area & River basin**

Mexico	Santiago
--------	----------

**Latitude**

20.6862

**Longitude**

-102.3473

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

104.19

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

104.19

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

7.1

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

7.1

**Total water consumption at this facility (megaliters/year)**

104.19

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Water discharged is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

---

**Facility reference number**

Facility 8

**Facility name (optional)**

Kolhapur

**Country/Area & River basin**

India	Krishna
-------	---------

**Latitude**

16.7013

**Longitude**

74.252

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

7.23

**Comparison of total withdrawals with previous reporting year**

Much higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

7.23

**Total water discharges at this facility (megaliters/year)**

3.21

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

3.21

**Total water consumption at this facility (megaliters/year)**

7.23

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Waste water is discharged to irrigation. It is taken into account in the total water consumption, as it is returned to a different water body than that of withdrawal.

---

W5.1a

---

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

**Water withdrawals – total volumes**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**Water withdrawals – volume by source**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**Water withdrawals – quality by standard water quality parameters**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**Water discharges – total volumes**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**Water discharges – volume by destination**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**Water discharges – volume by final treatment level**

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

**Water discharges – quality by standard water quality parameters**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**Water consumption – total volume**

**% verified**

76-100

**Verification standard used**

International Standard on Assurance Engagements 3000

**Please explain**

<Not Applicable>

**W6. Governance**



W6.1

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

Row	Scope	Content	Please explain
1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p> <p>Other, please specify (Reference to international standards and widely-recognized water initiatives ; Description of water-related performance standards for direct operations)</p>	<p>Water is an essential component in the products manufactured by Pernod Ricard (PR). It is used at every stage of our products life cycle: irrigating crops, processing raw materials, distilling, blending spirits and formulating products.</p> <p>That is why we have defined an Environmental Policy at group level that includes a section dedicated to water. It covers a company-wide scope and outlines the commitments, procedures and actions that apply to all PR affiliates and joint ventures where the group has a control.</p> <p>The section "Preserve water resources" gives a description of the company's water dependency to communicate both internally and externally about the stake of managing this resource, and to encourage employees to engage with our commitment to stewardship.</p> <p>At production site level, PR commits to measure water consumption, ensure that water intake does not endanger local water resources, and save, reuse &amp; recycle water in line with our efficiency optimization targets. We aim to further reduce water consumption intensity in our operations, targeting excellence in water efficiency at our industrial facilities (distilleries, wineries, bottling, etc).</p> <p>PR has developed its own Global Human Rights Policy, acknowledging the right to water as a basic human right. We respect human need for sustainable water supplies, safe drinking water, and protection of both ecosystems and communities through proper sanitation. This commitments is also included in our Supplier Standards.</p> <p>Water resources are unevenly distributed and risk levels vary depending on the location of production sites, which have hence been classified as extremely high, high and low water risk using WRI Aqueduct tool along with an internal questionnaire. Specific water management strategies are implemented at sites located in extremely high or high risk areas, and we aim to replenish 100% of the water consumed at these facilities to achieve water balance in these watersheds. This contributes to the preservation of water ecosystems.</p> <p>Water use in our supply chain also contributes significantly to our global environmental impact : thus, we aim to make preserving water a condition for procuring raw agricultural material to PR. This aspect is taken into account in sustainable agriculture certifications and environmental risk mitigation projects.</p> <p>Since 2010, PR has been a member of the United Nations CEO Water Mandate, reinforcing the Group's commitment to protect the planet's water resources.</p>

