

W0. Introduction

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W0.1

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**(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 made 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 2020 and 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/sr/>

W-FB0.1a

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**(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?**

- Agriculture
- Processing/Manufacturing

W0.2

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

	Start date	End date
Reporting year	juillet 1 2019	juin 30 2020

W0.3

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**(W0.3) Select the countries/areas for which you will be supplying data.**

- 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**

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

EUR

**W0.5**

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**(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**

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

Yes

**W0.6a**

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**(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 associated with these activities are negligible compared to the production sites (especially distilleries).
Head offices when not located on industrial sites	Head offices water consumption and waste-water discharge are negligible compared to the production sites and are therefore not integrated into the reporting.

**W1. Current state**

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**W1.1**

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**(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	It is important to have a sufficient amount of good quality freshwater as water is an essential component in 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. For our direct operations, it is used for our farmlands irrigation, cleaning of equipment, manufacture of liqueurs and spirits and cooling of distillery facilities. Our indirect use is heavily dependent upon irrigated agricultural raw materials, which we procure around the world. We have selected vital for direct and indirect use importance because preservation of water resources locally is part of the Group's five main commitments on environmental impacts. In the future, we expect our dependency on supplies of freshwater 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.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	In our direct operations, we encourage water recycling within our production facilities to improve our water efficiency and decrease the amount of water we are abstracting from the local watershed. Water recycling is even more important to consider in our direct operations sites located in high water risk areas. We have classified it as important because recycling water will become more important in the future for our direct operations but also in our supply chain for irrigation all agricultural raw materials.

**W-FB1.1a**

**(W-FB1.1a) 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, please specify (Alcohol)	41-60	Sourced	The largest source of our revenue (51%) is associated with purchased alcohol. To calculate this figure, we considered procurement of all types of alcohol during the financial year. Main part of purchased alcohol are produced using cereal grains.
Other, 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 financial year.
Other, please specify (Cereals (Maize, Barley, etc.))	10-20	Sourced	Direct cereals use represent 15% of our revenue. To calculate this figure, we calculated all of cereal purchased (including malted cereals or maize) during the financial year.
Other, please specify (Grapes)	21-40	Both	Grapes represent 25% of our revenue. To calculate this figure, we calculated all of our grape-based production and procurement during the 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 financial year.
Other, please specify (Other alimentary raw materials (Fruits & plants))	Less than 10%	Sourced	Other alimentary raw materials (Fruits & plants) represent 0.4% of our revenue. To calculate this figure, we calculated all of our additional raw material alimentary procurement during the 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	Please explain
Water withdrawals – total volumes	100%	Water is an essential component in the products manufactured by Pernod Ricard. In our industrial sites, it is used in the distillation process, vinification, blending spirits and formulating products. That is why we consider it is important to monitor regularly total volumes of the water we withdraw from the local watershed to optimise its use and make sure that the volume we use does not endanger local resources for the surrounding communities. Water withdrawals are monitored through daily site meter readings and reported in our environmental reporting on a yearly basis.
Water withdrawals – volumes by source	100%	Water is an essential component in the products manufactured by Pernod Ricard. In our industrial sites, it is used in the distillation process, vinification, blending spirits and formulating products. That is why we consider it is important to monitor regularly total volumes by source of water we withdraw from the local watershed to ensure that we do not endanger local resources such as groundwater that can be used by surrounding communities or river water that can be a biodiversity hotspot. Thus, we monitor water volumes by sources (Public Network Water, Groundwater or springs, River, Dam, Lake and other sources) on a daily basis through meter readings.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	1-25	Pernod Ricard is receiving water supplies through public networks, surface water or ground water. In that case, the water supplier conducts water quality inspections for this type of withdrawal. We also withdraw water for cooling water usage, which is not considered as water consumption. Water quality inspection are not performed in that case. A portion of water withdrawal is used in the distillation and blending process and, as it is in contact with our products, operations are required to conduct water quality measures.
Water discharges – total volumes	100%	As our production sites use significant amounts of water to manufacture our products, we monitor the total volumes of waste-water discharges through meter readings to understand the water we effectively consumed and quantify the amount of water we could recycle or we would need to treat before releasing it to the natural environment. Data are reported in our environmental reporting on a yearly basis based on daily meter readings.
Water discharges – volumes by destination	100%	As our production sites use significant amounts of water to manufacture our products, we must quantify the total volumes of waste-water discharged by destination to adapt the treatment. For instance, if the water is released in a local waste-water treatment plant, it would not need the same treatment as water discharged directly into the natural environment. Different destination are monitored (external network, surface water, irrigation, etc.) on a daily basis through meter readings.
Water discharges – volumes by treatment method	Not relevant	Several types of processes are used by the Group's factories to reduce the water organic load and make it suitable for reuse or even to be released into the environment: these include methane generated by microorganisms enabling biogas to be produced, aerobic lagoon treatment, membrane filtration. However, we do not monitor the volume of wastewater by treatment method as these methods are chosen locally and in most cases are immaterial. Pernod Ricard does not include a water treatment goal within its water stewardship strategy. However, we see this parameter as potentially relevant in the future and will re-evaluate the extent to which it is monitored over time.
Water discharge quality – by standard effluent parameters	100%	The majority of the waste-water generated in our production sites contains organic matter. The pollutant load linked to the organic matter contained in this water is expressed by the Chemical Oxygen Demand (COD). That is why we monitor this COD parameter after treatment and before release into the natural environment to ensure that the waste water is treated efficiently.
Water discharge quality – temperature	51-75	Water discharge quality - temperature is measured at a site level whenever applicable for local regulation. It is not a requirement for all manufacturing operations and therefore is only reported in 51-75% of sites. The frequency of this measurement varies based on the requirements of local compliance, and may also vary from site to site. We do not require sites to report & monitor water discharge temperature data in central reporting.
Water consumption – total volume	100%	Water is an essential component in the products manufactured by Pernod Ricard. In our industrial sites, it is used in the distillation process, vinification, blending spirits and formulating products. That is why we consider it is important to monitor regularly total volumes of the water we consume to optimise its use and make sure that the volume we used does not endanger local resources for the surrounding communities. Consumption values are measured on a daily basis through meter readings and loss assumptions where required.
Water recycled/reused	1-25	We do not require sites to report & measure water recycled/reused in central reporting as part of our water measurement protocol at present. However, this measurement may become more important in the future with respect to wastewater discharged to irrigate our vineyards. This water is considered as water recycled/reused as this type of discharge has a specific usage. This avoids the consumption of water for irrigation, which will be included in our water use reduction efforts. This water stream likely represents 11% of the total water consumption.
The provision of fully-functioning, safely managed WASH services to all workers	100%	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. As far as we know, in all of our production sites workers have access to water supply, and to adequate sanitation and hygiene. However, we have not carried out a formal survey and documented gap analysis to demonstrate this. Therefore, we cannot formally ensure that each facility is 'providing fully functioning WASH services for all workers' as per the definition of the WASH programme. That is why we consider that less than 1% of our facilities are compliant with this question, even though in practice we are convinced that all our sites offer full access to clean water and proper sanitation.

