



Pernod Ricard
Créateurs de convivialité

How we bring...

**GOOD
TIMES**

FROM A

**GOOD
PLACE**





ocial responsibility and care has sat at the heart of Pernod Ricard since its early beginnings. Our founder, Paul Ricard, was an early philanthropist, who valued his people, the environment and communities.

**Sustainability & Responsibility
are part of our past, our present...**



**We are responsible for
building a better world for
future generations, together.
It's our duty.**



PAUL RICARD

...and our future

"Sustainability & Responsibility are part of our history. It draws on our vision 'Créateurs de Convivialité' and is one of our business priorities. Our 19,000 employees bring it to life, adding value to our business."

ALEXANDRE RICARD



CREATING A MORE CONVIVIAL WORLD, A WORLD WITHOUT EXCESS

We are 'Créateurs de Convivialité'. Our history is rooted in being a sustainable and responsible company. Deeply embedded in this conviction is the notion of sharing – sharing with each other but also with our communities and all of the world's natural inhabitants.

Back in 1966 our founder Paul Ricard started the Paul Ricard Oceanographic Institute, leading the charge still today for ocean preservation. We have also been consistently committed to preventing and reducing alcohol harm and addressing other sustainability topics.

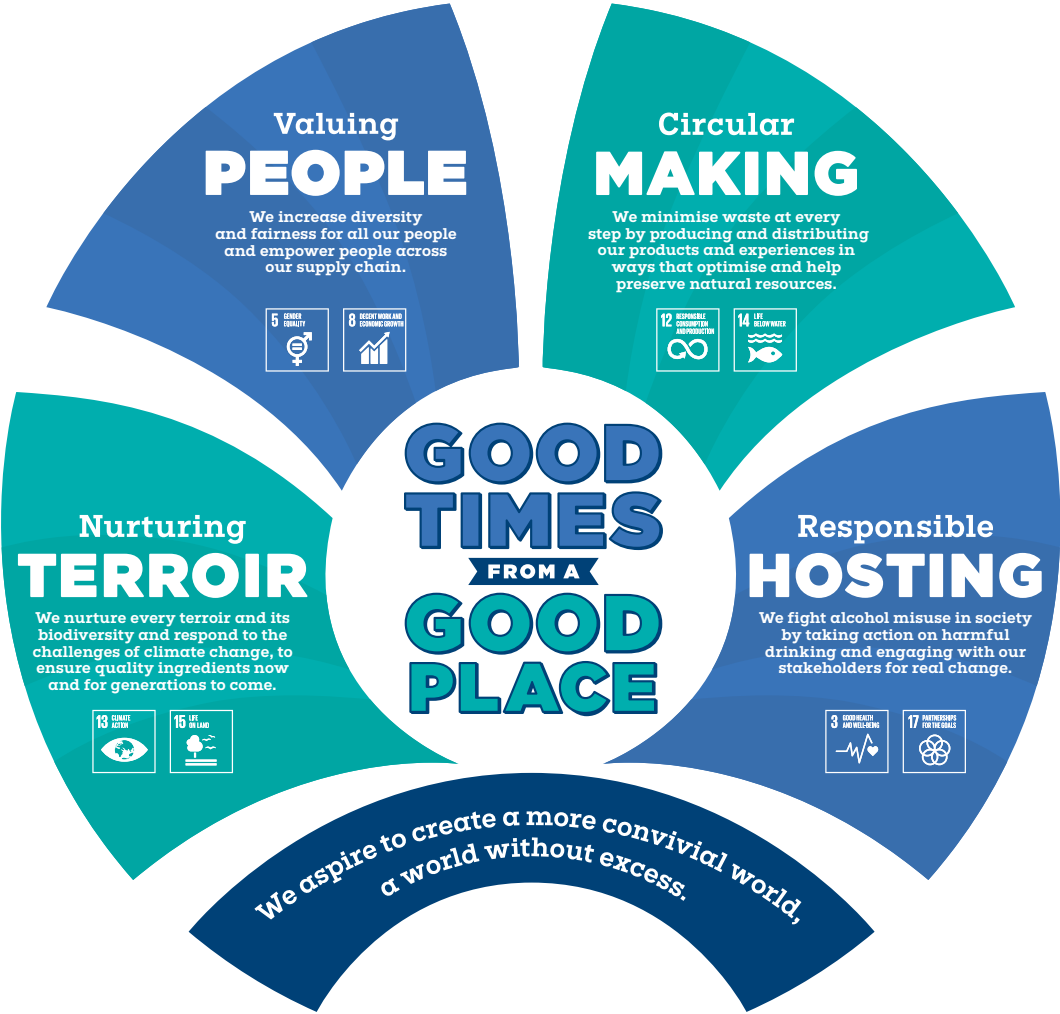
For us today, Sustainability & Responsibility (S&R) addresses all aspects of our business and is one of our business's four key drivers and embedded in our strategic plan business plan, 'Transform & Accelerate'. Our 2030 S&R roadmap is based on four key pillars with strong 2030 objectives supporting the United Nations Sustainable Development Goals (SDGs).