W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	<p>The Board:</p> <p>The Board is comprised of 14 members, seven of whom are independent and two of whom represent Group employees. The Chairman reports on the Board's progress at the Annual Shareholders' Meeting. The Chairman is tasked with ensuring that the Group's bodies run smoothly, which includes providing the Directors with the information and resources they need to fulfil their duties, including on climate-related issues. Some members of the Board are also members of the S&amp;R (Sustainability &amp; Responsibility) committee as described below.</p> <p>The Board of Directors has decided in 2021 to grant shares free of charge to some employees and Executive Directors of the Company and Group companies, and introduced a criterion based on social responsibility in line with its roadmap in this area. In FY22, over 750 employees were rewarded, making it possible to target not only executives in management positions, but also to retain young high-potential managers (Talents) in all of the Group's affiliates around the world.</p> <p>The shares to be allocated would be subject notably to an internal performance condition related to Corporate Social Responsibility (CSR) based on 4 sub-criteria. One of them is related to water and related to the implementation of the roadmap to reduce water use in Pernod Ricard's distilleries.</p>
Board-level committee	<p>The S&amp;R committee:</p> <p>S&amp;R stands for "Sustainability &amp; Responsibility"</p> <p>This committee is composed of three members of the Board: a Lead Independent Director, a Director and an Independent Director. The S&amp;R Committee has multiple and very strategic roles and therefore, also has responsibility in climate-related issues management.</p> <p>For example, in FY22, the S&amp;R Committee's main activities included-</p> <ul style="list-style-type: none"> <li>- presenting the CSR strategy and progress on the objectives for each pillar</li> <li>- reflection and modification of certain Group objectives in terms of CSR strategy</li> <li>- presentation of projects developed or under development at Group level to meet the Group's CSR strategy objectives review and monitoring of CSR reporting.</li> </ul>
Board-level committee	<p>The Executive Committee (COMEX):</p> <p>The Executive Committee, the Group's managing body, has 16 members - the entire Executive Board (which includes the Chairman &amp; Chief Executive Officer, the Managing Director and Global Business Development, the EVP Finance, IT &amp; Operations, the Group General Counsel &amp; Compliance Officer, the EVP Human Resources and the EVP Corporate Communication, S&amp;R &amp; Public Affairs) as well as the Managing Directors of the main Group affiliates – who meet once per month.</p> <p>For example, the Executive Committee approved in 2019 the Global Environmental Policy of Pernod Ricard, which includes our commitments to preserve water resources in our operations.</p>
Board-level committee	<p>The S&amp;R Senior Steering Committee:</p> <p>S&amp;R stands for "Sustainability &amp; Responsibility"</p> <p>It is composed of 12 members meeting 4 times per year: the CEO, Managing Director GBD, Group EVP Human Resources, EVP Finance, IT and Operations, Group General Counsel and Compliance Officer, EVP Corporate Communication, S&amp;R &amp; Public Affairs, Chief Sustainability Officer, VP Global Public Affairs and Alcohol in Society, Group Operations Director, Global Marketing &amp; Commercial Director, Group Communications Director, Global SVP, Investors Relations and Treasury.</p> <p>As of 1 July 2022, a new role was created within the Executive Board : EVP Corporate Communications, S&amp;R, and Public. This newly created role strategically leads and brings together these three global functions. He is an additional member of the Executive Committee and the S&amp;R Senior Steering Committee.</p> <p>The S&amp;R Senior Steering Committee is regularly updated on the Group's performance and it responsible for taking decisions regarding environment related issues. For example, in 2021, this committee approved advancing by 5 years our target of achieving 100% compostable, recyclable and reusable point-of-sale (POS) materials by 2030.</p>