**W1.2b**

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	22759	Lower	Around 23 million m3 of water was used by the Group's industrial sites. Only 2.2 million m3 constitutes water consumption as defined by CDP, the rest being exclusively used for the cooling of distilleries and is returned without disturbing the environment. Around 80% of this volume was consumed by the distilleries, which remain the principal sites for water consumption by Pernod Ricard. This constitutes a 10% reduction compared with the previous reporting year due to COVID-19 impact on our operations but also thanks to continuous water operational efficiency measures. A further reduction is expected in future reporting years with on-going water stewardship initiatives and with our target to achieve 20% further reduction of water use intensity by 2030 vs a 2018 baseline.
Total discharges	20589	Lower	This figure represents our water discharges to surface water and irrigation as well as the water discharges to external networks. It also includes cooling water volumes returned to surface water. This constitutes a 9% reduction compared with the previous reporting year due to COVID-19 impact on our operations, but also thanks to continuous water operational efficiency measures. A further reduction is expected in future reporting years due to on-going water stewardship initiatives and with our target to achieve 20% further reduction of water use intensity by 2030 vs a 2018 baseline.
Total consumption	2170	Lower	According to the CDP Water definition, "Water Total Consumption" = "Water Withdrawal" – "Water Discharge". By this definition, water consumption has decreased by (15%) compared to last year due to a decrease in the production of pure alcohol volume by 5.5% and improvements in water use efficiency. We anticipate that future water consumption may decrease with on-going water stewardship initiatives and with our targets to achieve a 20% further reduction of water water use intensity by 2030 vs a 2018 baseline. According to Pernod Ricard's definition, we consider "Water Total Consumption" to include all withdrawals except for cooling, which is not counted as consumption and results in a discrepancy between withdrawal and discharge figures in our internal reporting and here. The figure reported here includes water consumption for process, blending, cooling and domestic/sanitary uses.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	Lower	WRI Aqueeduct	Water is an essential component in the products manufactured by Pernod Ricard. In our industrial sites, it is used in the distillation process, vinification, blending spirits and formulating products. That is why we consider it important to monitor regularly total volumes of the water we withdraw from the local watershed to optimise its use and make sure that the volume we used does not endanger local resources for the surrounding communities. Each year, with Environmental Reporting, each site/facility reports the total water withdrawal. The Aqueeduct Water Risk Atlas developed by the World Resources Institute (WRI) is used as the reference in defining the classification of a site located in a "risk watershed". The Pernod Ricard water risk assessment classifies sites according to a blend of water risk indicators provided in the Aqueeduct tool, including: - Overall water risk - Baseline water stress - Baseline water stress (projected 2025) The blended rating from the three risk indicators listed to the left must be a 3 or higher, with a score greater than 3 and less than 4 indicating "high risk" and overall score > 4 indicating "extremely high risks". Any sites from the two highest risk levels (i.e. overall score 3 or higher) are classified as a risk area with water stress. This water risk analysis is conducted each year due to the update of our production sites list and/or when Aqueeduct tool is updated. In 2020, 15 facilities were considered to be in a water risk area (8 in extremely high risk areas and 7 in high-risk areas). Total water withdrawals from areas with stress represent 0.78 million cubic meter out of a total water withdrawals of 22.7 million cubic meters (3.5%), versus last year of 0.79/25.2 (3.2%). A small decrease observed due to water efficiency savings measures and COVID-19 situation.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, 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
Other commodities from W-FB1.1a, please specify (Alcohol)	Not applicable	No, not currently but we intend to collect this data within the next two years	Pernod Ricard's business is dependent on agriculture and the Group commits to implementing resilient agricultural practices in partnership with suppliers to adopt practices that respect the land and neighbouring ecosystems. To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueeduct tool.
Other commodities from W-FB1.1a, please specify (Agave)	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	Pernod Ricard's business is dependent on agriculture and the Group commits to implement resilient agricultural practices in partnership with suppliers to adopt practices that respect the land and neighbouring ecosystems. To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueeduct tool.
Other commodities from W-FB1.1a, please specify (Cereals)	Not applicable	No, not currently but we intend to collect this data within the next two years	Pernod Ricard's business is dependent on agriculture and the Group commits to implement resilient agricultural practices in partnership with suppliers to adopt practices that respect the land and neighbouring ecosystems. To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueeduct tool.
Other commodities from W-FB1.1a, please specify (Grapes)	No, not currently but we intend to obtain this data within the next two years	No, not currently but we intend to collect this data within the next two years	To meet its 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueeduct tool.
Sugar	Not applicable	No, not currently but we intend to collect this data within the next two years	To meet its 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueeduct tool.
Other commodities from W-FB1.1a, please specify (Other alimentary raw materials (fruits & plants))	Not applicable	No, not currently but we intend to collect this data within the next two years	To meet its 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueeduct tool.

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	18248	Lower	The volume of fresh surface water is relevant for Pernod Ricard activities because it is used in the manufacturing process of our products. This represents our water withdraws from river, dam, lake and other surface sources. In FY20, fresh surface water sources accounted for approximately 80% of total water withdrawals and 89% of fresh surface water is used for non-contact cooling activities. Compared to the previous year, fresh surface water volume decreased by 11%, which is mainly due to COVID-19 situation with a decrease in production volume (-5.5%) and water operational efficiency measures. We anticipate that future fresh surface water withdrawal may decrease with on-going water stewardship initiatives and with our target to achieve a 20% further reduction of water use intensity by 2030 vs a 2018 baseline.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: Brackish surface water/seawater is not used within our operations. In the future, we do not anticipate withdrawing water from this source.
Groundwater – renewable	Relevant	2890	Lower	The volume of groundwater - renewable is relevant for Pernod Ricard activities because it is used in the manufacturing process of our products. This represents our water withdraws from groundwater or springs. In FY20, groundwater - renewable sources accounted for approximately 13% of total water withdrawals. Compared to the previous year, withdrawals from this source have decreased (-10%) due to a decrease in production volume (5.5%). We anticipate future groundwater withdrawal may decrease with on-going water stewardship initiatives and with our target to achieve a 20% further reduction of water use intensity by 2030 vs a 2018 baseline.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: Groundwater non-renewable is not used within our operations. In the future, we do not anticipate withdrawing water from this source.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: Produced/Entrained water is not used within our operations. In the future, we do not anticipate withdrawing water from this source.
Third party sources	Relevant	1621	About the same	The volume of third party sources is relevant for Pernod Ricard activities because it is used in the manufacturing process of our products. This represents our water withdrawal from the public (municipal) network. In FY20, third party sources accounted for approximately 7% of total water withdrawals. Compared to previous years, third party source figures are very similar and though there was a decrease in production volume (-5.5%), a pipe leak occurred and this has led to an increase in third part sources volume. We anticipate future public network withdrawal may decrease with on-going water stewardship initiatives and with our target to achieve a 20% further reduction of water use intensity by 2030 vs a 2018 baseline

**W1.2i**

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	17293	Lower	The volume of fresh surface water discharge is relevant for Pernod Ricard activities because we discharge water to fresh surface water during our manufacturing process. It includes cooling water volumes returned to surface water. Where we are discharging, there is an on-site water treatment plant or third party treatment plant. Thus, we make sure that water is treated properly according to environmental standards. Compared to the previous year, fresh surface water discharge figures decreased by 11%, which is in line with our fresh surface water withdrawal reduction and water operational efficiency measures. We expect that future volumes of fresh surface water discharges may decrease with on-going water stewardship initiatives and with our target to achieve a 20% further reduction of water use intensity by 2030 vs a 2018 baseline.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: We do not make any discharges to brackish surface water/seawater within our operations. In the future we do not anticipate discharging water to this source.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Not relevant: We do not make any discharges to groundwater within our operations. In the future we do not anticipate discharging water to this source.
Third-party destinations	Relevant	3296	About the same	The volume of third-party destination water discharges is relevant for Pernod Ricard activities, because we discharge water to third party destinations during our manufacturing process. Where we are discharging, there is an on-site water treatment plant or third party treatment plant. Thus, we make sure that water is treated properly according to environmental standards before it is discharged to an external network. Compared to the previous year, water discharge figures to third party sources remain roughly constant (-1%) as our sites discharging to third party destinations have withdrawn a similar volume of water from third party sources. We expect that future volumes of third party water discharges may decrease in line with on-going water stewardship initiatives and with our targets to achieve a 20% further reduction of water use intensity by 2030 vs a 2018 baseline.