**We believe that there can be no
convivialité with excess and strive
to be sustainable and responsible
at every step of our production
– from grain to glass.**



MAKING A MEANINGFUL, POSITIVE DIFFERENCE

Sustainability & Responsibility for us is centered around a robust framework...



You can find out more about each of our pillars and associated commitments on pages 06–13

Our manifesto will guide us on our journey

THE PERNOD RICARD MANIFESTO

CRÉATEURS DE CONVIVIALITÉ

True to our founding spirit, we've been bringing people together, inviting them to share authentic experiences and making new friends every day through our world-class portfolio of premium wines and spirits.

We are passionate hosts ...

a family of exceptional people who are committing to fighting alcohol misuse and creating a better way to live and work together, to bring good times today and for generations to come.

We are respectful guests ...

who care for and strive to protect and nurture the terroirs and environments in which we live. We partner with local farmers and respect local communities to benefit our planet, our consumers and our business.

We bring good times from a good place, to create a more convivial world, a world without excess.

ADDRESSING OUR ENTIRE BUSINESS

Our Sustainability & Responsibility roadmap's four pillars: Nurturing Terroir, Valuing People, Circular Making and Responsible Hosting are all directly supporting the United Nations Sustainable Development Goals (SDGs), ensuring our business is aligned with the 'World's to-do list' to help reach prosperity for the planet and its people. In 2018, we received LEAD participant status for our work with the UN Global Compact – notably on working towards the SDGs.

Each pillar includes ambitious targets to drive innovation, brand differentiation and employee attraction. With a clear governance structure, the strategy will be implemented throughout the business with brands reporting and measuring success. All pillars are based on a 2030 timeline, staying true to the schedule set out by the UN SDGs, with key milestones in between. By taking this robust approach to reaching targets, we can ensure that we 'walk-the-talk' as well as 'talk-the-talk'.

VISION

CRÉATEURS
DE CONVIVIALITÉ

MISSION

GOOD
TIMES
FROM A
GOOD
PLACE

Gives form and substance to our vision and will resonate with brands.

FOCUS



4 PILLARS

The big topics we'll focus on to deliver our ambition.

