

2025



Pernod Ricard Circularity Policy

GOOD TIMES
FROM A GOOD PLACE.





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Sustainability at Pernod Ricard



As **Créateurs de convivialité**, we bring people together around the world to create moments of celebration that transcend cultures and generations.

Our heritage, rooted in the vision of our founder Paul Ricard, continues to thrive because of our unwavering commitment to the well-being of our employees, our communities and the land we all share.

Good Times from a Good Place is the Sustainability & Responsibility strategy we launched in 2019 to ensure that we operate in a way that minimises our impact on the environment, supports people throughout our value chain, and fosters a culture of balanced and convivial drinking.

From the soil of our terroirs to the final sip, we integrate sustainability across our entire value chain.



From finite resources to long-term resilience

Our planet's finite resources are under unprecedented pressure, with the extraction of fossil fuels alone having more than tripled in the last 50 years. Today, more than 90 billion tonnes of materials are extracted each year and at the same time, the proportion of materials that are reused or reintroduced into the economy is shrinking. In 2024, the global circularity rate was 6,9%, down from 7,2% in 2023 (1). This decline reflects a worrying acceleration of the linear economy, driven by rising consumption and the continued depletion of natural systems. At Pernod Ricard, we see this as a call to action to develop more circular solutions, reduce waste and make better use of the world's finite resources.

(1) [Circularity gap report 2025](#)



Securing our future....

This imperative to move towards circularity is also closely linked to our own exposure to resource scarcity. As a business deeply linked to nature, we are particularly vulnerable to the growing pressure on key natural resources.

Water stress

Water stress is an increasingly urgent global issue, driven by climate change, pollution and overuse. Nearly 70% of the world's fresh water is used in agriculture. Many of our products rely on irrigated crops, making us highly sensitive to droughts and changes in water availability.

Climate impacts

Our reliance on agriculture makes us vulnerable to climate impacts. Extreme weather events, changing rainfall patterns and increasing pest pressure threaten yields, quality and resilience across our supply chain.

Geopolitical instability

Global packaging and transport networks are vulnerable to disruption because of geopolitical instability and natural disasters, threatening both sourcing and distribution.

Glass

Glass makes up most of our primary packaging. Its production depends on various resources (Sand in particular) for which scarcity is increasing, and extraction causes environmental and social consequences.



...through a responsible use of resources

Understanding these vulnerabilities highlights the need to make better use of the resources we rely on every day. We are already taking steps to minimise food waste, reusing locally most of our by-products such as grape pomace or spent grain for animal feed, compost or energy.

Looking ahead, we see an opportunity to go further in the way we design, recover and reuse materials, particularly in packaging.

Guided by evolving regulations - such as the EU Packaging and Packaging Waste Regulation and the French AGEC Law - that reinforce the urgency and importance of this transition, we are committed to minimising waste, strengthening circularity and contributing to a more sustainable and resilient value chain.



Taking action where it matters the most



This circularity policy sets out our approach to addressing resource scarcity and waste management across our value chain.

It covers the sourcing of our key materials - agricultural ingredients, packaging and point-of-sale (POS) material - which represent the largest share of our resource use and environmental impact. It also applies to all our own operations, including vineyards, agave farming and production activities such as distillation, winemaking, ageing and bottling, where resource use and waste generation are most direct.

Downstream, the policy addresses packaging and POS waste, with a focus on their end-of-life and potential impacts on local communities and ecosystems. While some activities, such as transport equipment or non-material services, fall outside its current scope, the policy prioritised the activities where our influence is greatest. It provides a clear framework to reduce waste, optimise resource use and support more circular practices, as well as support our decarbonisation roadmap.