**W-FB1.3**

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

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities from W-FB1.1a, please specify (Alcohol)	Not applicable	No, not currently but we intend to collect/calculate this data within the next two years	To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting a terroir risk mapping exercise of its agricultural supply chains. The aim of this exercise is to map the origins of our main 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed, including the following: Water risk: water scarcity, water restrictions, water conflicts, water management programs are addressed. Water intensity: information will be addressed using a "Water FootPrint tool" that details the Water footprint per ton of crop for each sourcing region.
Other commodities from W-FB1.1a, please specify (Agave)	Yes	No, not currently but we intend to collect/calculate this data within the next two years	To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting a terroir risk mapping exercise of its agricultural supply chains. The aim of this exercise is to map the origins of our main 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed, including the following: Water risk: water scarcity, water restrictions, water conflicts, water management programs are addressed. Water intensity: information will be addressed using a "Water FootPrint tool" that details the Water footprint per ton of crop for each sourcing region.
Other commodities from W-FB1.1a, please specify (Cereals)	Not applicable	No, not currently but we intend to collect/calculate this data within the next two years	To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting a terroir risk mapping exercise of its agricultural supply chains. The aim of this exercise is to map the origins of our main 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed, including the following: Water risk: water scarcity, water restrictions, water conflicts, water management programs are addressed. Water intensity: information will be addressed using a "Water FootPrint tool" that details the Water footprint per ton of crop for each sourcing region.
Other commodities from W-FB1.1a, please specify (Grapes)	Yes	No, not currently but we intend to collect/calculate this data within the next two years	To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed, including the following: Water risk: water scarcity, water restrictions, water conflicts, water management programs are addressed. Water intensity: information is calculated by our vineyards with the environmental reporting on a yearly basis (Total water consumption per volume of grapes harvested (m <sup>3</sup> / t)).
Sugar	Not applicable	No, not currently but we intend to collect/calculate this data within the next two years	To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting a terroir risk mapping exercise of its agricultural supply chains. The aim of this exercise is to map the origins of our main 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed, including the following: Water risk: water scarcity, water restrictions, water conflicts, water management programs are addressed. Water intensity: information will be addressed using a "Water FootPrint tool" that details the Water footprint per ton of crop for each sourcing region.
Other commodities from W-FB1.1a, please specify (Other alimentary raw materials (fruits & plants))	Not applicable	No, not currently but we intend to collect/calculate this data within the next two years	To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting a terroir risk mapping exercise of its agricultural supply chains. The aim of this exercise is to map the origins of our main 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed, including the following: Water risk: water scarcity, water restrictions, water conflicts, water management programs are addressed. Water intensity: information will be addressed using a "Water FootPrint tool" that details the Water footprint per ton of crop for each sourcing region.

W-FB1.3a

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

**Agricultural commodity**

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

**Water intensity value (m3)**

223.74

**Numerator: water aspect**

Total water consumption

**Denominator**

Tons

**Comparison with previous reporting year**

Much higher

**Please explain**

The value is the total water consumption per volume of grapes harvested according to the production volume in our vineyards. In our grape production, we use mainly water consumption for irrigation. 2019-2020 was much drier than previous years in hydrological terms for some of our vineyards, and we have also used frost control equipment which resulted in a higher water consumption this year. These data are reported each year through our vineyards environmental reporting and used internally to benchmark our facilities and optimize irrigation. In the future, we expect an increase in water intensity for grapes due to an anticipated period of dryness in some of our vineyard regions.

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**Agricultural commodity**

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

**Water intensity value (m3)**

0

**Numerator: water aspect**

Total water consumption

**Denominator**

Tons

**Comparison with previous reporting year**

About the same

**Please explain**

Agave production does not require blue (irrigated) water. Green water from rain during the rainy season is sufficient to cover our cultivation need, and therefore the water intensity from irrigated water has not changed from previous years. While no irrigation is used at present, the water intensity figure for agave is tracked internally as a proxy for water stress as an increase in the use of water intensity for agave could imply growing water scarcity and the need to manage water resources more efficiently. In the future, we may expect water intensity to increase particularly if drying conditions continue in our sourcing regions requiring limited irrigation (blue water) to cover the deficit. However, at present these forces are unclear.

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W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

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W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

**% of suppliers by number**

Less than 1%

**% of total procurement spend**

Less than 1%

**Rationale for this coverage**

For the time being, information on water is only requested from grape growers in Australia, New Zealand or France through the existing scheme due to its high priority, both of which require certifications and reporting as terms of doing business: Australia, through the "Entwine Australia scheme", requires that its members are ISO 14001 or Freshcare certified which requires reporting on the consumption of energy, water, fertilisers, and environmental management practices (biodiversity, soil and water conservation). In New Zealand and in France, all grapes/wine growers' suppliers are required to be certified in accordance with the "Sustainable Winegrowing New Zealand" and "HVE" which also require information on water. We do not request all our other suppliers to report on their water use, risks and/or management for the moment. However, we recognize that our main challenges linked to the water resource along the production chain lie in the agricultural raw materials we purchase.

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

Through its Sustainability & Responsibility 2030 Roadmap, the Group commits to have 100% of key raw material sourced according to selected sustainability standards and certifications. The information is requested to local procurement team through annual reporting. The Group Sustainable Agriculture Manager consolidates data information and monitor the progress against the target. The objective is to ensure a global respect of environmental standards and minimum requirements on key raw material supply chain. Water risk is covered by environmental standards.

**Comment**



## W1.4b

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### (W1.4b) 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  
Provide training and support on sustainable agriculture practices to improve water stewardship

#### % of suppliers by number

Less than 1%

#### % of total procurement spend

Less than 1%

#### Rationale for the coverage of 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 is to increase sustainable development based on organization, teamwork, participatory planning and involvement of supplier and local people as the main actors of their development. A focus is made to preserve 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. Training of use and care of water and water reservoirs are included. To achieve project goals, we need to improve skills in economic production with a focus on coffee farming and providing 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 impact of the engagement and measures of success are assessed with the help of a "Balance ScoreCard" that detail all the specific objectives of the project on three pillars (environmental, economic and social), the KPI's related to each objective, the expected results, indicators and the responsibilities to achieve the target.

#### Comment

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## W2. Business impacts

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### W2.1

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

No

### W2.2

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

No

## W3. Procedures

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### W-FB3.1

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**(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?**

Operations: To reduce the pollutants released into the natural environment and make sure that the water discharge by production sites does not damage surrounding ecosystems or other natural resources, production sites are fitted with different technologies such as aerobic and anaerobic treatments, filtration, etc., according to the waste water quality requirements. The Group will also explore innovative projects for treating this waste-water.

Besides this, we comply with legal requirements with regards to the discharge of water pollutants at 100% of our sites. This is done through a combination of onsite and offsite treatment of effluents.

The majority of the waste-water generated in our production sites contains organic matter. The pollutant load linked to the organic matter contained in this water is expressed by the Chemical Oxygen Demand (COD). That is why we monitor this COD parameter after treatment and before release into the natural environment to ensure that the waste-water is treated efficiently.

100% of our facilities are measuring water discharge quality data and a third party verification or assurance is completed according to the ISAE3000 standard. The pollutant load linked to the organic matter contained in this water is expressed by the Chemical Oxygen Demand (COD) measured after treatment and before release into the natural environment. Our sites report annually these data (waster-water discharge volume by destination, cumulated COD content of discharge, average COD concentration, etc.) through our environmental reporting.

Value chain: Pernod Ricard's business is dependent on agriculture and the Group commits to implementing resilient agricultural practices in partnership with suppliers to adopt practices that respect the land and neighbouring ecosystems.

To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party.

Water pollution is considered as a risk for our terroirs and will be addressed by our terroir risk mapping analysis.

To evaluate the water pollution risk in our supply chain, an assessment will be based on different elements: identification of potential area polluted, agriculture input-intensive, certification, water pollution regulations and optional analysis regarding phosphorus, nitrogen, pH, oxygen concentration and saturation.

**W-FB3.1a**

**(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.**

**Potential water pollutant**

Other, please specify (Chemical Oxygen Demand)

**Activity/value chain stage**

Manufacturing – direct operations

**Description of water pollutant and potential impacts**

The majority of the waste-water generated in our production sites contains organic matter. The pollutant load linked to the organic matter contained in this water is expressed by the Chemical Oxygen Demand (COD). That is why we monitor this COD parameter after treatment and before release into the natural environment to ensure that the waste-water is treated efficiently.