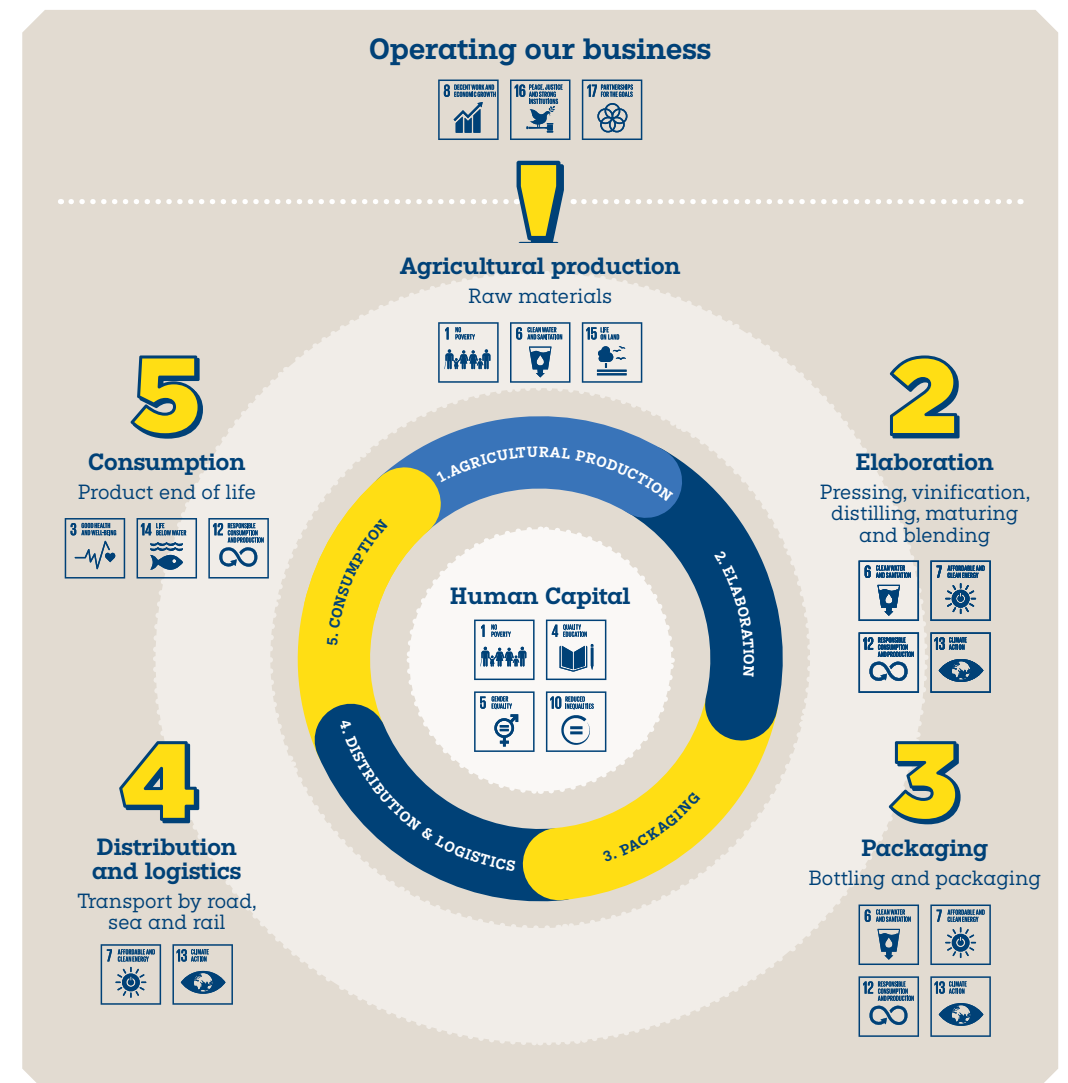
COMMITMENTS

TARGETS + KPIS

Delivered through a series of actions. Measured and tracked with targets & KPIs.

CONTRIBUTING THROUGHOUT OUR VALUE CHAIN

Our Sustainability & Responsibility strategy puts a key focus on contributing to eight UN SDGs, those which we feel our impact can be greatest, but our sustainable approach to business means that we contribute to 14 SDGs across our value chain.





Nurturing TERROIR

All of our products come from nature and take their distinct character from the land where they were grown.

Terroir' means earth or soil in French; the birthplace from which all our products take their characters from. Across our business, we source our natural ingredients from over 250,000 hectares of land and so we are committed to nurturing every terroir and its biodiversity, responding to the challenges of climate change to ensure quality ingredients now and for generations to come.

OUR FOCUS

Contributing to the SDG 13: *Climate Change* and SDG 15: *Life on Land*, this pillar focuses on biodiversity along with addressing our agricultural footprint to tackle all sustainability issues in these locations.