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	<p>Monitoring implementation and performance</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding strategy</p>	<p>The Board:</p> <p>The Board of Directors is tasked with evaluating the relevance of the Company's S&amp;R commitments (which include Water) and monitoring their implementation within the Group through the S&amp;R Committee (created in November 2020).</p> <p>Before the creation of this committee dedicated to S&amp;R, in 2019, the Board of Directors has validated the new Sustainability &amp; Responsibility 2030 strategy and the commitments in which the water topic is included:</p> <ul style="list-style-type: none"> <li>• Further reduction in water use by 20% from FY18 to FY30;</li> <li>• 100% of water replenished in watersheds with same level of risk for our production sites and dedicated copackers located in high risk areas</li> </ul> <p>The CSR committee:</p> <p>Created in 2020, the S&amp;R committee has a vision of the whole strategy of Pernod Ricard, from the financial to the sustainability side and ensures that sustainability is integrated into all of our strategic decisions. It meets three times a year. This Board committee has a key role to play in driving Pernod Ricard's water and climate-related strategy and supervising the water roadmap.</p> <p>It helps the Board in regard to water-related issues by:</p> <ul style="list-style-type: none"> <li>- monitoring the progress of the S&amp;R strategy;</li> <li>- challenging the Group's ambition;</li> <li>- raising awareness on long-term sustainability trends</li> <li>- reporting to the Board.</li> </ul> <p>More specifically, its roles are the following:</p> <ul style="list-style-type: none"> <li>- Examining, reviewing and evaluating the Group's S&amp;R strategy;</li> <li>- Carrying out the Group's strategy in qualitative and quantitative terms and monitoring reporting systems;</li> <li>- Assessing the risks and opportunities in terms of social and environmental performance;</li> <li>- Preparing the annual non-financial performance statement.</li> </ul> <p>The Executive Committee (COMEX):</p> <p>Under the direction of the Chairman &amp; CEO, the Committee helps to define the Group's strategy and plays an essential coordinating role between Headquarters and the affiliates, and amongst the affiliates themselves (Brand Companies and Market Companies), including the water-related strategy. The COMEX is ultimately responsible for the performance of the company against the S&amp;R strategic objectives and discusses/updates the S&amp;R strategy in at least two Executive Committee meetings per year.</p> <p>The S&amp;R Senior Steering Committee:</p> <p>This committee oversees the advancement of strategy implementation, ensures proper resourcing and raises any challenges to the COMEX, notably regarding the water roadmap.</p> <p>This committee gathers key operational functions to review the progress of the S&amp;R strategy Good Times from a Good Place and the roadmap – which includes strategic priority actions related to water, such as the review of targets.</p>

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Three of our 14 board members have experience on water-related issues. Their competence on these issues has been evaluated based on their extensive professional experience. One of them having been Head of sustainability of a CAC 40 company for many years. One other is Vice-Chairwoman and spokesperson for the Ocean & Climate platform, as well as a member of the France Ocean Committee set up by the French ministry for the Ecological transition.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Other, please specify (Sustainability & Responsibility (S&R) Senior Steering Committee)

**Water-related responsibilities of this position**

- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Integrating water-related issues into business strategy
- Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Pernod Ricard's EVP Corporate Communication, S&R & Public Affairs is a member of the Board of Directors and of the S&R Senior Steering Committee. He reports directly to the CEO and has sustainability matters as one of his prerogatives : he is in a prominent position to deal with those issues. He oversees and coordinates measures at Group level by ensuring the implementation of the 2030 S&R strategy which contains a pillar linked to water topics (Circular Making) and sets water targets on water use reduction and water replenishment to be achieved by 2030.

On top of assessing and managing water risks & opportunities, along with other members of S&R Senior Steering Committee (e.g. the Group Operations Director), he is responsible in validating the S&R strategy along with its Key Performance Indicators & targets . Tracking the progress against the Group's targets also requires strategic decisions regarding the budget and investments which can be discussed /approved by this committee.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Board/Executive board Director on board Corporate executive team Chief Operating Officer (COO) Chief Sustainability Officer (CSO) Other, please specify (Pernod Ricard 's employees, Corporate executive team and local operations team)	Reduction in water consumption volumes – direct operations Improvements in water efficiency – direct operations Implementation of water-related community project Supply chain engagement	Through its Sustainability & Responsibility 2030 Roadmap, Pernod Ricard is committed to reach targets related to its most material environmental impacts. Two of them are linked to water : - A further 20% reduction in water usage from FY18 to FY30 - 100% of water replenished in high-risk watersheds in which production sites and dedicated copackers are located.  As part of its long term incentive plan, the group is also committed to the implementation of the roadmap to reduce water use in Pernod Ricard's distilleries by 20.9% by 2030.	The Board of Directors has decided in 2021 to grant shares free of charge to employees and Executive Directors of the Company and Group companies, and introduced a criterion based on social responsibility in line with its roadmap in this area. The shares to be allocated would be subject notably to an internal performance condition related to Corporate Social Responsibility (CSR) based on 4 sub-criteria. One of them is related to water and related to the implementation of the roadmap to reduce water use in Pernod Ricard's distilleries. Thus, for the Company's Executive Directors and members of the Executive Committee, the weighting of each of the three performance criteria would be as follows: 50% of the allocations would be subject to the internal PRO (Group Profit from Recurring Operations) performance condition, 20% would be subject to the internal CSR performance condition and 30% would be subject to the external CSR performance condition.  CSR performance condition refer to 4 targets. One of them is related to water and related to the implementation of the roadmap to reduce water use in Pernod Ricard's distilleries by 20% by 2030 with an interim step (10% by 2024). The number of shares that would vest on CSR performance condition is determined depending on the number of targets reached.  The COO and CSO is eligible to receive a monetary reward if yearly budgeted water targets are met and global 2030 water targets.
Non-monetary reward	Other, please specify (Corporate executive team and local operation team)	Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations Improvements in water efficiency – direct operations Improvements in wastewater quality – direct operations Implementation of water-related community project		Corporate executive team oversees all water stewardship initiatives and water replenishment program within the Group. Local operation teams are engaged in the realization of these actions. They are part of global communication or work recognition in case of projects that have been implemented a related to the Group Strategy or any action which shows performance improvements.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, funding research organizations