**Management procedures**

Waste water management  
Follow regulation standards

**Please explain**

To reduce the pollutants released into the natural environment and make sure that the water discharge by production sites does not damage surrounding ecosystems or other natural resources, production sites are fitted with different technologies such as aerobic and anaerobic treatments, filtration, etc., according to the waste-water quality requirements. The Group will also explore innovative projects for treating this wastewater. Besides this, we comply with legal requirements with regards to the discharge of water pollutants at 100% of our sites. This is done through a combination of onsite and offsite treatment of effluents. 100% of our facilities are measuring water discharge quality data quality and a third party verification or assurance is completed according to the ISAE3000 standard. The pollutant load linked to the organic matter contained in this water is expressed by the Chemical Oxygen Demand (COD) measured after treatment and before release into the natural environment. Our sites report annually these data (waster-water discharge volume by destination, cumulated COD content of discharge, average COD concentration, etc.) through our environmental reporting.

**Potential water pollutant**

Fertilizers

**Activity/value chain stage**

Agriculture – direct operations  
Agriculture – supply chain

**Description of water pollutant and potential impacts**

Farming practices during the agriculture (direct and in our supply chain) phase may include the use of fertilisers (organic & synthetic). Impacts include the pollution of water streams and groundwater due to an excess in nutrients such as nitrogen and phosphorus that can negatively affect aquatic ecosystems. Nutrient-rich fertilizer runoff stimulates productivity, which can lead to harmful algal blooms or fish kills.

**Management procedures**

Soil conservation practices  
Crop management practices  
Fertilizer management

Calculation of fertilizer intensity data  
Change raw material inputs  
Follow regulation standards

#### Please explain

As a business, we are committed to developing and encouraging sustainable agriculture practices across our supply chain to maximize positive impact and business resilience. We believe in the strength of a holistic and systemic approach to eco-friendly agriculture. We aim to go beyond conventional agricultural, focusing on the entire farming ecosystem to drive positive change throughout: - Adopting a landscape approach by promoting the positive interaction between agricultural and wild ecosystems - Focusing on soil life and its ability to store carbon long-term - Reducing dependence on agrochemicals - Managing water resources - Taking care of people - Fostering resilient farming We have different S&R commitments in our strategy: - Certification: 100% of key raw material sourced and certified according to selected sustainability standards. - Sustainable Agriculture Projects: engage in projects to address the most pressing sustainability issues in 100% of key raw material terroirs These two objectives are monitored through our procurement reporting on a yearly-basis, with success measured as progress towards our stated targets. We want to ensure soil/plant nutrient balance by making fertilizer applications based on good knowledge of the needs of the plant and the resources present in the soil thanks to annual suitable analysis and also by transitioning from chemical to organic fertilization.

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#### Potential water pollutant

Pesticides and other agrochemical products

#### Activity/value chain stage

Agriculture – direct operations  
Agriculture – supply chain

#### Description of water pollutant and potential impacts

Farming practices during the agriculture (direct and in our supply chain) phase may include the use of pesticides and other agrochemical products. Impacts include the pollution of water streams and groundwater due to the presence of chemicals that contain oxygen, sulphur, chlorine, nitrogen, phosphorus, and bromine as well as heavy metals such as copper, arsenic and sulphates. They alter the state of such water bodies by changing to its physical, chemical or biological conditions, thereby making it toxic, contaminated and unsuitable for use.

#### Management procedures

Soil conservation practices  
Crop management practices  
Pesticide management  
Substitution of pesticides for less toxic or environmentally hazardous alternatives  
Change raw material inputs  
Follow regulation standards

#### Please explain

As a business, we are committed to developing and encouraging sustainable agriculture practices across our supply chain to maximize positive impact and business resilience. We believe in the strength of a holistic and systemic approach to eco-friendly agriculture. We aim to go beyond conventional agricultural, focusing on the entire farming ecosystem to drive positive change throughout: - Adopting a landscape approach by promoting the positive interaction between agricultural and wild ecosystems - Focusing on soil life and its ability to store carbon long-term - Reducing dependence on agrochemicals - Managing water resources - Taking care of people - Fostering resilient farming We have different S&R commitments in our strategy: - Certification: 100% of key raw material sourced and certified according to selected sustainability standards. - Sustainable Agriculture Projects: engage in projects to address the most pressing sustainability issues in 100% of key raw material terroirs These two objectives are monitored through our procurement reporting on a yearly-basis, with success measured as progress towards our stated targets. We want to protect plants, avoid the use of hazardous chemicals and promote the use of biocontrol or natural solutions to control pests and diseases.

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### W3.3

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

Yes, water-related risks are assessed

### W3.3a

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

## 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

### Tools and methods used

WRI Aqueduct

### Comment

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 taken into account in 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, each year the Aqueduct tool is used to identify the industrial sites located in high water-risk regions. The indicator used by Pernod Ricard is the Overall Water Risk Index developed by WRI. This aggregate index combines various individual indicators of physical, regulatory and reputational risks. 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.

## 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?

3 to 6 years

### Type of tools and methods used

Tools on the market  
International methodologies

### Tools and methods used

Water Footprint Network Assessment tool  
WRI Aqueduct  
Other, please specify (Internal Terroir mapping tool. )

### Comment

To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed as follows: -water scarcity, water restriction, water conflicts, water management programs. Water intensity: information will be addressed using a "Water FootPrint tool" that details the Water footprint per ton of crop for each sourcing region.

## Other stages of the value chain

### Coverage

None

### Risk assessment procedure

<Not Applicable>

### Frequency of assessment

<Not Applicable>

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

<Not Applicable>

### Type of tools and methods used

<Not Applicable>

### Tools and methods used

<Not Applicable>

### Comment

## W3.3b

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**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Current water availability and quality parameters at the local level are part of our risk assessment as water is an essential component of the products manufactured by Pernod Ricard. It is used locally for our operations: irrigation of farmlands, cleaning of equipment, manufacture of liqueurs and spirits and cooling of distillery facilities. WRI Aqueduct tool is used to map and analyze current and future water risk. To identify our at risk sites, site coordinates are compiled in the tool and key risk indicators are analyzed: overall water risk, baseline water stress and projected water stress (projected 2025 data). The Overall Water Risk Indicator identifies areas with higher exposure to water-related risks and is an aggregated measure of all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. Baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumptive use. Higher values indicate more competition among users.
Water quality at a basin/catchment level	Relevant, always included	Current water availability and quality parameters at the local level are part of our risk assessment as water is an essential component of the products manufactured by Pernod Ricard. It is used locally for our operations: irrigation of farmlands, cleaning of equipment, manufacture of liqueurs and spirits and cooling of distillery facilities. WRI Aqueduct tool is used to map and analyze current and future water risk. To identify our at risk sites, site coordinates are compiled in the tool and key risk indicators are analyzed: overall water risk, baseline water stress and projected water stress (projected 2025 data). The Overall Water Risk Indicator identifies areas with higher exposure to water-related risks and is an aggregated measure of all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. Baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumptive use. Higher values indicate more competition among users.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Current stakeholder conflicts concerning water resources at the local level are relevant to our risk assessment as local communities and agri-business are located in the regions where we operate. This risk is managed by our local affiliates. Affiliates have answered, thanks to the water risk internal survey, different questions related to "Social and reputational risks". It concerns the analysis of the public attention, the watershed community and the communication/engagement with stakeholders.
Implications of water on your key commodities/raw materials	Relevant, always included	Current implications of water on your key commodities/raw materials are relevant for our risk assessment. Indeed, the challenges for Pernod Ricard relates to the availability of water for our agricultural materials. These vary significantly from one region to the other and are therefore dealt with at local level rather than at Group level using local evaluation tools. For instance in New Zealand, with all its vineyards now certified in accordance with the "Sustainable Winegrowing New Zealand" standard, Brancott Estate has helped its grape growers to obtain this certification and therefore manage water properly. To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. As a part of this terroir risk mapping, water risk and water pollution will be addressed using different tool like Aqueduct and the Water Footprint. - For water risk this includes water scarcity, water restrictions, water conflicts and water management programs.
Water-related regulatory frameworks	Relevant, always included	Current water regulatory frameworks and tariffs at the local level are part of our water risk assessment as there are specific regulations for our operations at the local level and are assessed using locally available legal analysis frameworks. For instance, to meet withdrawal limits, our facility in India reuses and recycles water at all stages of production. The site no longer emits effluent (with the exception of water which is recycled for the irrigation of gardens).
Status of ecosystems and habitats	Relevant, always included	Current status of ecosystems and habitats at the local level is relevant to our risk assessment because the ecosystems services are key particularly for our agricultural raw materials (for Instance in our vineyards). These are assessed using locally available public or academic studies alongside community surveys where possible. Besides this, to properly assess this risk we also employ company knowledge to identify the potential natural areas that can be affected. Through our water risk internal survey, regulatory, social and reputational risks were addressed by our operations.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, not included	Currently, access to fully-functioning WASH services is available for all employees. However, they are not yet included in our risk assessment.
Other contextual issues, please specify	Please select	

