



Pernod Ricard
Créateurs de convivialité



Our Sustainability & Responsibility Commitments and Initiatives

2023

GOOD TIMES
FROM A
GOOD PLACE

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Responsible and committed governance

A robust governance structure has been established to ensure the S&R roadmap is fully implemented throughout the Group. This identifies specific responsibilities and clear reporting lines at each level, from affiliates right up to the Board of Directors' S&R Committee.

As of 1 July 2022, Conor McQuaid has been appointed to the Executive Board as EVP Corporate Communications, S&R and Public Affairs. This newly created role will strategically lead and bring together these three global functions. He will be an additional member of the Executive Committee and the S&R Senior Steering Committee



'Sustainability is vital for the resilience of our business, critical to attracting the very best people and decisive for shaping the future of our industry.'

Alexandre Ricard
Chairman & Chief Executive Officer



'An integral part of all business activities, from grain to glass, the 2030 Sustainability & Responsibility (S&R) roadmap, 'Good Times from a Good Place', is key to leading and shaping the industry, and an important lever for accelerating transformation.'

Conor McQuaid
Executive Vice President Corporate communication, S&R and Public Affairs



'Built around four pillars and 33 targets, our S&R roadmap takes account of both consumer needs and expectations and the significant risks facing the Group. Just four years after its launch, we have already met some of our targets and are on course to meet and even exceed the others.'

Vanessa Wright
Chief Sustainability Officer

Longstanding and ongoing commitments

Sustainability & Responsibility is an integral part of our identity. Our founder, Paul Ricard, was a pioneer in the field of employee shareholding, and incentive and bonus schemes linked to the Company's financial performance.

He was also an environmentalist ahead of his time, fighting to protect nature and the oceans. In 1939 he created the Domaine de Méjanes estate in Camargue, and in 1966, the Paul Ricard Oceanographic Institute. This commitment has lived on ever since.

- 2003** Signing of the United Nations Global Compact to implement universal sustainability principles
- 2005** Membership of the International Alliance for Responsible Drinking
- 2007** Logo warning against drinking during pregnancy introduced on all bottles marketed by the Group
- 2009** Launch of the Responsible Party programme with the Erasmus Student Network
- 2010**
 - Membership of the UN CEO Water Mandate
 - Launch of the 2020 Global Environmental Roadmap
- 2011** Launch of Responsib'All Day, Pernod Ricard's annual S&R employee engagement event
- 2012** Signing of the Wine & Spirits Producers' five commitments to promote responsible drinking
- 2013** Membership of Transparency International
- 2016** Declaration of support for the UN's Sustainable Development Goals
- 2018**
 - Confirmation of member status of Global Compact LEAD
 - Membership of the Ellen MacArthur Foundation's New Plastics Economy
- 2019** Launch of a new 2030 Sustainability & Responsibility roadmap, "Good Times from a Good Place"
- 2020**
 - Commitment to stop using single-use plastic promotional items
 - Introduction of a "warning against underage drinking" symbol on all bottles marketed by the Group
- 2021**
 - Introduction of a "warning against underage drinking" logo on the Group's bottles
 - Pernod Ricard becomes a partner of the International Union for Conservation of Nature's 'Agriculture and Land Health Initiative' programme
- 2022**
 - First sustainability-linked bond issued totalling €750 million
 - Launch of digital labelling featuring product and health information
 - Launch of the Drink More Water campaign
 - Patron of the Museum National d'Histoire Naturelle endowment fund

A recognised non-financial performance

We are committed to being a sustainability leader in the Wine & Spirits industry. We set high performance targets for ourselves and believe it is important to report on our progress. Our performance on environmental, social and governance (ESG) criteria is recognised and assessed by various external ratings agencies and other organisations.



In November 2022, we were rated 15.3 and maintained a Low-Risk profile.



Since 2015, Pernod Ricard has annually received an MSCI ESG Rating of AA.



In 2022, we were awarded a B for climate change and an A for water security.



We are one of the three top-ranked companies in the beverage sector. Pernod Ricard is included in several major Euronext ESG indices as listed [here](#). These indices are designed to capture companies displaying best-in-class ESG performance.