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

All Pernod Ricard (PR) employees are expected to apply a strong sense of ethics to their daily activities, including any lobbying initiatives they may undertake to influence policy making and decision taking that affects the Group and the industry. Employees have to ensure that all lobbying initiatives are consistent with the Group's CSR commitments.

Pernod Ricard encourages a culture of trust, openness and transparency, where all employees can raise their genuine concerns in confidence. The Group's Code of Business Conduct advocates a Speak-up policy, calling on all employees to inform management of any suspicions they may have. This may relate to a practice or situation deemed to be contrary to or inconsistent with this Code, associated policies or any legal or regulatory standard.

Pernod Ricard launched a Group-wide system titled Speak-Up. This allows stakeholders who wish to report such misconducts to the Group to do so in a safe and confidential manner. Hosted by a third party, it is available 24/7. Reports that are deemed to be filed in good faith can be subject to internal investigation following a preliminary assessment from the Integrity Committee. This is comprised of the following Group-level functions: Legal, Internal Audit, HR and S&R.

This Speak-Up Policy also includes the possibility to report, in good faith, any potential violation of environmental practices.

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

PER\_URD2021\_EN\_2022\_09\_27\_MEL\_4 (2)\_0.pdf

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	<p>Water is essential for several key stages of Pernod Ricard products lifecycle.</p> <p>Among the climate-related physical risks identified by Pernod Ricard, the risk of changes in precipitation patterns may impact the availability &amp; quality of water, ultimately causing significant agricultural supply chain disruption and affecting groundwater reserves on which some production sites rely.</p> <p>Thus, challenges related to water stewardship have been integrated in Pernod Ricard's long-term business objectives.</p> <p>These objectives include achieving production growth targets while reducing our environmental impact and reducing sourcing risks. These challenges are tackled by our 2030 Sustainability &amp; Responsibility Strategy, particularly through the "Circular Making" pillar in which water-related issues are addressed. Pernod Ricard is committed to moving its business towards a circular model that fosters reduction, reuse and recycling.</p> <p>Water-related objectives have been defined in FY19 :</p> <ul style="list-style-type: none"><li>- Reduction of production sites water consumption intensity by 20% from FY18 to FY30</li><li>- 100% of water replenished in high-risk watersheds in which production sites and dedicated copackers are located by FY30.</li></ul>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>Water is essential for several key stages of Pernod Ricard products lifecycle.</p> <p>Among the climate-related physical risks identified by Pernod Ricard, there is the risk of changes in precipitation patterns. This may impact the availability &amp; quality of water, cause significant agricultural supply chain disruption, and affect groundwater reserves on which some production sites rely.</p> <p>Thus, water management is accounted for in the Group's business strategy (long-term sustainable growth) as it is a significant component of our Sustainability &amp; Responsibility roadmap which is a key support to the corporate strategy as a whole.</p> <p>Targets related to water used by production sites have been defined and integrated to Pernod Ricard Sustainability &amp; Responsibility strategy. Achieving these objectives relies on four levers that aim at optimising the use of water resources and preserving the availability &amp; quality of water, in order to anticipate the risks mentioned above:</p> <ul style="list-style-type: none"><li>- measuring consumption</li><li>- ensuring that water intake does not endanger resources</li><li>- taking measures to save, reuse and recycle water</li><li>- ensuring effective treatment of waste-water before its release into the environment.</li></ul> <p>These actions are particularly important for sites located in regions where water is a sensitive resource. The strategy for each site is defined according to the level of risk it falls into.</p>
Financial planning	Yes, water-related issues are integrated	5-10	<p>Water-related issues have been fully integrated to Pernod Ricard's near-term financial planning as investments in :</p> <ul style="list-style-type: none"><li>- production sites equipment (replacement/upgrade to improve water efficiency, water quality, water recycling and waste-water treatment);</li><li>- water replenishment projects (to balance water consumed by production sites located in high risk basins);</li><li>- regenerative farming systems pilots on owned or leased vineyards;</li><li>- regenerative agriculture programmes linked to the Group's priority terroirs.</li></ul> <p>Additionally, in FY22 and FY23, Pernod Ricard completed two Sustainability-Linked Bond issuances of 750 million € for 7 years and of 1.1 billion € across two tranches (600m€ 6-year and 500m€ 10-year), as well a Sustainability-Linked Revolving Credit Facility issuance of 2.1 billion € The targets of the issuances are linked to two environmental commitments: to reduce our absolute greenhouse gas emissions (Scope 1&amp;2) and to decrease the water consumption per unit at distilleries. This transaction fits within Pernod Ricard's continued integration of sustainability actions into its daily operations and financing strategy, in-line with the Sustainability &amp; Responsibility Roadmap.</p>