OUR KEY COMMITMENTS

1. Biodiversity: By 2030, 100% of our affiliates will have a strategic biodiversity project, addressing the most pressing local biodiversity issues.

2. Regenerative agriculture: By 2025, we will develop regenerative agriculture pilot schemes within our owned vineyards in 8 wine regions: – Argentina, California, Cognac, Champagne, Spain, Australia, New Zealand and China – to mimic natural processes to improve the quality of top soil, watersheds and ecosystems. By 2030, we will then partner with over 5,000 farmers to share this knowledge further.

In addition to these commitments, we are also addressing climate change from agricultural production using Science-Based Targets (SBTs), identifying and certifying all of our main raw materials, and having detailed plans to address localized sustainability issues (water scarcity, pesticide use, etc.) in each of the regions our ingredients come from.

Many of our brands are already safeguarding natural ecosystems.

Our Campo Viejo winery in Spain has used a variety of tactics to reduce and offset its greenhouse gas emissions. The winery also prioritizes the biodiversity of the region by protecting and nurturing it to ensure it thrives.



Bodegas Campo Viejo winery, La Rioja, Spain

Our Martell distillery is looking at innovative ways to make grapes more resistant to climate change.

Kahlúa is partnering with an NGO for their 'coffee for change' program – ensuring that coffee growing is 100% sustainably grown.



Ricard Plantes Fraiches is made from fresh anise cultivated in the South of France with sustainable agricultural practices and distilled within 24 hours of harvest. This product embodies a truly localized approach to ingredients sourcing.

In New Zealand, our Brancott Estate winery has partnered with the Marlborough Falcon Trust to help conserve and protect New Zealand's most endangered bird of prey — the Karearea falcon. This majestic bird of prey has proved to be an invaluable resource in the

vineyard, helping to deter other birds from damaging the grape crop before the harvest.

Perrier-Jouët and G.H Mumm have both been awarded the highest sustainable viticulture and high environmental value (HEV) certifications for taking care of the environment, conservation of the landscapes and biodiversity.





Valuing PEOPLE

Convivialité is about sharing, warmth, care and respect for people everywhere.

People have been and always will be at the heart of everything we do at Pernod Ricard and the foundation of our collective spirit as 'Créateurs de Convivialité'. We promote diversity and inclusion throughout our business and work with our suppliers to create shared value across for all.

OUR FOCUS

Contributing to the SDG 8: *Decent Work and Economic Growth* and SDG 5: *Gender Equality*, this pillar is all about respect; respect for everyone in our marketing, respect for all those we work with across our supply chain and respect for our 19,000 employees located across the globe – increasing employee attraction, lowering supply chain risks and meeting rising consumer expectations around transparency.



OUR KEY COMMITMENTS

3. Equality and future leadership

By 2022, we will ensure equal pay across the business and by 2030, our top management team will be gender balanced. In addition, by 2030, 100% of employees will have received future-fit training at least every three years to develop new skills.

4. Shared knowledge and learning

By 2030, we will train 10,000 bartenders on the bar world of tomorrow, to host consumers in a more sustainable way including being anti-waste and plastic-free.

This pillar also sets out to embed a United Nations Human Rights approach, using the UN Guiding Principles on Human Rights, across our business, strengthening our responsible procurement processes.

Across our business, we have many examples that value and respect all those we work with.



Absolut Vodka and Altos Tequila brands are leading the charge in building partnerships with bartenders for sustainable bartending.

Altos has developed the 'Tahona Society Collective Spirit', a bartending competition focused on encouraging bartenders to be more socially and environmentally conscious. The winners of the competition can develop their projects to push the industry into a more sustainable direction.

Absolut has recently launched the 'Green Hustle', a program dedicated to helping bartenders be more sustainable with an open-source platform filled with low-waste recipes, sustainable tips and other tools to help the bartending community.

We also have an official global partnership with Trash Tiki, the anti-waste bartending duo.



Our annual Responsib'ALL Day, where all our 19,000 employees worldwide engage in community projects, is another prime example of how we engage with our local communities and work together to reach shared goals. The day is directly linked to the UN SDGs, giving yet greater meaning and weight to its impact.