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Relevant: Customer concern for water quality as an ingredient is important even if the main impact of water in our value chain is in our direct operations and suppliers. Customers are concerned by water-related issues and want transparency on how the Group manages these risks. We are always willing to explain our water strategy which is to reduce our specific water use intensity by 20% in 2030, compared with a 2018 baseline, and to equip 100% of the irrigated vineyards with a drip irrigation system. We are also willing to share knowledge around our water replenishment target and our water stewardship initiatives, most of which is communicated through press releases, our website and sustainability reports. More specific communication (e.g. community events) are sponsored where local initiatives are relevant. For example, customers in India could be concerned about the ability of our sites to manage water resources with water risks in the country. We aim to shape a better future for our communities by focusing on water resource management, education, livelihood generation, healthcare, and empowering social change makers. We work with communities in the same watershed as our production sites and share information regarding our water stewardship initiatives. Pernod Ricard has been a member of the UN CEO Water Mandate since September 2010. This reaffirmed its commitment to protect the planet's water resources. We also respond to Walmart and Sainsbury's' annual requests in the CDP Supply Chain rating.
Employees	Relevant, always included	Employees are relevant to our risk assessment as they manage water and as they have a direct impact on our water performance. Our water ambition and targets are closely related to our employees as they are key to achieve these objectives and water initiatives. Employees are also informed and trained in water-related topics and reduction actions through special trainings.
Investors	Relevant, always included	Investors are relevant and we have informed them regarding our water risks, performance and targets through our Universal Registration Document and by also answering the CDP questionnaire. Water KPI's related to our environmental 2020 roadmap and 2030 S&R strategy are described in these documents. Investors may be concerned about water-related risks to our business and want assurance and transparency on how the Group manages them.
Local communities	Relevant, always included	Local communities are relevant to our risk assessment as they contribute to managing local watersheds properly. They are included in our risk assessment, and some affiliates such as Pernod Ricard India work closely with them on watershed management as part of our replenishment strategy and other community-focused initiatives through community meetings, stakeholder outreach and beneficiary communication through the water project development process.
NGOs	Relevant, sometimes included	When relevant we do interact with NGO's concerning water related topics through stakeholder meetings or soliciting expert opinions on key policy items. Regarding our Water Replenishment strategy, we identify and evaluate whether water-related efforts are already in place (collective action projects, public water policy, NGO activities, etc.), so our organization can assess opportunities to contribute to or align with them. We also pay close attention to their claims and take into account their expertise in key areas as a source for areas in which we can improve our strategies.
Other water users at a basin/catchment level	Relevant, always included	Other water users at a local level are relevant to our risk assessment as catchment-level water consumption can affect the consumption of other actors within the same catchment. Key users are included in our risk assessment and more specifically in our internal water risk survey. Each site answers questions about "community topics" with an analysis of water users in the same basin/catchment area.
Regulators	Relevant, always included	As part of our Water Replenishment strategy, we implement water replenishment projects and collaborate with local stakeholders. Thus, prior to the identification of projects and also during the implementation of a project, we discuss with all the relevant stakeholders, including regulators, about watershed water risks and project implementation. We also engage with different associations (AFEP: (Association Française des Entreprises Privées), FFS (French Federation of Spirits), and SWA (Scotch Whisky association) by promoting water efficiency.
River basin management authorities	Relevant, sometimes included	As part of our Water Replenishment strategy, we implement water replenishment projects and collaborate with local stakeholders including river basin authorities where relevant through input meetings and private solicitations. Thus, prior to the identification of projects and also during the implementation of a project, we discuss with all the relevant stakeholders about watershed water risks and project implementation, including basin management authorities. In some parts of the world, we also have regular contact with river basin management authorities (for instance, in the UK). However, this not the case for all of our affiliates.
Statutory special interest groups at a local level	Relevant, always included	Special interest groups are included in our risk assessment due to the large number of associations engaged with water issues within our industry. We are an active member of the beverage Industry Environmental Roundtable (BIER), which is a special interest group. Pernod Ricard supports the joint Commitment Statement issued by BIER at the Business Climate Summit in Paris in May 2015 which covers climate change issues including its impacts on water resources and the associated sustainability of agricultural supplies.
Suppliers	Relevant, always included	We think that recycling water will be increasingly important to secure our raw material procurement. Pernod Ricard's business is dependent on agriculture and the Group has committed to implementing resilient agricultural practices in partnership with suppliers to adopt practices that respect the land and neighbouring ecosystems. To meet our 2030 ambitions, on top of developing Group Sustainable Agricultural Principles, the Group will start by conducting 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 and get all key agricultural raw materials certified by a third party. Water stress is considered as a risk for our terroirs and will be addressed using the Aqueduct tool.
Water utilities at a local level	Relevant, always included	The Group designed its own water risk assessment Survey (internal tool), which includes an assessment of physical risks, regulatory and social/reputational risks. Water availability and sources are assessed for all our sites with this internal survey, and includes taking into consideration local water utilities due to their importance in assessing opportunities for improvements in water use efficiency and discharge. This is undertaken with direct engagement by facilities where such opportunities are relevant.
Other stakeholder, please specify	Please select	

**W3.3d**

**(W3.3d) 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.**

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

- 1/ The Group conducted a water risk assessment survey this year based on our external (W3.3a). It allows us to categorise production sites in 4 tiers according to their risk level. This Survey identified 8 sites located in significant risk areas and 7 sites in high risk areas. It covers the FY20 reporting period (July 2019 to June 2020). 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 the business unit level, we used the methodology described in Question W3.3a (comment box) to identify risks related to our licence to operate, extreme climate conditions (flooding etc.) and discharge constraints. We then could anticipate risks that could have an impact on our growth strategy by implementation specific measures such as installing waste-water treatment plants and reducing the amount of water used to avoid water abstractions exceedances.
- 3/ At the Group level, we carried out a water footprint to identify water risks in our supply chain, which demonstrates that our main challenge relates to supplies of farm raw materials.

We report publicly on this water risk evaluation, p. 107-108 of the Universal Registration Document (<https://labrador.cld.bz/PERNOD-RICARD-Universal-Registration-Document-2019-2020>)

**W4. Risks and opportunities**

**W4.1**

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**(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**

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**(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, 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
- Environmental accident, pollution

**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**

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**(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 1	8	1-25	The proportion of total operations exposed to risk within identified river basins represents the percentage of the site's 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**

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 proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume. These facilities are located in water risk areas with strict regulation that limits water consumption.

**Country/Area & River basin**

Other, please specify (Sabarmati)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**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**

1-10

**Comment**

The proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume. This facility is located in water risk areas with strict regulation that limits water consumption.

**Country/Area & River basin**

Godavari
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**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 proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume.

---

**Country/Area & River basin**

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

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**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 proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume.

---

**Country/Area & River basin**

Huang He (Yellow River)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**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 proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume.

---

**Country/Area & River basin**

Santiago
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**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 proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume.

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**Country/Area & River basin**

	Krishna
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**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 proportion of total operations exposed to risk within river basin represents the percentage of the site's production volume compared to the group's total production volume.

---

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**

	Ganges - Brahmaputra
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**Type of risk & Primary risk driver**

	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)**

500000

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

1000000

**Explanation of financial impact**

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

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

### Description of response

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 semiarid landscape of Behror. This has lead 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. See document: PR India CSR 2020 Program ([https://assets.pernod-ricard.com/in/program\\_report\\_pri\\_27\\_aug\\_20\\_final.pdf](https://assets.pernod-ricard.com/in/program_report_pri_27_aug_20_final.pdf)) 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

115000

### 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 site has invested 115 000 euros in water replenishment actions related to project Samridhi described above.