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

-95

**Anticipated forward trend for CAPEX (+/- % change)**

2300

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

Every year, we monitor capital expenditure (i.e. funds used to acquire, upgrade, and maintain physical assets such as plants, buildings, technology, or equipment) related to measures implemented in order to align to our water use reduction ambition. The amount spent on CAPEX has decreased compared to last reporting year due to fewer projects launched, hence less investments in the reporting year.

Over the next year, we plan to increase the capex spend on water meters installation and water saving projects, which will mainly concern our affiliate Hiram Walker & Sons.

We do not monitor water related operating expenditure (i.e. shorter-term expenses required to meet the ongoing operational costs of running activities).

## W7.3

### (W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	Following TCFD recommendations, two scenarios focused on the physical impacts have been considered when assessing physical climate risks and Pernod Ricard activities exposure: RCP4.5 and RCP8.5. We used these 2 scenarii to derive gross financial estimates as stated in the previous questions, before taking any mitigation measure. We then defined a set of measures to adapt our business and thus lower the risk to define our residual remaining impact to consider. We followed best-in-class scientific practices by evaluating results on a 30-year time periods, i.e. for instance "2030" actually referring to the average yearly impacts over 2020-2050 period. We relied on top-notch external providers to gather data regarding both agricultural impacts (through FAO portals) as well as ad-hoc climate-related extreme events (water stress and coastal/riverine flooding from WRI Aqueduct, and tropical cyclones from NOAA IBtracs database). All aligned with the use of RCP4.5 and RCP8.5 scenarios.