Each year our 'Chivas Venture' competition searches for the world's best social start-ups. Candidates from all over the world participate with the winners receiving \$1 million in funding.

Jameson has created the 'Love Thy Neighborhood' campaign where all the proceeds from block parties went to 'Keep America Beautiful' – an NGO focused on beautifying communities across the US.



Circular MAKING

We share a world of finite resources under huge pressure.

We are committed to minimizing waste at every step by producing and distributing our products and experiences in ways that optimize and help preserve natural resources. Circular models focus on reuse, reduce and recycle approach so that we minimize waste and the impact on the environment.

OUR FOCUS

Contributing to SDG 12: *Responsible Consumption and Production* and SDG 14: *Life Below Water* — our goal is to move towards more circular models throughout our business, from the packaging we use, to the promotional items we produce and the way we distribute our products so that we minimize our carbon footprint and preserve water.



OUR KEY COMMITMENTS

5. Packaging and waste

By 2025, we will ban all promotional items made from single-use plastic and 100% of our packaging will be recyclable, compostable, reusable or bio-based. In addition to which, by 2030 we will pilot five new circular ways of distributing wine and spirits and help increase recycling rates in our top 10 largest markets with low recycling levels.

6. Water balance and carbon-footprint

By 2030, we aim to be water balanced in all high-risk watersheds, replenishing 100% of water consumption from production sites. We also commit to reducing the overall intensity of our carbon footprint by 50% by 2030 in line with the science-based targets initiative.

We are also committed to moving towards 100% renewable electricity by 2025, incorporating eco-friendly design and finding new ways to reuse waste water.

Circularity is a mindset that is gaining speed throughout our business.

In Pernod Ricard India, the four Rs are used to address water consumption: Reduction, Reuse, Recycling and Recovery. To date, the affiliate has thereby reduced its water consumption by 36% since 2010.

It has also built 13 facilities for rainwater collection and storage, 13 dams, 40 recharge wells and 16 dredging projects corresponding to 365 million liters of water, equivalent to two years of water consumption for all Indian sites.

We are proudly a signatory of the Ellen MacArthur foundation's 'New Plastics Economy', where we can learn from other companies and apply these learnings to our own challenges.

-30%

At our Glenlivet whisky distillery, replacement of heavy fuel with natural gas has reduced the site's direct CO₂ emissions by 30% per unit of pure alcohol produced.

DID YOU KNOW

At Plymouth Gin, the distillery is powered by 100% renewable hydropower and the botanical waste is transformed into sustainable energy.



Our Absolut distillery in Åhus, Sweden is the world's first carbon neutral distillery, deploying many innovative practices to move towards circular production and minimizing waste. This also includes food waste – 99% of organic by-products are recycled to create products such as animal feed and biogas. This stillage is used to feed nearly 300,000 pigs and cows every day.

Altos tequila sends its organic waste to be turned into fertilizer, reusing what would traditionally be thrown out to foster new life.





Responsible HOSTING

We fight alcohol misuse in society by taking action on harmful drinking and engaging with our stakeholders for real change.

Our products bring people together and serve a valuable role in society. We acknowledge that alcohol however can be misused and that inappropriate consumption of alcohol can cause serious problems to individuals and our communities.

OUR FOCUS

We believe that we have a role to play to support SDG 3 *Health and Wellbeing* and to prevent and reduce harmful use of alcohol.

We know that addressing alcohol abuse cannot be done alone, and partnerships with other industry members, governments and local communities are necessary for success. This is why we have linked this pillar with SDG 17 *Partnerships for the Goals*.



OUR KEY COMMITMENTS

7. Alcohol misuse: By 2030, each of our 86 affiliates will have at least one program in partnership, at scale and evaluated to fight alcohol misuse.

8. Responsible Party: By 2030, we will expand the Responsible Party program globally to reach at least 1 million young adults.