---

### Country/Area & River basin

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

### Type of risk & Primary risk driver

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)

100000

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

500000

### Explanation of financial impact

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

### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

### Description of response

In the Agriheartland of Derabassi, Punjab, Project Srijal is working to create a total water potential of 44 million liters through construction of one check dam and 4 earthen dams to hold natural flow of water, and desilting of 6 decayed ponds along with installation of 3 injection wells. This project has also established 3 Jal Panchayat to establish a governance system for equitable water along with ongoing demonstrations of sprinkler systems with the state agriculture department. Besides, small and medium farmers were engaged, mainly dependent on growing Wheat and Rice, in the demonstrations of System of Rice Intensification (SRI) and 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. See document: PR India CSR 2020 Program ([https://assets.pernod-ricard.com/in/program\\_report\\_pri\\_27\\_aug\\_20\\_final.pdf](https://assets.pernod-ricard.com/in/program_report_pri_27_aug_20_final.pdf)) 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

69000

### 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 site has invested 69 000 euros in water replenishment actions related to project Srijal described above.

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### Country/Area & River basin

Godavari
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#### Type of risk & Primary risk driver

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)

3000000

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

4000000

#### Explanation of financial impact

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

#### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

#### Description of response

In Nashik area, construction of 8 poly ponds and renovation and geo-membrane lining of two government constructed percolation tanks have added a total water potential of 180 million liters. Our implementation partner AFPRO has engaged with tribal communities in 13 villages to conduct expansive water resource mapping and budgeting exercise for seasonal planning. The program has also successfully repaired 16km stretch of irrigation canal bringing 618 acres of land under irrigation. This has reduced the explicit dependency of communities on groundwater through infrastructure bridging. See document: PR India CSR 2020 Program ([https://assets. Pernod-ricard.com/in/program\\_report\\_pri\\_27\\_aug\\_20\\_final.pdf](https://assets. Pernod-ricard.com/in/program_report_pri_27_aug_20_final.pdf)) 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

120000

#### 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 site has invested 120 000 euros in water replenishment and sustainable agriculture actions described above.

#### Country/Area & River basin

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

#### Type of risk & Primary risk driver

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 do not track the financial impact regarding the risk implications.

**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 FY20 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 and will also implement a water replenishment project that would replenish the amount required at site level to reach the target next year.

**Cost of response**

1500000

**Explanation of cost of response**

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

---

**Country/Area & River basin**

Huang He (Yellow River)
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**Type of risk & Primary risk driver**

Increased water stress
------------------------

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Water availability for agriculture in the Yellow Riven 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 completer 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.

**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)**

<Not Applicable>

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

0

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

100000

**Explanation of financial impact**

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

**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 sites has invested on water efficiency measures such as the optimization of cooling system and water supply, and training employees on water saving awareness. The site will also invest next year to implement a water replenishment project that would replenish the amount

required at site level to reach the target in the next two years.

#### Cost of response

45000

#### Explanation of cost of response

The site has invested 45,000 euros to implement water efficiency measures that have helped to reduce water withdrawals from local watersheds.

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#### Country/Area & River basin

Santiago
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#### Type of risk & Primary risk driver

Please select

#### 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)

<Not Applicable>

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

500000

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

1000000

#### Explanation of financial impact

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

#### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

#### Description of response

The site is 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

10000

#### Explanation of cost of response

The affiliates has invested 10,000 \$ for the Mexico BIER collaboration regarding the project development in the Santiago Guadalajara water basin.

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#### Country/Area & River basin

Krishna
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#### Type of risk & Primary risk driver

Seasonal supply variability/inter annual variability
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#### Primary potential impact

Reduction or disruption in production capacity

#### Company-specific description

#### 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)**

100000

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

500000

**Explanation of financial impact**

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

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

Project Neer Sanrakshan will be deployed in FY21 in the Kolhapur district of Maharashtra. This project will create recharge potential for 15 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**

10000

**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 site will invest next year around 10 000 euros in water replenishment project described above.

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W4.2a

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**(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**

Ganges - Brahmaputra
----------------------

**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

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?**

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 risk implications.

**Primary response to risk**

Increase/review infrastructure investment
---

**Description of response**

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. 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. See document: PR India CSR 2020 Program ([https://assets.pernod-ricard.com/in/program\\_report\\_pri\\_27\\_aug\\_20\\_final.pdf](https://assets.pernod-ricard.com/in/program_report_pri_27_aug_20_final.pdf))

**Cost of response**

360000

**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 site has invested more than 300, 000 euros in water replenishment and sustainable agriculture actions.

**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

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

**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, an additional robust water strategy including stakeholders involvement must be developed.

**Estimated timeframe for realization**

Current - up to 1 year

**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.

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## W5. Facility-level water accounting

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### W5.1

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(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)**

**Country/Area & River basin**

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)**

9.99

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

Lower

**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**

9.992

**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)**

1.26

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

Lower

**Discharges to fresh surface water**

1.26

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

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

8.72

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

Lower

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 26% compared to prior year and water consumption decreased by 28% due to water efficiency measures and production volume decrease during reporting year.

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**Facility reference number**

Facility 2

**Facility name (optional)**

**Country/Area & River basin**

Other, please specify (Sabarmati)
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**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)**

3.9

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

Lower

**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**

3.908

**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)**

0.44

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

Lower

**Discharges to fresh surface water**

0.446

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

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

3.46

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

Lower

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 29% compared to prior year and water consumption decreased by 31% due to water efficiency measures and production volume decrease during reporting year.

**Facility reference number**

Facility 3

**Facility name (optional)**

**Country/Area & River basin**

	Godavari
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**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)**

1.3

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

Lower

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

1.304

**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)**

0.11

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

Lower

**Discharges to fresh surface water**

0.119

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

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

1.18

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

Lower

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 34% compared to prior year and water consumption decreased by 31% due to water efficiency measures and production volume decrease during reporting year.

**Facility reference number**

Facility 4

**Facility name (optional)**

**Country/Area & River basin**

	Godavari
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**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)**

206.3

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

Higher

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

206.305

**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)**

53.49

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

Higher

**Discharges to fresh surface water**

53.499

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

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

152.8

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

About the same

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals increased by 22% compared to prior year due to the expansion of the plant and production volume increases while water consumption was about the same reflecting an improvement in water use intensity.

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**Facility reference number**

Facility 5

**Facility name (optional)**

**Country/Area & River basin**

Other, please specify (Sevan Hrazdan)
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**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)**

28.46

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

Lower

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

3.389

**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**

25.073

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

26.22

**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**

26.225

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

2.23

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

Lower

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 4% compared to prior year and water consumption decreased by 14% due to water efficiency measures and production volume decrease during reporting year.

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**Facility reference number**

Facility 6

**Facility name (optional)**

Country/Area & River basin

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)

16.38

Comparison of total withdrawals with previous reporting year

Lower

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

16.385

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)

7.87

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

7.872

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

8.51

Comparison of total consumption with previous reporting year

Higher

Please explain

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 7% compared to prior year while water consumption increased by 18% due to the installation of new filter equipment that was undergoing commissioning and cleaning, and an update a reservoir of water supply system.

Facility reference number

Facility 7

Facility name (optional)

Country/Area & River basin

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)**

89.07

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

Lower

**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**

89.075

**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)**

6.98

**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**

6.988

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

82.08

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

Lower

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 1% compared to prior year and water consumption decreased by 1% due to small production volume decrease during reporting year.

**Facility reference number**

Facility 8

**Facility name (optional)**

**Country/Area & River basin**

	Krishna
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**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)**

3.35

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

Lower

**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**

3.354

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

0.41

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

Much lower

**Discharges to fresh surface water**

0.41

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

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

2.94

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

Higher

**Please explain**

The location coordinates of each facility represent one facility and are not an aggregate of multiple locations. Aqueduct tool has been used to identify the level of water stress in the area (methodology description in question W1.2d). Water Consumption is calculated using CDP Water Definition: Water Consumption = Water Withdrawal - Water Discharge Total Water withdrawals decreased by 31% compared to prior year and water consumption increased by 18% due an upgrade of water recycling plant capacity leading to lesser water discharge.