In January 2023, we maintained our Prime Rating of C+.



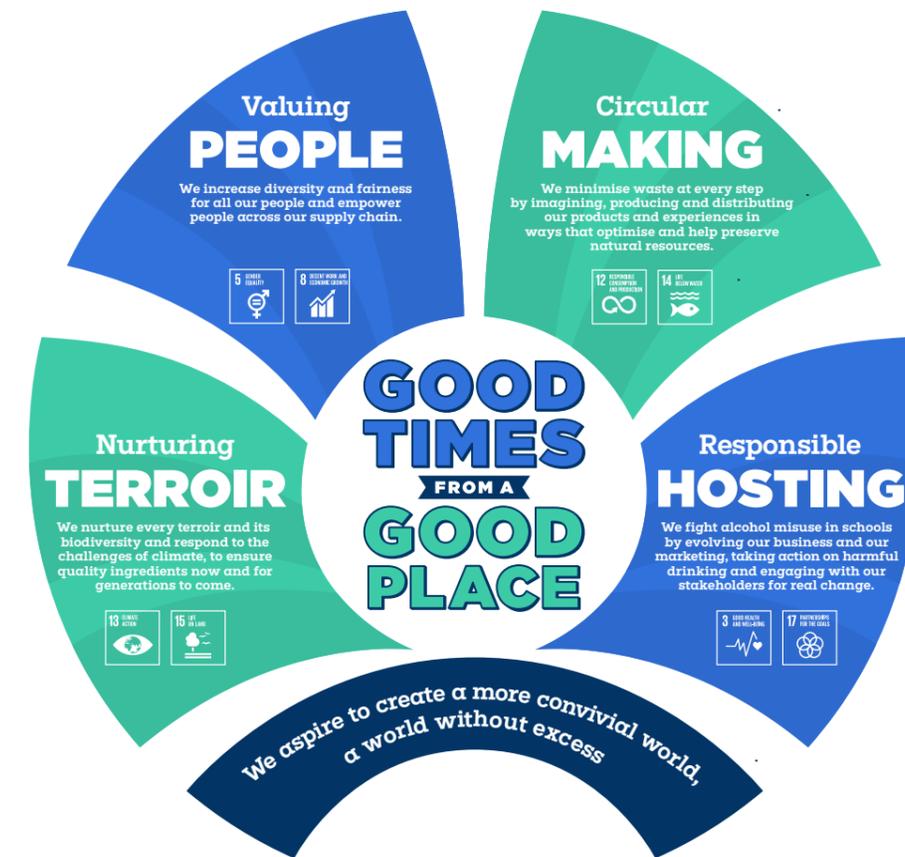
In March 2022, we were awarded a Gold medal in recognition of our sustainability achievements. We are in the top 1% of companies rated by EcoVadis in the wine & spirits industry and among the top 5% global companies with the most advanced S&R commitments.



Since 2001, Pernod Ricard has been a constituent of the FTSE4Good Index.



We belong to the Corporate Social Responsibility Europe index and the Corporate Social Responsibility Global index.



Our S&R roadmap

Our Sustainability & Responsibility (S&R) roadmap is closely linked to the United Nations 17 Sustainable Development Goals (SDGs), and has the same 2030 timeframe.

An integral part of all our business activities from grain to glass, our roadmap, Good Times from a Good Place, was launched in 2019 and is key to leading and shaping the industry and an important lever to accelerate transformation. It focuses on four pillars: Nurturing Terroir, Valuing People, Circular Making and Responsible Hosting. Each one is based on ambitious targets that drive innovation, set apart our brands and attract talent. Rolled out across all our activities, this strategy is subject to measurement indicators and progress reports.



Our Manifesto

GOOD TIMES FROM A GOOD PLACE

We are *Créateurs de Convivialité*.

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

We are passionate hosts.

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

We are respectful guests.

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

We bring Good Times from a Good Place.

To create a more convivial world,
a world without excess.



Nurturing Terroir

All our iconic brands take their character from the terroir where they are grown. Therefore, we are committed to nurturing every terroir and its biodiversity and responding to the challenges of climate change to ensure quality ingredients, now and for generations to come.