## W7.3a

### (W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>Pernod Ricard conducted this year a quantitative analysis of climate risks &amp; opportunities for its business, under various future climate scenarios, across multiple time horizons.</p> <p>It focuses on:</p> <ul style="list-style-type: none"> <li>- risks on raw agricultural materials procurement</li> <li>- risks on all categories of purchases</li> <li>- risks on operations (assets and production).</li> </ul> <p>These risk are assessed against +1,5°C (RCP2.6), +2,4°C (RCP4.5) and +4°C (RCP8.5) climate scenarios.</p> <p>The analysis results in financial quantification of impacts per time horizon (2030, 2040, 2050).</p>	<p>The main water-related outcomes that result from these scenarios are the increase in water stress and extreme events (flooding, cyclones, heatwaves...) and the emergence of water usage conflicts in regions where Pernod Ricard operates or sources its raw materials.</p> <p>These impacts may have the following consequences :</p> <ul style="list-style-type: none"> <li>- Increased procurement cost of agricultural materials due to physical risks</li> <li>- Reduced availability and increased price volatility of raw commodities in PR supply chain due to yield decreases induced by climate change (variations in temperature, precipitation &amp; other agroclimatic drivers) will harm Pernod Ricard activity as a food and beverage company fueled by agricultural commodities availability.</li> <li>- Agricultural commodities are required to produce ingredients used in our beverages, and their shortage could halt our production and that of our suppliers.</li> <li>- Reduced production capacities due to extreme events (27 out of 117 sites analyzed are highly exposed to extreme events)</li> </ul> <p>The increased severity and frequency of extreme weather events induced by climate change will impact our operations and industrial facilities, leading to direct damages to stock, as well as business disruption periods. The most material hazards given the nature of our business are formed by cyclones, flooding, extreme heatwaves and water stress.</p> <p>As a beverage company, water is critical for our operational processes and also forms the core of our products.</p>	<p>To manage risks within agricultural supply chains, address the duty of care and achieve its ambition of nurturing terroirs, the Group has implemented a 3-level action plan. The action plan helps map the various terroirs to achieve full traceability, assess environmental and social risks to these terroirs, and implement sustainability programs. The implementation of regenerative agricultural practices and the use of technical and technological tools help increase local resilience to climatic events.</p> <p>Various levers are considered, among them:</p> <ul style="list-style-type: none"> <li>• Establishing a diversified and resilient cropping system</li> <li>• Selection and management of varieties that improve farm resilience</li> <li>• Agricultural practices that maintain and improve soil health</li> <li>• Support and training of farmers on regenerative agriculture practices</li> <li>• Varietal selection targeting resilience and resistance</li> </ul> <p>Facilities business interruptions could halt part of our supply chain for the related brands and products, and thus reduce our production. Currently, based on analyses performed through WRI Aqueduct platform, 8 sites along our value chain are located in highly water stressed areas, highlighting how much we need to continue our adaptation planning and integrate this consideration into our operations.</p> <p>Pernod Ricard will further elaborate a precise climate and water-related risk mitigation strategy over the next two years.</p>

## W7.4

### (W7.4) Does your company use an internal price on water?

Row 1

#### Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

#### Please explain

We currently do not use an internal price on water, as the economic value of water is not taken into account into strategic, operational or financial planning yet.

## W7.5

### (W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Current work is being carried out for conducting life cycle assessments on Pernod Ricard's products. These analysis will take water criteria into account, which, as a first step, will enable us to draw an internal classification of products based on their impact on water.

## W8. Targets

### W8.1

#### (W8.1) Do you have any water-related targets?

Yes

### W8.1a

#### (W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	In FY24, Pernod Ricard will revise its water strategy so as to address the following challenges : - Water risk in the agricultural supply chain - Water pollution in operations and supply chain - Water, Sanitation and Hygiene (WASH) services
Water withdrawals	No, but we plan to within the next two years	As part of the 2020-2030 Sustainability and Responsibility , Pernod Ricard set a water efficiency target : to reduce by 20% its overall water consumption per unit of alcohol distilled (target year : 2030, baseline year : 2018). We are aware that water withdrawals indicator is becoming increasingly crucial, and we will reconsider setting a related target during our FY24 water strategy revision.
Water, Sanitation, and Hygiene (WASH) services	No, but we plan to within the next two years	In FY24, Pernod Ricard will revise its water strategy so as to address the following challenges : - Water risk in the agricultural supply chain - Water pollution in operations and supply chain - Water, Sanitation and Hygiene (WASH) services
Other	Yes	<Not Applicable>

### W8.1b

#### (W8.1b) Provide details of your water-related targets and the progress made.

##### Target reference number

Target 1

##### Category of target

Watershed remediation and habitat restoration, ecosystem preservation

##### Target coverage

Company-wide (direct operations only)

##### Quantitative metric

Other, please specify (% of water replenished in high risk watersheds where production sites and dedicated copackers are located, or in watersheds with same level of risk)

##### Year target was set

2020

##### Base year

2020

##### Base year figure

0

##### Target year

2030

##### Target year figure

100

##### Reporting year figure

68.7

##### % of target achieved relative to base year

68.7

##### Target status in reporting year

Underway

##### Please explain

In FY22, 68,7% of the total water consumed in high risk areas has been replenished in the same watershed.