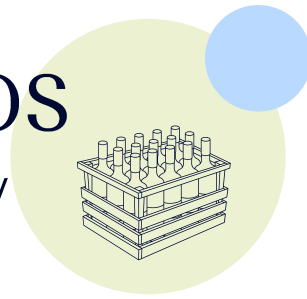
Our strategic priorities for circularity

Circularity is one of our key priorities. We aim to minimise resource use across our value chain by designing, producing and distributing our products in a more circular way that promotes reduction, reuse and recycling, helping to reduce waste and limit our environmental impact.

We will focus on 4 strategic priorities:

- 01 Design packaging & POS materials for circularity
- 02 Foster circularity in our operations
- 03 Promote reuse and recycling of packaging and POS material in markets
- 04 Embed circularity in our corporate culture

Design packaging & POS materials for circularity



Why design for circularity?

Design is one of the most powerful levers to reduce resource use and waste throughout our value chain. The materials and formats we choose at the outset determine the environmental impact our products, POS material and packaging will have throughout their lifecycle. By prioritising circular design principles, such as using fewer materials, choosing recyclable or reusable formats and increasing recycled content, we can make a measurable difference.

As pressure on natural resources increases and regulations evolve, designing for circularity helps reduce risk, ensure compliance with local and global legislation and future-proof our business. It also reduces our dependence on virgin materials, many of which are subject to price volatility and long-term scarcity. Beyond environmental ambition, circularity is a practical necessity to ensure operational resilience.



How do we design for circularity?

Packaging and point-of-sale (POS) materials represent a significant share of our resource use and environmental footprint. While many of the materials we use, particularly glass and cardboard, are technically recyclable, design complexity, supply variability and limited local recycling infrastructure remain key challenges.

POS items, for example, often rely on composite materials, are designed for short-term use and are rarely recovered at the end of their life.

To address these challenges, circularity principles are increasingly integrated into design and sourcing decisions. This includes clear criteria for material selection – such as recyclability, reuse potential and lifecycle impact – applied through our Group-wide tools, including our Group packaging policy which is based on 5 principles (rethink, reuse, reduce, recycle, respect) and our Group sustainable POS guidelines. The focus is on achieving measurable reductions in the use of virgin materials, improving end-of-life outcomes and supporting consistent, scalable practices across markets.

Key principles for circular packaging design



Our 5R principles are applied from the design stage and throughout the product lifecycle, both in new developments and when redesigning or updating existing packaging and POS assets:

Rethink



- **Unnecessary materials:** Avoid over-packaging and non-essential components.
- **Single-use plastics (SUP):** Eliminate SUP from all new POS developments and prioritise alternatives with lower environmental impact and proven recyclability for packaging.
- **Innovation:** Explore alternative packaging (paper bottle, coated bottle, lighter glass).

Reduce



- **Optimisation and simplification:** Prioritise material reduction through structural design improvements.

Reuse



- **Adaptability and modularity:** Develop packaging and POS material that can be reused, refurbished or adapted for different campaigns. Where appropriate, consider refillable or returnable packaging models.

1: Waste or scrap glass obtained from post-consumer recycling (PCR); waste glass from internal processes not tracked by Pernod Ricard

Recycle



- **Recyclable materials:** Avoid materials, combinations or designs that interfere with recycling streams in key markets.
- **End of life planning:** Consider local collection, sorting and recycling infrastructure in design decisions. Provide clear, visible instructions to support proper disposal or recycling.

Respect



- **Recycled content:** Use post-consumer recycled (PCR) materials where technically and commercially viable. Align with our **Group Policy for recycled content threshold by material type** (1).
- **Traceability:** Use materials with clear and documented provenance. Prioritise materials certified as deforestation-free and, where appropriate, conflict-free.

Our global processes & policies supporting circularity

Group Packaging Policy

Sets mandatory requirements and recommendations for all packaging development, including recyclability, material selection, recycled content targets and weight optimisation.

Global Sustainable POS Guidelines

Provide design criteria and sourcing requirements for all POS materials with a focus on durability, reusability, modularity and end-of-life management. Guidelines also include material restrictions (e.g. ban on single-use plastics) and traceability expectations.

