

Pernod Ricard UK Limited - statement regarding S172(1) of the Companies Act 2006 pursuant to regulation 5 of the Companies (Miscellaneous Reporting) Regulations 2018 (amending the large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008) for the financial year commencing 1 July 2019 and ending 30 June 2020.

The Company recognises the importance of the various factors set out under section 172(1) of the Companies Act 2006, and continues to have particular regard to these matters, among others, as a part of any decision making of the Board. The Company's approach for each of the factors set out in section 172 (1), including on employee and stakeholder engagement, is discussed below.

The likely consequences of any decision in the long term

- Long term consequences, in line with Pernod Ricard group strategy, are central to all strategic decisions considered and made by the Board. The Company follows and implements the over-arching stated strategy of the Pernod Ricard group: to generate value over the long-term through our Transform and Accelerate growth plan.
- In the period affected by the global COVID-19 pandemic (the "Pandemic") the Board was focussed on responding and adapting to a rapidly changing environment. A number of key commercial decisions were taken including revision of marketing activity, stock allocation, cost control and close monitoring of debt and receivables.

The interests of the company's employees

Employee engagement is central to the Company and the Pernod Ricard group's culture and values. This is demonstrated by the Company's involvement in:

- The Pernod Ricard employee share ownership plan.
- The annual I-Say survey employee satisfaction survey undertaken by Pernod Ricard the results of which are considered by the Board.
- Regular Company-wide updates from the Executive Committee (pre and post pandemic).
- A series of interaction Livestream meetings held by the Executive Committee with question and answer sessions for all employees.

In the period affected by the Pandemic, the Company implemented a number of measures targeted at safeguarding and taking care of the interests of employees including:

- Proactive monitoring of wellness by line managers.
- Provision of home working equipment.
- Provision of PPE, and rapid adoption of safe systems of work.
- Enhanced and regular update meetings on developments, with Q&A available.

The need to foster the company's business relationships with suppliers, customers and others

The Company acknowledges the value in effective stakeholder collaboration and engagement. The ways in which the Company has engaged with the various stakeholder groups over the course of the year in relation to certain principal decisions is detailed below.

- Customers - The Company has continual engagement with customers and the Executive Committee takes part in customer review and sales performance analysis throughout the year. Further, periodic engagement with customers through face-to-face meetings and video conferencing is a routine activity for the Company.
- Suppliers - Suppliers are systematically managed through regular review meetings.
- Employees - Please refer to the strategic report for detail on engagement with employees.
- Partners - The Company maintains close relationships with Pernod Ricard Affiliates, in particular brand companies, across the globe who support the overall business strategy and growth. In the period affected by the Pandemic, the Company worked closely with other group companies in co-ordinating actions in response to the Pandemic.
- Others - The Company is an active participant in a number of trade associations and industry bodies including the Wine and Spirits Trade Association, the UK Spirits Alliance, the Portman Group and Drinkaware. In addition, the Company also works closely with industry advertising bodies such as the Advertising Standards Authority, Committee of Advertising Practice, Clearcast and the Portman Group, to ensure its marketing campaigns are responsible and comply with the relevant industry codes of practice.

The impact of the company's operations on the community and the environment

The Company follows and implements the Pernod Ricard group's sustainability and responsibility strategy. In particular this is demonstrated by:

- The Company's roll out and implementation of a mandatory open online training course about responsible drinking and learning about alcohol use.
- The establishment by the Company of an internal sustainability and responsibility website to identify and advocate projects to promote sustainability with the business and provide resources for employees to drive sustainability in business practices.
- The Company's participation in a mentoring programme which gives employees the opportunity to use their skills and experience to support social entrepreneurs.
- In the period affected by the Pandemic, the Company was cognisant of its role as an employer and member of the community and acted accordingly to provide support to its stakeholders during extremely challenging circumstances.

The desirability of the Company maintaining a reputation for high standards of business conduct

As a Pernod Ricard group company, the Company shares one of the Pernod Ricard group's key values: doing business with integrity and acting with a strong sense of ethics. In particular this is demonstrated by:

- The Company's workforce participation in a mandatory open online training course regarding the Pernod Ricard Code of Business Conduct.
- The implementation and maintenance of anti-bribery and corruption initiatives, including gifts monitoring and implementation of the Company's anti-bribery and corruption policy through contractual provisions.
- The Company making available and implementing the Company's procurement code of ethics.
- Continued education and monitoring on cybersecurity and data privacy.
- The Company's participation in the Speak Up whistleblowing platform, allowing employees to anonymously raise concerns.
- In the period affected by the Pandemic, the Company took part in the group's efforts to maintain the highest standards of business conduct.

The need to act fairly as between members of the Company

The Company's sole member is Chivas Investments Limited (SC126369). Both the Company and Chivas Investments Limited are members of the Pernod Ricard group of companies.