Water replenishment projects come out in various types, including :

- Improved water access and sanitation (e.g. tanks development)
- Watershed protection and restoration (e.g. reforestation, ponds restoration)
- Improved systems for productive use of water (e.g. installation of drip irrigation system, fixing of leakages, etc.)

Case study : In Baohu Urban Wetland Park (China), the water replenishment project launched by PR China in 2021 consisted in the installation of drip irrigation pipes in green areas and the repair and maintenance of leaking irrigation pipelines and damaged micro-sprinklers. This allows to save around 20 000 m3 of water every year (measured with water meters in wells).

##### Target reference number

Target 2

**Category of target**

Water use efficiency

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Other, please specify (% of water consumption reduction per unit of production)

**Year target was set**

2018

**Base year**

2018

**Base year figure**

0

**Target year**

2030

**Target year figure**

20

**Reporting year figure**

13

**% of target achieved relative to base year**

65

**Target status in reporting year**

Underway

**Please explain**

Pernod Ricard has first achieved its 2020 roadmap goal : water consumption has been reduced by -22% vs FY10 (-20% expected). The company is now pursuing a more aggressive target with an objective to further reduce water use intensity by 20% from FY18 to FY30. In FY22 and since FY18, water consumption per unit of volume produced has been reduced by 13%.

W9. Verification

W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Deloitte & Associés has verified the following environmental KPIs: -Total volume of water consumed -Total volume of water abstracted -Total volume of waste water released	ISAE 3000	Deloitte & Associés performed their work in accordance with Articles A. 225-1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information). Nothing has come to their attention that causes them to believe that the non-financial statement does not comply with the applicable regulatory provisions and that the information, taken as a whole, is not fairly presented in accordance with the Guidelines.

W10. Plastics

W10.1

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations	We mapped plastics used in the primary packaging of the products we sell to consumers.



## W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	Plastic use in our operations remains very limited. Pernod Ricard is committed to reduce virgin plastic usage, to eliminate single-use plastic in its promotional items, to have 100% of its plastic packaging recyclable by 2025, and to support recycling in 10 key markets. This policy aims at reducing any potential environmental impact.

## W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	No, risks assessed, and none considered as substantive	<Not Applicable>	<Not Applicable>	Plastics represent less than 5% of the raw materials used for packaging and promotional items, it can easily be swapped with glass or other fibre-based materials. Supply chain and reputational risks are limited and easily manageable.

## W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Plastic goods	Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale Increase the proportion of plastic packaging that is reusable Eliminate single-use plastic goods	Pernod Ricard is signatory of the Ellen McArthur "New Plastics Economy Global Commitment". As part of its Circular Making strategy, Pernod Ricard is committed to reach by 2025 : - 100% recyclable, reusable or compostable packaging and promotional items - 25% PET post-consumer recycled content in PET packaging - 5% reduction of virgin plastics use in packaging  Since 2021, Pernod Ricard has banned 100% single use plastics from its promotional items.

## W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	Yes	Included here : promotional items made of plastic (reusable ecocup, ice buckets...)
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	Included here : PET bottles, bag-in-box, plastic pouches (3L format), plastic caps used on glass bottles
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

## W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

Raw material content percentages available to report

% virgin fossil-based content

<Not Applicable>

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

<Not Applicable>

% post-consumer recycled content

<Not Applicable>

Please explain

Our teams are working on the reliability of data before publication.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	3980	% post-consumer recycled content	<Not Applicable>	<Not Applicable>	<Not Applicable>	14.2	Excludes plastic closures used on glass bottles.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	% reusable % recyclable in practice and at scale	0	<Not Applicable>	61.2	As per our reporting to the Plastics Initiative Global Commitment 2022.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	EVP, Integrated Operations	Other C-Suite Officer

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	10701000000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

Yes, CDP supply chain members buy goods or services from facilities listed in W5.1

SW1.1a

(SW1.1a) Indicate which of the facilities referenced in W5.1 could impact a requesting CDP supply chain member.

**Facility reference number**

Facility 7

**Facility name**

Facility in Guadalajara Basin

**Requesting member**

Wal Mart de Mexico

**Description of potential impact on member**

Potential impact due to potential disruption in production capacity (30 days) and consequent lost sales volume (all details in section W4.2)

**Comment**

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms