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W5.1a

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

**Water withdrawals – total volumes**

**% verified**  
76-100

**What standard and methodology was used?**  
International Standard on Assurance Engagements 3000

**Water withdrawals – volume by source**

**% verified**  
76-100

**What standard and methodology was used?**  
International Standard on Assurance Engagements 3000

**Water withdrawals – quality**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water discharges – total volumes**

**% verified**  
76-100

**What standard and methodology was used?**  
International Standard on Assurance Engagements 3000

**Water discharges – volume by destination**

**% verified**  
76-100

**What standard and methodology was used?**  
International Standard on Assurance Engagements 3000

**Water discharges – volume by treatment method**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water discharge quality – quality by standard effluent parameters**

**% verified**  
76-100

**What standard and methodology was used?**  
International Standard on Assurance Engagements 3000

**Water discharge quality – temperature**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water consumption – total volume**

**% verified**  
76-100

**What standard and methodology was used?**  
International Standard on Assurance Engagements 3000

**Water recycled/reused**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

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**W6. Governance**

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**W6.1**

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**(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.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals	Water is an essential component in the products manufactured by Pernod Ricard. It is used at every stage in the life cycle of the Group's products: irrigating crops, processing raw materials, distilling, blending spirits and formulating products. That is why we have set up an Environmental Policy at Group level with a specific section dedicated to water "Preserve water resources". This Environmental Policy includes a water section and is company-wide in scope as it outlines the commitments, procedures and actions that apply to all Pernod Ricard affiliates and joint ventures where Pernod Ricard has a controlling interest. The water section "Preserve water resources" gives a description of our company's dependency on water to inform internally or externally of the importance of managing this resource and to motivate employees to engage with our commitment to stewardship. At the production site level, Pernod Ricard Group commits to measure water consumption, ensure that water intake does not endanger resources, and takes measures to save, reuse and recycle water in line with our reduction/efficiency targets. We aim to further reduce the water use in our operations, targeting excellence in our water efficiency at our industrial activities (distillation, wineries, bottling, etc). In terms of waster water efficiency, we use efficient solutions to treat the waste-water and effluents of our production sites, ensuring that they do not pollute or harm the fresh water resources. Water resources are unevenly distributed, risk levels vary depending on the location of our Group's production sites. We have categorised production sites as high, significant and low risk using the Overall Water Risk Index and an in-house questionnaire. For sites located in high or significant risks, a specific water management strategy is applied and we aim to replenish 100% of the water consumed in these production sites to achieve water balance in these watersheds. Beyond this, we also recognise that water use by our suppliers provides an important contribution to our global environmental impacts that is why we want to influence them to preserve water as a condition for doing business for key raw materials. Pernod Ricard has also marked water management as one of the five strategic focuses in its environmental policy. In September 2010, the Group joined the United Nations CEO Water Mandate, reinforcing the Group's commitment to the protection of the planet's water resources.

**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	Please explain
Board-level committee	From 2019, the Group VP Sustainability and Responsibility will be presenting the progress of the recently launched Good Times from a Good Place Roadmap – which includes strategic priority action related to water: <ul style="list-style-type: none"> <li>• Three times a year to the S&amp;R Senior Steering Committee</li> <li>• Once a year to the full Board of Directors. The Board of Directors is tasked with monitoring the progress of the S&amp;R strategy (which include water), challenging ambition, reporting to the wider Board and raising awareness on long-term sustainability trends. The S&amp;R Senior Steering Committee have multiple and very strategic roles and therefore having the responsibility for water-related issues is important because the committee will have a vision of the whole strategy of Pernod Ricard, from the financial to the sustainability side, and will then ensure that sustainability is integrated in all of our strategic decisions. This Committee meets 4 times per year and includes 9 members such as CEO, EVP Sustainability &amp; Responsibility, EVP Finance/IT/Operations.... In 2020, the S&amp;R Steering Committee has monitored the progress of the Sustainability &amp; Responsibility 2030 strategy and the commitments in which the water topic is included:                             <ul style="list-style-type: none"> <li>• By 2030: Reduction of water use by 20% (m3/unit )</li> <li>• By 2030: Replenish 100% of water consumption from production sites and dedicated co-packing activities in high-risk watersheds through water initiatives. The Committee has also discussed the approval of the update of 2020 materiality matrix in which water management topic was included.</li> </ul> </li> </ul>

**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	Monitoring implementation and performance Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	The mission of this Committee formalized in its Internal Regulations is to help the Board with regard to water-related issues. More specifically, its roles are the following: - Evaluating the suitability of the commitments of the Company with regard to Sustainability & Responsibility in which water is a key topic; - Monitoring the implementation of the 2030 Sustainability & Responsibility strategy at Group level. In relation to water, therefore, the Board will be monitoring the progress and implementation of the following Group targets: • 2020 Environmental Roadmap Targets; • By 2030: Reduction of water use by 20% (m3/unit); • By 2030: Replenish 100% of water consumption from production sites and dedicated co-packing activities in high-risk watersheds through water initiatives; • By 2030, "WasteWater treatment": Explore innovative ways to reuse organic waste in circular aqua-farming with the Oceanographic Institute.

**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 C-Suite Officer, please specify (Executive Vice President Human Resources Sustainability & Responsibility)

**Responsibility**

Both assessing and managing water-related risks and opportunities

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

Quarterly

**Please explain**

Pernod Ricard’s Executive Vice President of Human Resources Sustainability & Responsibility is a member of the Board of Directors and S&R Senior Steering Committee and reports directly to the CEO of the company and has sustainability matters as one of his prerogatives. Therefore, he is in a prominent position to deal with those issues. He oversees and coordinates measures at the Group level by ensuring the implementation of: · the Group 2020 Environmental Roadmap; · The Group 2030 S&R strategy launched in April 2019 which contains one pillar closely linked to water topics: Circular Making. This strategy sets water targets on water use reduction and water replenishment to be achieved by 2030. In addition to the assessment and management of water issues, the EVP HR S&R along with the other members of S&R Senior Steering Committee have also been responsible in validation the Good Times from a Good Place strategy along with its Key Performance Indicators and targets.

**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	Please explain
Monetary reward	Chief Operating Officer (COO) Chief Sustainability Officer (CSO) Other C-suite Officer (Executive Vice President Human Resources Sustainability & Responsibility)	Reduction in consumption volumes Improvements in efficiency - direct operations Implementation of water-related community project	A monetary reward is given when yearly budgeted water targets are met. The efficiency and consumption volume indicators are measured based on two water targets: • By 2030: Reduction of water use by 20% (m3/unit ) compared to 2018 baseline; • By 2030: Replenish 100% of water consumption from production sites and dedicated co-packing activities in high-risk watersheds through water initiatives; These specific indicators were selected because they are covered by Pernod Ricard's 2030 Sustainability strategy. The COO and CSO in particular are eligible to receive a monetary reward as they oversee the Sustainability & Responsibility 2030 strategy and are responsible for team resources and the achievement of targets.
Non-monetary reward	Other, please specify (Corporate executive team and local operation team)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in waste water quality - direct operations Implementation of water-related community project	Corporate executive team oversee 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 an 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, other

**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 and comply with PR Charter, local laws and PR Code of Business Conduct.

PR actively participates in deliberations on legislative or administrative matters by advocating its positions to the whole industry and other stakeholders, including decision-makers and policymakers. PR has been a member of the French chapter of Transparency International and have signed a declaration that officially forms the basis of the Group's lobbying practices.

The Group's government affairs organization reflects PR's strong commitments to CSR: The Vice President Government Affairs is responsible for articulating the Group's lobbying policies, ensuring at any time that lobbying practices are consistent with the Group' CSR commitments. Though no specific procedure is formalized for correcting inconsistencies between our lobbying activities and commitments, our public affairs teams address such issues locally through our affiliates.