We believe that regenerative agriculture is key to this holistic approach, which aims to enhance soil life and its natural fertility, improve water retention capacity and protect biodiversity.

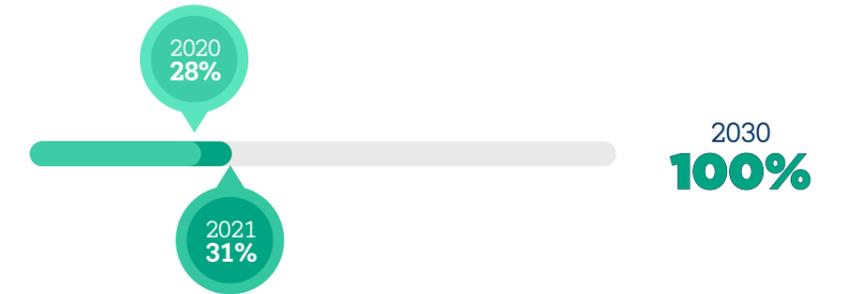
We produce and source more than 120 natural ingredients (including grapes, wheat, barley, sugarcane, agave, coffee, fennel, coconut and gentian) from around 70 countries. These ingredients come from more than 350 terroirs, some of which we manage directly. In 2022, all of our key raw materials were mapped and risk-assessed to enable us to understand their origin and any social and environmental issues where they are grown.

Results FY22

Objectives

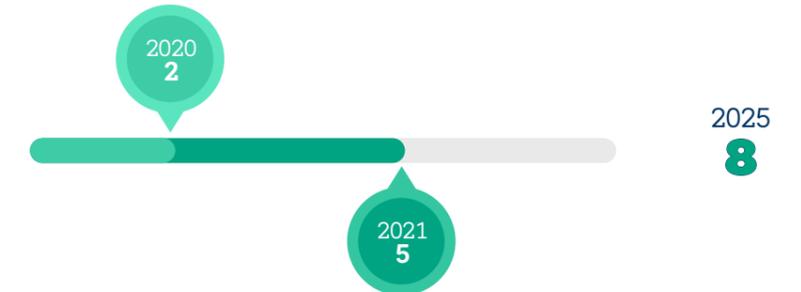
Raw materials

By 2030, all key raw materials will be produced or sourced in accordance with sustainable development standards.



Agriculture

By 2025, we will roll out regenerative agriculture programmes in eight wine regions.



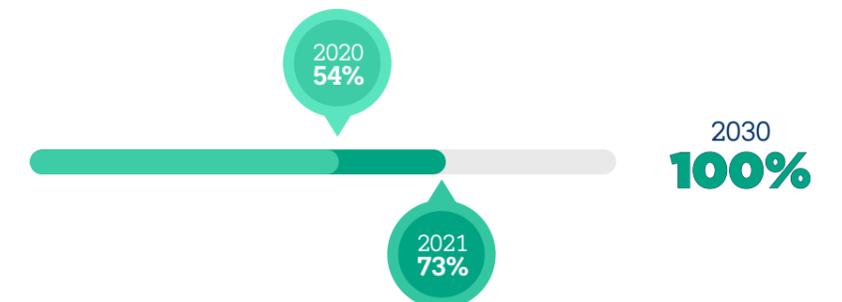
Training partners

By 2030, we will train at least 5,000 farmers in their transition to more environmentally friendly practices.



Agriculture

By 2030, all of our direct subsidiaries will have a regenerative agriculture or biodiversity programme in place.



Carbon from agriculture

By 2030, we will reduce the carbon footprint of agricultural raw materials to contribute to our overall Scope 3 target (50% intensity reduction by 2030).



Our flagship initiatives

Martell Mumm Perrier-Jouët

For more than 10 years, Martell Mumm Perrier-Jouët has been committed to sustainable winegrowing. All its vineyards in Champagne and in the Cognac region are certified and have been cultivated without the use of herbicides since 2019 and glyphosates since 2020. Tree and hedgerow planting programmes have been introduced in our two PDO (Protected Designation of Origin) regions, which create a natural barrier in the vineyards and an environment that encourages biodiversity. The House of Martell has also just celebrated ten years of partnership with the French National Forests' Office (ONF).

Today, Martell Mumm Perrier-Jouët is going even further with the introduction of a regenerative viticulture programme. This initiative aims to protect all parts of the winegrowing ecosystem: the land, vines and all the biodiversity and vegetation in the vineyards. Cover crops help improve soil nutrition and promote biodiversity. Different species of honey plants are sown on the plots and surrounding areas, which provide pollinators with both pollen and nectar. These initiatives boost biodiversity by creating and preserving habitats for wildlife, while simultaneously controlling pests and promoting pollination.

Pernod Ricard France

Since 2007, Pernod Ricard France has had a relocation programme for the sustainable growing of fennel to extract anethole, which gives Ricard its aniseed flavour. Fennel is now produced in the Normandy, Provence and Centre-Val de Loire regions, with a fourth production site to open soon.

The benefit of growing fennel is twofold. Firstly, it is beneficial for the soil and helps to maintain populations of flower-loving insects by providing them with food sources. As a result of increased fennel production, producers and beekeepers have noticed increased numbers of pollinator insects in their fields.

The work carried out by Lucie Schurr, supported by Pernod Ricard France, has shown that almost 40 families of insects feed on these flowers. This relationship is mutually beneficial as insects are essential to the propagation of fennel and the diversity of insects increases yields.

Irish Distillers Limited,

Irish Distillers Limited, the owner of Irish whisky Jameson, is also deeply committed to biodiversity and regenerative agriculture. In 2020, Irish Distillers designed a tailor-made programme offering financial incentives to farmers near the Midleton distillery to grow sustainable barley and protect biodiversity; for example, by leaving field margins uncultivated, introducing beehives and maintaining hedgerows in order to preserve natural habitats. The programme has achieved high levels of participation in its first year.

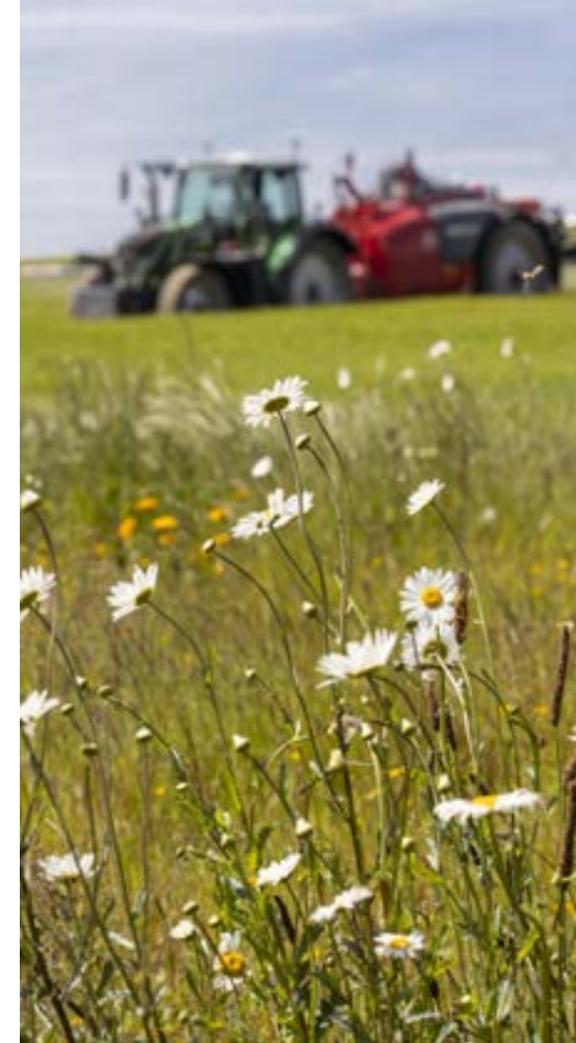
In the South-West of France, Irish Distillers is also working with a cooperative and pilot group of 27 maize producers to assess their regenerative index, identify areas for improvement and adapt their methods; for example, using cover crops, having areas dedicated to biodiversity and adjusting the inputs used in and intensity of soil tillage.

In addition, Irish Distillers and Heineken Ireland recently announced a joint initiative to help barley producers adopt regenerative practices.

Kahlúa

Since 2016, coffee liqueur Kahlúa has worked with four remote coffee-growing communities in Mexico to establish a fully traceable coffee supply chain, train farmers on sustainable farming and improve livelihoods and facilities for local communities. Called 'Coffee for Good', the programme has resulted in all the Arabica coffee used in Kahlúa being fully traceable and from farmers participating in the programme.

Working alongside NGO Fondo Para La Paz, the programme also focuses on the planting and development of climate-resistant crop varieties and the empowerment of female farmers.





Valuing people

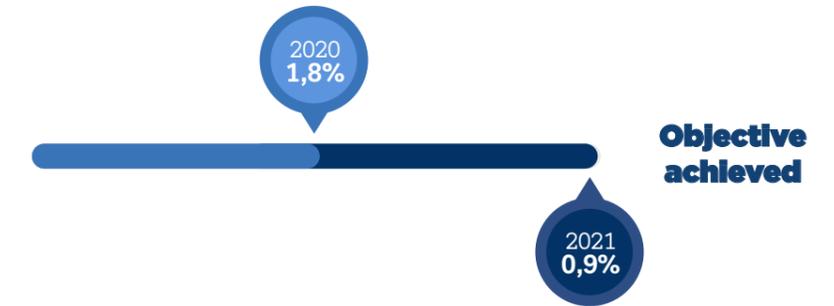
As Créateurs de Convivialité, we believe in sharing, warmth, care and respect for people everywhere. We are committed to increasing diversity, fairness and inclusion for our 19,000 employees around the world.

As a consumer-oriented Company, we believe that our employees must reflect consumers and the world in which we operate. We see diversity as a source of wealth, prosperity and a real performance driver for the Company.

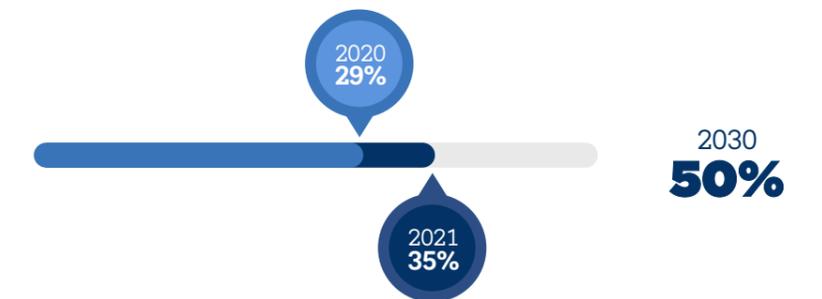
Results 2022

Objectives

Diversity & inclusion:
In 2022, we achieved pay equity across the entire company.*



Diversity & inclusion:
By 2030, Top Management will be gender balanced (40% women vs 60% men).



The Bar World of Tomorrow:
By 2030, we will train 10,000 bartenders to host consumers in a more sustainable and responsible way.



Health & safety:
By 2025 we are targeting zero Lost Time Accidents by 2025.

Human rights:
By 2025, we will align with the UN Guiding Principles on Human Rights.

*A pay gap of 0.9% is considered by experts to be practically zero and in line with best practices.

Our flaship initiatives



I Say

We have conducted a global internal engagement survey every year since 2011 and have consistently recorded very positive results, with an exceptional sense of belonging and high level of commitment recurring themes. In 2022, external employee engagement agency Glint recorded our employees' sense of belonging as 76% (2% higher than the industry average). This year, we achieved a record response rate of 87% of 19,000 employees, confirming our strong corporate culture and ethos of convivialite.

In 2022, Forbes ranked us as one of the 800 best employers in the world and on of the 'Top Female Friendly Companies' for the second year running.

The Bar World of Tomorrow

The Bar World of Tomorrow is a free training programme developed with the Sustainable Restaurant Association and Trash Collective to train bartenders in sustainable and responsible practices. The training focuses on relevant and practical learnings – from fresh ingredient sourcing and waste management to saving water and staff wellbeing – to inspire bartenders to contribute towards a greener, more sustainable bar culture worldwide, with 6,400 bartenders trained so far.



Responsib'All Day

Launched in 2011, Responsib'All Day reflects the long-term engagement of Pernod Ricard to its terroirs, partners and people, giving all employees across the world one day to dedicate to our S&R roadmap, Good Times from a Good Place. In June 2023, Responsib'All Day will focus on wellbeing, with a call to action for employees to take better care of themselves, each other and their communities.



Pernod Ricard University

Our 170-hectare learning and development campus in the heart of Haute Vallee de Chevreuse is a dedicated destination for our employees and external partners. Comprising a learning centre with a 350-seat auditorium, sports facilities, 500m2 of meeting spaces, 60 guest rooms and the historic Domaines de la Voisine country estate, it embodies the values we hold - convivialite and the entrepreneurial spirit.



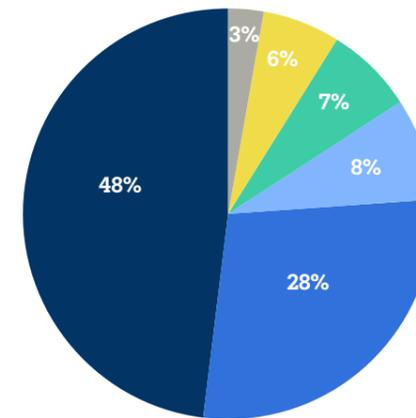


Circular making

Our finite resources are under pressure, so it's important that we minimise waste at every step while imagining new ways to create our products that optimise and preserve natural resources.

Carbon footprint

At 30 June 2022, our carbon footprint was broken down as follows: :



- Agricultural raw materials
- Packaging and promotional items
- Transport
- CAPEX
- Energy
- Other items

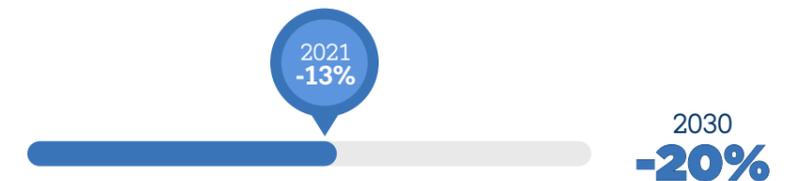
By 2025, all electricity used at our production sites and in our administrative offices (through green supply or Renewable Electricity Certificates) will be renewable.

By 2030, we will reduce our Scope 1 and 2 CO2 emissions by 54% in absolute value in line with a 1.5C trajectory. This goes beyond our initial target of 30% submitted to the Science Based Targets initiative in 2019.

By 2030, we will reduce the intensity of our Scope 3 carbon footprint by 50%. This reduction is in line with a 2C scenario, but it currently being reviewed with aligned with the new SBTi Net Zero.

Water conservation

By 2030, we will reduce water use by 20% compared to a FY18 baseline.



By 2030, we will replenish 100% of water consumption from production sites in high-risk watersheds.



Packaging

By 2030, we will **help increase recycling rates** in our top 10 largest markets with low recycling levels.

Since 2021, 100% of **single-use plastic promotional** items are banned.

By 2030, we will pilot **five new circular ways** of distributing wine and spirits.

By 2025, **100% of packaging will be reusable**, recyclable or compostable.

Our flaship initiatives



Carbon footprint

We are committed to reducing carbon emissions in our own operations by turning to new technologies and alternative energies and have announced several investments in our global production sites to achieve this goal:

- **Irish Distillers Limited** is investing 250 million to construct a new distillery in Midleton, which will be carbon neutral due to the implementation of MVR (mechanical vapour recompression) technology and the use of biogas produced on-site. An additional investment of €50 million will finance various projects to ensure its existing distillery is carbon neutral by the end of 2026.
- **Chivas Brothers Limited** has introduced high-performance MVR technology for distillation to achieve carbon neutral distillation by 2026.
- **Martell**, has developed a low carbon distillation technique with the Chavignac Group that enables part of the energy used by the stills to be recycled, reducing energy consumption and emissions.
- **Pernod Ricard USA** is investing \$250 million (€238 million) over the next five years to construct a carbon neutral distillery dedicated to producing our American whiskey Jefferson's in Kentucky.

Water conservation

All our company-operated vineyards (Australia, Spain, United States, New Zealand) use the drip irrigation technique to limit water consumption.

As part of its W.A.L. (Water, Agriculture, Livelihoods) programme, Pernod Ricard India has committed to help its communities to develop water replenishment and conservation projects, improving access to drinking water and sanitation.

Eight dedicated Indian co-packers, located in high-risk water areas, form part of the water resources conservation strategy.

In Mexico, we have joined a collaborative project, 'Charco Bendito', led by the Beverage Industry Environmental Roundtable (BIER) in the Guadalajara basin to improve the availability of water and eliminate unsustainable water use with reforestation and replenishment initiatives.

Packaging

In line with our Circular Making ambition and to reduce the waste associated with packaging, we apply the **5Rs: Rethink, Reduce, Reuse, Recycle and Respect**. Actions we are taking to reduce the impact of our packaging include reducing the weight of our bottles, increasing the percentage of recycled glass used in packaging and using new technologies to reduce the emissions created when manufacturing glass.

We are eliminating secondary packaging throughout our portfolio, beginning with our Indian whiskies (500 million units per annum) and our Chivas 12 and Jameson whiskies.

In addition to our focus on reducing the impacts associated with glass bottles, we have also reduced the size of FSC-certified labels, ensured label adhesive is recyclable, eliminated metallic inks and added recycling instructions to packaging.



EcoSPIRITS

We are partnering with ecoSPIRITS to rollout and develop its innovative closed-loop distribution system, which helps reduce waste and carbon emissions resulting from the production and transportation of glass bottles and other secondary packaging. Premium spirits are transported in bulk and delivered to bars in an ecoTOTE, a fully reusable 4.5-liter glass container, instead of 75cl glass bottles. Once empty, ecoTOTES will be returned to the ecoPLANT, where they are sanitized and refilled, in line with standards of leading international distillers.

A successful pilot in Hong Kong and Singapore with brands Absolut Vodka, Beefeater London Dry Gin and Havana Club Rum engaged more than 80 bars and has provided a blueprint to roll this out across our global brands and markets. We have also invested in ecoSPIRITS via our venture capital fund, Convivialité Ventures to scale this solution beyond our business.





Responsible hosting

Being “Créateurs de convivialité”, we want to turn social interactions into genuine and friendly experiences of sharing and well-being. But the pre-condition for conviviality is responsibility.

We have a role to play in combatting the harmful use of alcohol and work together with industry members, civil society, governments and local authorities, as well as UN bodies, to prevent and reduce the

harmful use of alcohol, as real change can only be achieved in unison with others.

We fully support the World Health Organisation’s goal of reducing harmful drinking by 20% worldwide by 2030. In 2012, we became a founding member of the International Alliance for Responsible Drinking (IARD) which promotes drinking in moderation within the alcoholic beverages industry.

Results 2022

Objectives

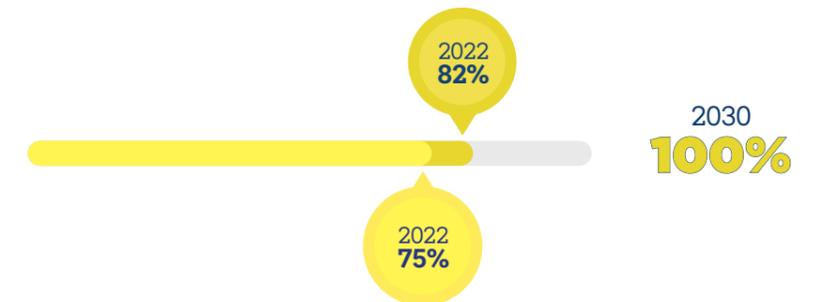
Responsible drinking

By 2025, all our markets will contribute to at least one global or local responsible initiative to fight alcohol misuse.



Responsible marketing

We will ensure 100% completion rate every year for the e-learning on the Code of Commercial Communications for marketing, communications, legal, public affairs and CSR functions.