We are also committed to ensuring that all advertising and marketing campaigns are prepared with a due sense of social responsibility, and in particular we want to protect minors from all our on-line and off-line campaigns. All our campaigns – digital or print – must comply with our Code for Commercial Communications and be validated by our Responsible Marketing Panel. In September 2018, together with other spirits, wine and beer producers, Pernod Ricard entered

into a partnership with four major social media platforms, joining forces on responsible marketing, consumer choice and minors' protection.

We believe that information is key in making the right choices. We want all our employees to be our responsible

drinking ambassadors. We want all our consumers to receive the highest quality information regarding our products, the ingredients we use, their nutritional values and how to enjoy them responsibly.

Our Group has engaged in many programs to combat alcohol misuse across our affiliates.

In Sweden, the Prata Om Alkohol program (Talk about Alcohol) has been bringing the industry, schools and parents together since 2006 to raise awareness among middle-school pupils about the risks of excessive alcohol consumption and postponing alcohol debuts – reaching more than 620,000 teenagers. Pernod Ricard participates in similar programmes in Finland, North America, and also Mexico and South Africa.

Códigos Responsables program is run by our affiliates in Argentina and Uruguay together with local retailers to prevent the sale of alcohol to minors. Each time a cashier scans the barcode of any of our products, a responsible selling message pops up, reminding to 'always ask for ID, and to not sell to minors'.



Responsible Party is Pernod Ricard's flagship responsible drinking programme. We partner with Erasmus Student Network since 2009 to tackle binge drinking amongst exchange students. The programme has reached over 400,000 exchange students so far in 32 European countries. The Responsible Party crews distribute water and interact with students, to raise awareness about the dangers of excessive drinking and reduce harm during the parties.

KEY MILESTONES

Our S&R journey to date...

1966

Paul Ricard Oceanographic institute is founded



1971

Institut de Recherche Scientifique sur les Boissons is founded

1990

Joined Entreprise & Prévention (now 'avec modération') and EFRD (now 'spirits EUROPE')



1997

Started a cultural partnership with the Centre Pompidou in Paris



2003

Joined the United Nations Global Compact



2004

Adopted a global QSE (Quality, Safety, Environment) approach

2005

Joined IARD

2006

Added the pregnant woman logo on our bottles



2007

Launched Pernod Ricard Code for Commercial Communications

2013

Joined Transparency International



2016

Committed to contribute to the United Nations Sustainable Development Goals

2010

Launched 10-year Group environmental roadmap. Achievements to date:

20% reduction in water consumption



30% reduction in CO₂



93% of manufacturing sites and 95% of vineyards covered by ISO 14001

2018

Recognized as a LEAD Global Compact Company

Joined the Ellen MacArthur Foundation's New Plastics Economy

2019

Launched our new 2030 S&R roadmap

PERNOD RICARD AT A GLANCE

N°2

Globally in wines and spirits¹

€8,987M

In net sales in 2017/18

19,000

19,000 employees in 86 countries

€2,358M

In profit from recurring operations in 2017/18

N°1

For premium, ultra-premium and prestige spirits¹

96%

of affiliates implemented at least one initiative for local community development and partner engagement³



20% reduction in water consumption⁴



30% reduction in CO₂⁴



16 brands among the Top 100 worldwide²



93 production sites

(1) Source: The Pernod Ricard Market View, based on IWSR volume data ending 2017. (2) Source: Impact Databank 2017, published March 2018. (3) Source: Internal, non-financial reporting. (4) Reduction per unit of production between 2010 and 2018.

17

Our strategic international brands



FIND OUT MORE

Find out more about
Good Times from a Good Place
and Sustainability & Responsibility
at Pernod Ricard

Follow us on LinkedIn and Twitter
and visit our website at:

pernod-ricard.com

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As Créateurs de Convivialité we strongly believe in the art of sharing in all that we do. We aim to bring 'good times from a good place' by nurturing our terroirs, valuing people, helping to preserve natural resources and fighting alcohol misuse, creating shared value for all our stakeholders.

”

VANESSA WRIGHT

Global Sustainability & Responsibility Director

Vanessa Wright