**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)

pernod-urd2019-2020-en-ecobook-2.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	11-15	Water is used at every stage in the life cycle of the Group's products: Our strategy for the production site is based on four levers to optimise the management of water resources and preserve the quality and availability of water: measuring consumption; ensuring that water intake does not endanger resources; taking measures to save, reuse and recycle water; and ensuring effective treatment of waste-water before its release into the environment. These actions are particularly important for sites located in geographical regions where water is a sensitive resource. The strategy for each site is defined according to the level of risk it falls into. In addition, in our 2020 environmental roadmap, several objectives relate to water conservation: 1/ - 20% water use per unit from FY10 to FY20 2/ Management plans set for all production sites located in watersheds at risk 3/ 100% drip irrigation in our own vineyards. Our long term business objectives include achieving production growth targets while reducing our environmental impact and reducing sourcing risks. Our 2030 Sustainability & Responsibility Strategy addresses this, particularly "Circular Making" which is one of the pillars of the new 2030 S&R strategy and it addresses the water topic. Pernod Ricard is committed to moving its business towards a circular making model that fosters reduction, reuse and recycling. New water targets have been defined like further reduction of water use intensity by 20% from FY18 to FY30.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Water is used at every stage in the life cycle of the Group's products: Our strategy for the production site is based on four levers to optimise the management of water resources and preserve the quality and availability of water: measuring consumption; ensuring that water intake does not endanger resources; taking measures to save, reuse and recycle water; and ensuring effective treatment of waste-water before its release into the environment. These actions are particularly important for sites located in geographical regions where water is a sensitive resource. The strategy for each site is defined according to the level of risk it falls into. In addition, in our 2020 environmental roadmap, several objectives relate to water conservation: 1/ - 20% water use per unit from FY10 to FY20 2/ Management plans set for all production sites located in watersheds at risk 3/ 100% drip irrigation in our own vineyards. Our long term business objectives include achieving production growth targets while reducing our environmental impact and reducing sourcing risks. Our new 2030 Sustainability & Responsibility Strategy addresses this, particularly "Circular Making" which is one of the pillars of the new 2030 S&R strategy and it addresses the water topic. Pernod Ricard is committed to moving its business towards a circular making model that fosters reduction, reuse and recycling. New water targets have been defined like further reduction of water use intensity by 20% from FY18 to FY30.
Financial planning	Yes, water-related issues are integrated	11-15	Water is used at every stage in the life cycle of the Group's products: Our strategy for the production site is based on four levers to optimise the management of water resources and preserve the quality and availability of water: measuring consumption; ensuring that water intake does not endanger resources; taking measures to save, reuse and recycle water; and ensuring effective treatment of waste-water before its release into the environment. These actions are particularly important for sites located in geographical regions where water is a sensitive resource. Water-related issues are integrated into our "Financial planning" when investments in water efficiency, water quality, water recycling and waste-water treatment are needed. This applies in particular to long-lived equipment investments required for production purposes as well as supply chain investments/planning.

**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)**

1

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

25

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

0

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

0

**Please explain**

We monitor our water-related capital expenditure during each reporting year with investments aligned with our water reduction ambition. The spent has increased during this reporting year with implementation of water efficiency measures (water reuse and water reduction projects) mainly driven by UK and Ireland sites. Over the next year, we plan to increase the capex spend on water projects. We do not monitor water related operating expenditure.

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	Climate change is an important focus of our new 2030 Sustainability & Responsibility roadmap. We did not use climate related scenario analysis yet to inform our business strategy as the Group concentrated its efforts in the last 5 years on measuring our carbon footprint and implementing an action plan to reduce it through initiatives such as packaging eco-design and energy efficiency. Last year, we worked on setting a Science Based Target and next year we plan to carry out a deeper climate related risk scenario analysis to feed our business strategy. This year, we have conducted a climate-related scenario analysis on one of our main brands and studied the financial impacts on the business. It has included the assessment of the impact of the main raw materials and glass's climate vulnerability, and the study of two climate-related risks on logistics sites.

**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**

The price of water in our markets is not explored into our capex decisions.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals Country level targets and/or goals Basin specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Pernod Ricard's Sustainability & Responsibility 2030 strategy was built on the material risks of its business, consumer concerns and the world's agenda. "Circular Making" is one of the pillars of the new 2030 S&R strategy. Pernod Ricard is committed to moving its business towards a circular making model that fosters reduction, reuse and recycling. Such a shift will allow the reduction of resources consumed, waste disposed, and ultimately reduce Pernod Ricard's impact on the environment. Targets are set at the group level and cascaded down to each country, business, and site in the group. Depending on the level of water stress, additional requirements may be required for production sites beyond the group-level targets with constant feedback provided by sites regarding lessons learned and transferability of knowledge to other sites or suppliers. Water is an essential component of the products manufactured by Pernod Ricard. From irrigating crops, to processing raw materials, distilling, blending eaux-de-vie and formulating products, water is used at every stage of the product's life cycle, directly or indirectly. In this context, the Group faces several challenges: it must reduce water consumption, particularly in areas with hydric stress; preserve water quality by monitoring pollutants rejected by production sites and be fully compliant with evolving environmental laws. Pernod Ricard has been a member of the United Nations CEO Water Mandate since September 2010, reinforcing its commitment to the protection of the planet's water resources. Water management has been identified as one of the key sustainability risks. According to the Group 2020 Environmental Roadmap, our water targets are: - reduction of water consumption by 20% per unit produced between 2009/2010 and 2019/2020. - 100% of sites located in high water risk areas have implemented an action plan for managing water resources. According to the new group 2030 S&R Strategy, our water targets are: - Further reduction of water use intensity by 20% from FY18 to FY30; - By 2030, we aim to be water balanced in all high-risk watersheds, replenishing 100% of water consumption from production sites and dedicated co-packing activities.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water use efficiency

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

Preservation of water resources is part of the Group's main commitments due to its importance as one of the primary environmental impacts. In order to conserve water resources locally, the target is to reduce water consumption per unit manufactured at production sites by 20% from 2009/2010 to 2019/2020.

**Quantitative metric**

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

**Baseline year**

2010

**Start year**

2010

**Target year**

2020

**% of target achieved**

100

**Please explain**

We already achieved our goal, water consumption has been reduced by -22% and targets are therefore exceeded. We are now pursuing a more aggressive target with further reduction of water use intensity by 20% from FY18 to FY30.

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**Target reference number**

Target 2

**Category of target**

Watershed remediation and habitat restoration, ecosystem preservation

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

Preservation of water resources is part of the Group's main commitments due to its importance as one of the primary environmental impacts. In order to conserve water resources locally, the target is 100% of water replenished in same watershed for our production sites and dedicated co-packers located in high risk areas.

**Quantitative metric**

Other, please specify (% sites located in high water risk areas)

**Baseline year**

2020

**Start year**

2020

**Target year**

2030

**% of target achieved**

23.4

**Please explain**

In FY20, 23.4% of the total water used in high risk locations has been replenished in the same watershed.

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**W8.1b**

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Promotion of sustainable agriculture practices

**Level**

Company-wide

**Motivation**

Brand value protection

**Description of goal**

Due to the magnitude of water consumed through our direct and indirect agricultural production, we aim to install drip irrigation in all our vineyards. This technique significantly reduces the water supplied to the plant and also optimises the fertiliser supply and reduces the need for weeding, and is being implemented in phases that will ultimately cover all cultivation.

**Baseline year**

2010

**Start year**

2010

**End year**

2020

**Progress**

In 2019-2020, 100% of land used drip irrigation based on an assessment of total land cover under cultivation for vineyards against those hectares irrigated by drip irrigation technology. This high proportion is explained by the fact that in China large areas of vines irrigated by gravity have been uprooted with the intention of replanting them with a drip irrigation system. This technique both significantly reduces the water supplied to the plant and optimises the fertiliser supply and reduces the need for weeding. The goal was to achieve 100% coverage by 2020, which has been achieved through full coverage of cultivated land with the technology.

**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 used -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. 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.**

**W10.1**

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Executive Vice President Human Resources Sustainability & Responsibility	Board/Executive board

**W10.2**



(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

## SW. Supply chain module

### SW0.1

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

	Annual revenue
Row 1	8448000

### SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

### SW1.1

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

No, CDP supply chain members do not buy goods or services from facilities listed in W5.1

### 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 am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms