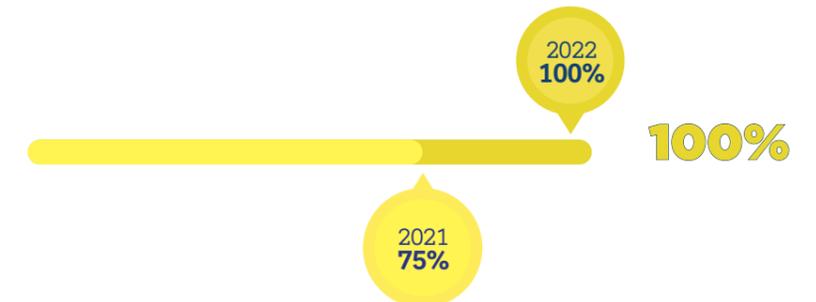
Responsible sales

All our Direct To Consumer (D2C) sites are age-gated



Employee engagement

Each year, all employees will be required to complete online training on alcohol and responsible drinking.



Brand engagement

By 2027, we will roll out at least 12 campaigns in our strategic brands to promote responsible drinking behaviour among consumers.

Responsible experiences

By 2025, 100% of the brand homes will be « Responsible Host » certified.
By 2030, we will raise awareness of 10 million visitors on responsible drinking through our certified Responsible Host brand homes.

Consumer information

By 2024, all our products will carry the 3 responsible drinking logos.
By 2024, all our products will have a digital label to inform consumers about product content and the potential health risks and how to enjoy them responsibly.

Our flagship initiatives



Digital labels

Digital labels form part of our commitment to promoting responsible drinking and transparency regarding our products. We are gradually adding QR codes to the back labels of all our bottles. Scanning them with a smartphone takes the consumer to a platform providing information on the potential health risks associated with alcohol consumption, national responsible drinking guidelines issued by each country, a comprehensive list of ingredients and a table with full nutrition facts. The roll-out began in 2022 with a pilot phase in Europe and will be extended across all brands worldwide by 2024. Thanks to this digital solution, consumers can make informed decisions about consuming our alcoholic beverages and therefore enjoy moments of convivialité in a responsible way.

The Responsible Party

The Responsible Party programme was launched in 2009, thanks to a partnership with the Erasmus Social Network, to raise young people's awareness of the risks of excessive drinking. This programme is not linked to any brand and is based on a peer-to-peer approach. During these events, student ambassadors give young people practical advice – handing out water and providing information about the effects of alcohol in a fun way. Over the last 14 years, Responsible Party has reached 500,000 young people thanks to local grassroots initiatives during student nights. As part of Responsible Party initiative, a new campaign, Drink More Water, was launched in July 2021 to extend the reach of the programme during the pandemic. To date, this campaign has reached more than 194 million young people in 39 countries on social media and continues to promote responsible drinking at local level.



Autosobriety

Since 2020, we have been working with the United Nations Institute for Training and Research (UNITAR) to roll out the road safety training programme Autosobriety. This programme aims to provide road safety stakeholders with educational tools to raise driver awareness of the risks of drink driving and help to prevent and reduce alcohol-related road accidents. Already rolled out in South Africa, the Dominican Republic, Ecuador, Mexico, Poland and Cambodia, it is being developed in China, Spain, the Philippines and Vietnam, and will soon be launched in Argentina, Thailand, Singapore and Brazil.



Responsible drinking training

Online training on alcohol-related risks and responsible drinking was developed in 2020 and must be completed by all employees. It is accessible on the EdApp platform and available in 21 languages. We aim to ensure that all employees complete this training each year. We have also launched a training programme for sales representatives and brand ambassadors, enabling them to identify alcohol-related risks both for themselves and for consumers.



At a glance

Ranking in volume terms

World
N°2
for wines & spirits

World
N°1
for premium spirits

17
brands amongst the world's
top 100 are owned
by Pernod Ricard

A record year (sales for the year to 30 June 2022)

Sales:	Profit from recurring operations:	Group share of net profit from recurring
10,701 € billion	3,024 € billion	2,124 € billion

The most extensive and most comprehensive brand portfolio in the industry

19 480 employees worldwide	96 production sites in 25 countries	74 countries served by our own sales force
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The most extensive and most comprehensive brand portfolio in the industry

240 brands across the Group	13 strategic international brands
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Contacts

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Pernod Ricard's detailed
S&R strategy is available at

"Our commitments" section
Universal Registration
Document and in particular Section 3

For further information,
please contact:

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