

Empower our employees



EMPOWER OUR EMPLOYEES



Pernod Ricard employees are at the heart of the Group's CSR engagement, both as beneficiaries of the Group's social commitments and as ambassadors and contributors to the Group's pursuit of responsibility. This principle aligns with a tradition that fosters collaboration, dialogue and employee commitment.

18,972 employees
at 30 June 2013

1. PERNOD RICARD'S POSITION

"Pernod Ricard employees are at the heart of its CSR engagement, because they are the company's best ambassadors. We cultivate employee engagement and promote a safe, collaborative and convivial work environment where talents can grow and where employees are empowered to make a difference. Our employees embody our corporate values (entrepreneurial spirit, mutual trust, a strong sense of ethics) and we encourage them to take an active role in CSR initiatives in their communities. By empowering our employees, we leverage the full power of the Pernod Ricard network to carry out our CSR commitments across the world."

This engagement relies on five main actions:

- Educate all employees in sustainability challenges and Pernod Ricard's CSR engagement;
- Engage our employees in CSR actions and empower them to bring innovative ideas and be actors in their local community, field of activity and daily job;
- Promote diversity and relationships based on mutual trust and respect;
- Pay close attention to the well-being of our employees and support their development through first-class Human Resources practices;
- Expect our Leaders to lead by example: people management and development, core values and commitment to CSR are integrated into the Pernod Ricard Leadership Model.

2. EDUCATE ALL EMPLOYEES IN SUSTAINABILITY CHALLENGES AND PERNOD RICARD'S CSR ENGAGEMENT

In the last internal survey iSay (June 2013), 94% of Pernod Ricard employees said they were aware of the Group's social responsibility priorities and 89% stated that they felt involved in Pernod Ricard's sustainable development initiatives.

These results testify to the Group's actions to promote CSR values among employees.

- The Pernod Ricard Charter, essential document is distributed to all employees and communicates about the Group's culture, its objectives, its organisation and its CSR engagement.
- E-learning and live training sessions on CSR issues have been proposed to all employees since 2011. By 2012, 83% of employees attended live training sessions.
- The brand-employer platform puts the spotlight on the Group's CSR engagement and promotes it among employees and future recruits.
- Employees are involved in CSR recommendations and action programmes. [See Focus One Young World Summit]



Pernod Ricard's new EVP (Employer Value Proposition) highlights the Group's CSR values among which building real relationships, acting responsibly and empowering people.



FOCUS

ONE YOUNG WORLD SUMMIT

For the first time, eight Pernod Ricard young ambassadors (all aged under 30, an attendance requirement) took part in the One Young World Summit in South Africa from October 2 to 5, 2013. This summit gathers young talents from global and national companies, NGOs, universities and other forward-thinking organisations, joined by world leaders acting as Counsellors (Kofi Annan, Richard Branson, etc.), to debate and formulate solutions for global issues.

During the Summit, Pernod Ricard ambassadors broadcasted live news on Chatter (Pernod Ricard's social network) to interact with all the Group's employees and discuss sustainable development issues with them.

These eight ambassadors, representing different parts of Pernod Ricard's business, functions and geographical locations, are now working on recommendations and action plans relating to CSR issues to be implemented within the Group.



3. ENGAGE OUR EMPLOYEES IN CSR ACTIONS AND EMPOWER THEM TO BRING INNOVATIVE IDEAS AND BE ACTORS IN THEIR LOCAL COMMUNITY, FIELD OF ACTIVITY AND DAILY JOB

Pernod Ricard's action is twofold.

a. Develop entrepreneurial spirit to generate change, innovation and action at work by:

> fostering the exchange of ideas and know-how.

In 2012, the Group launched Pernod Ricard Chatter, an enterprise social network that gives employees the opportunity to share their ideas freely. This tool helps to boost individual creativity and initiatives.

> recognizing and rewarding teams' commitment to the Group.

e.g. Orlando Wines has created the True Legend Award to recognise outstanding and dedicated employees who have made exceptional contributions to the brand over a sustained period.

> promoting entrepreneurial spirit and participatory innovation among employees through the Kangaroo Fund.



Set up in 2011, the Kangaroo Fund programme invites employees to become a “Kan-Do entrepreneur” and to join the innovation community where they can come up with innovative ideas likely to take the Pernod Ricard consumer offer in new directions and have a strong impact on business tomorrow. The best proposals benefit from funding, expertise and coaching support to move things forward from idea to concept to start-up project.

b. Encourage employees' commitment to CSR actions and involvement in their communities.

In line with Pernod Ricard's ambition to make employees CSR ambassadors, the Group organises mobilisation days in favour of social causes. Responsib'ALL Day is the emblematic event when employees act in the field: since 2011, all 19,000 employees stop working for 24 hours to carry out responsible drinking initiatives worldwide and highlight efforts that have been made throughout the year.

The Group has also adopted a Leadership Model that promotes CSR values and employee community involvement.

Managers are expected to “demonstrate commitment to CSR priorities by promoting Group and local initiatives”. This principle is part of the Leadership Model Handbook, a corporate roadmap defining managers' scope of action and responsibility towards their teams.

4. PROMOTE DIVERSITY AND RELATIONSHIPS BASED ON MUTUAL TRUST AND RESPECT

Pernod Ricard considers diversity and differences as a valuable source for enriching creativity and is committed to promoting diversity of gender, age and origin within the Group. It undertakes various actions to meet this goal.

a. Strengthen support for female leadership.

> internal measures and commitments taken at local scale.

e.g. Pernod SA, working with its social partners, has set up a Committee for Gender Equality which aims at improving work/life balance and fighting against discrimination. In December 2012, an agreement was signed with all the Trade Unions formalising Pernod SA's commitments and action plans.

> participation in external programmes promoting changes in the workplace.

e.g. since 2013, Pernod Ricard has been a member of the non-profit organisation Catalyst, which works to expand women's opportunities in business;

e.g. as part of Pernod Ricard University, the Group's female employees take part in the Ecole des Femmes programme organised by the Ecole Normale Supérieure in Paris to contribute to the creation of a Women's Business Dictionary.

"The aim is to generate discussion with the help of experts (sociologists, political scientists, journalists, psychologists) and to compare best practices. This tangible and practical approach provides interesting food for thought for the Group which will help it to progress in this area."

Susan Gustafsson, Legal Director of Martell Mumm Perrier-Jouët, and Amélie Virat, Head of Group Management Control

b. Ensure diversity in recruitment and education of employees.

The diversity principle is enshrined in the Group's Charter - "Equality of opportunity and non-discrimination are the two principles underpinning the Group's recruitment and career development policies" - and implemented through the following initiatives:

> definition of internal local procedures and policies.

e.g. Pernod Ricard USA has appointed a Diversity and Inclusion officer and has launched an action plan; [See Focus Pernod Ricard USA: a 360° commitment to diversity]

> conduct of internal awareness campaigns to educate employees and change behaviours.

e.g. in 2012, Pernod Ricard Holding together with the organisation Alther ran a communications campaign on the issue of disability in the workplace, entitled *Tous concernés* (We're all concerned).



Cover of the leaflet *Tous concernés* handed out to employees and introducing Pernod Ricard's policy to facilitate the integration of people with disabilities.

BEST PRACTICE

PERNOD RICARD USA: A 360° COMMITMENT TO DIVERSITY SINCE 2011

In 2011, Pernod Ricard USA appointed a cross-functional project team, led by the VP Human Resources, to tackle diversity and inclusion issues. The Diversity and Inclusion Council, made up of Ambassadors in all departments and locations, adopted a detailed action plan.



To date, the initiative has produced the following achievements:

- team of 20 Ambassadors in every department and region;
- awareness-raising training sessions carried out via e-learning and face-to-face;
- a new diversity page on Pernod Ricard USA website;
- formalisation of guidelines and procedures on diversity recruitment;
- three Diversity and Inclusion events held (National Hispanic Heritage Month, Black History Month and Women in Leadership), attended by more than 40% of employees.

5. PAY CLOSE ATTENTION TO THE WELL-BEING OF EMPLOYEES

AND SUPPORT THEIR DEVELOPMENT THROUGH FIRST-CLASS HR PRACTICES

Pernod Ricard has defined four priority areas of action:

a. Pay close attention to new recruits' integration through dedicated welcome initiatives.

e.g. Pernod Ricard Asia has launched an 18-month integration programme across five countries in Asia to give all new recruits an in-depth introduction to all aspects of the Group's business lines and culture.

b. Provide support to accelerate career development.

The Group offers a set of tools and programmes to enable employees to be active players in developing their career and their talents.

> on-going training and knowledge transfer.

Pernod Ricard University, set up in 2011, pursues three main objectives: share know-how and improve skills in different operational fields (environmental responsibility, Human Resources, Operations, etc.); reinforce the Pernod Ricard Leadership Model through specific personal development sessions; convey the Group's values and commitments.

KEY FIGURES

Pernod Ricard University:

27 operational training sessions
3 leadership programmes
494,397 training hours delivered
between 1 July 2012 and 30 June 2013 by
Pernod Ricard University and local affiliates.



> promoting international mobility between affiliates, regardless of the country or position concerned, through two complementary programmes, iMove, an internal job exchange and an external recruitment platform listing job vacancies within the Group and iTravel, a support policy to offer expatriate employees advice and assistance (24/7 phone platform, dedicated website, etc.).

KEY FIGURES

205 internal moves
49 expatriations moves in 2012/2013

> employees need recognition and are given objective feedback on their performance indicating areas of improvement through regular reviews. 82% had an annual appraisal in 2011, 91.4% in 2013.

c. Ensure and monitor well-being within the company.

Local initiatives are also in place to promote health & safety and well-being of employees.

FOCUS

A STRONG CONCERN FOR HEALTH AND SAFETY MANAGEMENT ON PRODUCTION SITES

Certified hygiene and safety management systems that comply with standard OHSAS 18001 are implemented within 89 production sites which represent more than 95 % of our production sites. Production sites are encouraged to creating a safety culture to ensure health & safety and wellbeing of employees, contractors and visitors. This strategy is achieved by setting clear and measurable health & safety objectives on an annual basis.

It is focused on three main lines:

- promote Health & Safety behaviour and employees involvement
- focus on visitors / contractors risks
- address Health & Safety risks outside production sites

The site safety performance is monitored against QSE guidelines. These guidelines are reviewed on a regular basis and define the minimum requirements that production sites are expected to meet while still ensuring compliance to local legislation.

Year-on-year health & safety statistics have demonstrated a significant reduction of employee accidents in operations (55 % from Full-year2007 to full-year 2013). Accident severity decreased by 77 % in the last 6 years as well.

Every two years, Pernod Ricard launches the internal iSay survey to get feedback from employees and highlight areas for improvement. In 2013, the survey, sent to all employees in 80 countries, achieved the high response rate of 87%.

KEY FIGURES iSay results, 2013

94% of employees say they are proud to be part of Pernod Ricard

94% of employees subscribe to the Group's 3 core values

87% would recommend Pernod Ricard as a great place to work

BEST PRACTICE

IRISH DISTILLERS PERNOD RICARD (IDPR): YOUR VOICE ENGAGEMENT INITIATIVE 2013

Based on the 2013 results of iSay and the Irish Distillers Pernod Ricard local employee opinion survey (Taking Stock), the affiliate sets up the Your Voice Engagement Group, a cross-functional group of "champion" employees to help move from feedback and ideas to concrete remediation actions. Recruitment was voluntary and open to all employees. The initiative met with success and applications were much higher than predicted. Eventually, 24 champions from all areas and all levels of the business joined the team.

During day-long workshops they explored:

- what a Great Place to Work looks like, versus simply a good place;
- what IDPR currently does well today and where it can improve.

To date, it has resulted in over 20 project ideas and in developing four business cases for new projects.



As evidence of its sincere and proactive commitment to employee well-being, Pernod Ricard was awarded **Winner of the Human Capital Trophy 2013** for all its Human Resources work in five areas (Recruitment and Integration policy, Display of Management Model Values, Social Relations as part of International Development, Managerial and Organisational Innovations and Training).

Bruno Rain, Managing Director, Human Resources and Corporate Social Responsibility of Pernod Ricard, receiving the Human Capital Trophy from Benoît Potier, Chairman and Chief Executive Officer of Air Liquide Group, the winning company in 2012 and Chairman of the 2013 jury.

d. Foster social dialogue.

In 2000, Pernod Ricard set up the Group's European Works Council (PREWC) in accordance with the European directive of 1994 to support freedom of association and foster open and continuous employees-management dialogue.

Made of 25 members who represent the different European countries (affiliates with at least 75 employees), it plays a central role since delegates embody the link between General Management and Pernod Ricard European employees. The PREWC meets annually with General Management to review the Group's situation and openly discuss cross-border issues.

To ensure transparency of information and dialogue with employees, PREWC publishes *Le Journal européen* annually to report on discussions over the preceding year.

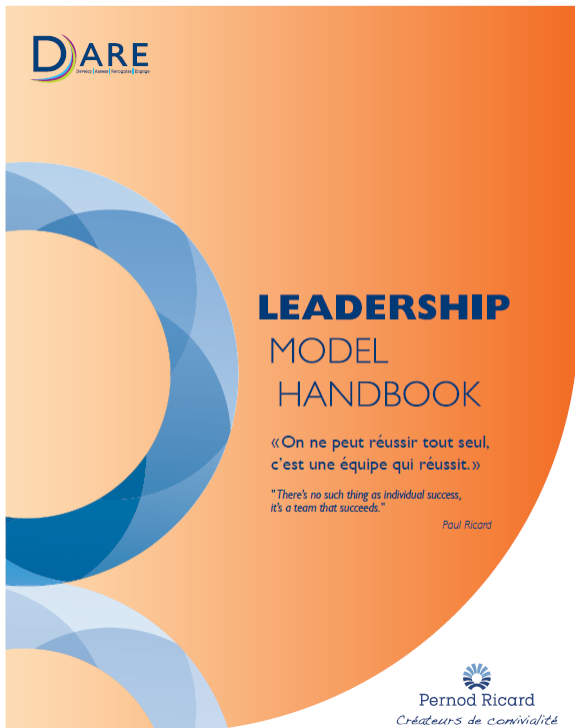
Pernod Ricard's action is also based on signing agreements with Trade Unions.

On 7 January 2014, Pernod Ricard and EFFAT (European Federation for Food, Agriculture and Tourism Trade Unions) concluded a European agreement on Corporate Social Responsibility, in the presence of Pierre Pringuet, Chief Executive Officer of Pernod Ricard and Harald Wiedenhofer, General Secretary of EFFAT.



6. EXPECT OUR LEADERS TO LEAD BY EXAMPLE:

PEOPLE MANAGEMENT & DEVELOPMENT, CORE VALUES AND COMMITMENT TO CSR ARE INTEGRATED INTO THE PERNOD RICARD LEADERSHIP MODEL



Pernod Ricard develops its responsible leadership culture through the Leadership Model, a well-structured handbook that provides managers with keys to act as models and inspire others, particularly in regards to CSR.

All managers must “embody and enthusiastically convey the Pernod Ricard key values, with adherence to ethics and commitment to CSR initiatives.” It implies that managers maintain high professional standards in line with the organisation's values, ethics and charter, serve as a role model, translate values into understandable behaviours for others and promote ethics by confronting and addressing inappropriate or unethical behaviour.

To promote leadership culture, the Group has also set up iLead, a talent development and assessment tool, to recognise and select prospective talent and assess managers' leadership competencies as defined in the Leadership Model.