Sourcing & Procurement Policies

Procurement processes integrate sustainability criteria in line with circularity principles, including supplier compliance with the Responsible Sourcing Policy. Criteria include preference for recycled and certified materials or anti-deforestation and conflict-free sourcing commitments for relevant categories.



Implementing and monitoring to design for circularity



Comply with our internal packaging policies

- For all existing and NPD products



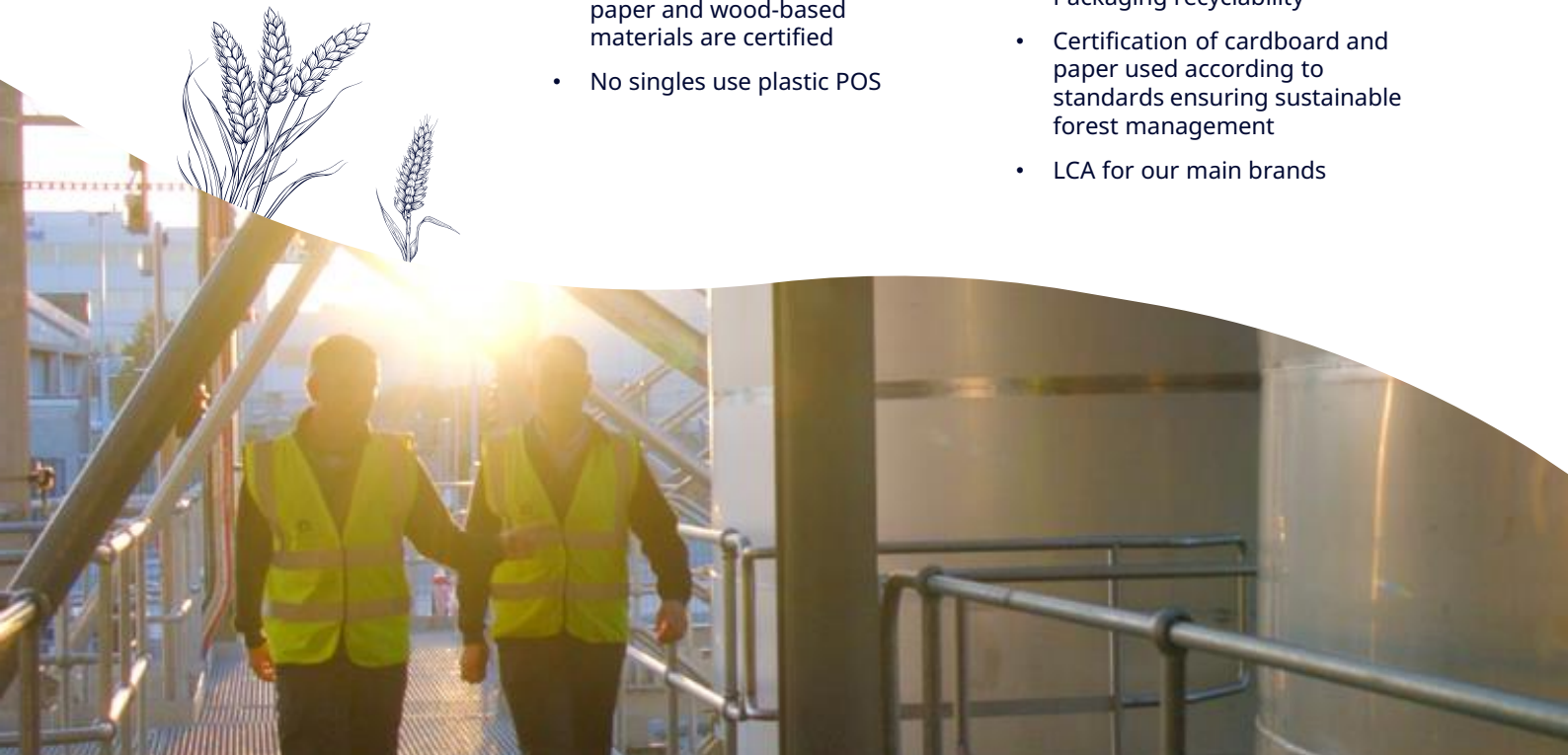
Respect our internal control principals

- Designing primary and secondary packaging and POS recyclable or reusable
- Ensuring that all cardboard, paper and wood-based materials are certified
- No single use plastic POS



Measure and monitor our performance

- Recycled content for glass and PET containers
- Reuse and recycling programs
- Packaging recyclability
- Certification of cardboard and paper used according to standards ensuring sustainable forest management
- LCA for our main brands



Foster circularity in our operations

Making better use of our resources



Our operations - including vineyards, agave farming, distilling, bottling, ageing and more - offer significant potential to improve the way we use and reuse resources.

These activities generate byproducts, consume water and energy, and rely on materials and equipment that can be optimised for efficiency and longevity. Many sites already have circular practices in place: organic by-products are reused locally, packaging is sorted and recycled, and water efficiency measures are implemented.

Building on this foundation, we aim to strengthen consistency, scale up successful initiatives and embed circularity as a standard approach across our operations.

Improving the way we manage resource flows - reducing avoidable waste, reusing materials where possible and recovering value from outputs - can deliver both environmental and operational benefits. It also helps reduce exposure to resource-related risks, improve cost efficiency and support compliance with growing regulatory expectations.

Our goal is clear: make better use of the resources we already have, reduce what we don't need and ensure that waste is treated as a potential input.

Key principles to increase resource efficiency & support circularity in our operations



- **Measure and monitor material flows:** Track the type, volume and quality of key inputs (e.g. water, energy, packaging) and outputs (e.g. waste, by-products) to identify opportunities for reduction or reuse.
- **Reduce, reuse and recycle water:** Optimise water use at each site and prioritise closed-loop or cascading water systems wherever possible.
- **Enhance energy efficiency and recovery:** Optimise energy usage at each facility by integrating energy recovery systems such as Mechanical Vapor Recompression (MVR) and heat pumps, while implementing industry best practices for energy efficiency.
- **Minimise the use of tertiary packaging:** Reduce non-essential transport packaging (e.g. pallets, shrink wrap) and increase reuse or recovery within and between sites.
- **Valorise by-products:** Re-use organic by-products (e.g. grape pomace, spent grains, vinasse) for animal feed, compost, biogas or other local uses in accordance with food safety and environmental standards.
- **Improve the sorting and recycling of industrial waste:** Ensure that all waste is correctly classified, separated and sent for appropriate treatment - prioritising recycling or reuse over disposal.
- **Extend the service life of equipment:** Increase maintenance and refurbishment of production equipment to delay replacement and reduce resource consumption over time.
- **Explore local industrial symbiosis opportunities:** Identify potential partnerships with other industries or communities to exchange materials, energy or waste as part of industrial symbiosis initiatives.



Implementing and monitoring our commitments



Comply with our internal manufacturing standard and packaging policy



Respect our internal control principals

- Zero waste to landfill



Measure and monitor our performance

- Hazardous waste diverted and directed to disposable
- Non hazardous diverted and directed to disposable
- Organic by products
- Water use and recycled water



Promote reuse and recycling of packaging & POS material



Reducing waste and improving circularity



Managing the end-of-life of our packaging and POS materials is essential to reducing waste and improving circularity throughout our value chain. While we do not control how materials are collected or treated once they reach consumers or customers, we play a key role in enabling better outcomes through the way we deploy, track and support the recovery of these materials in the market.

Recycling infrastructure and regulatory frameworks continue to evolve across regions, and consumer, customer and government expectations are increasing. At the same time, there are growing opportunities to increase material recovery, improve sorting and pilot reuse models, particularly for secondary packaging and POS items used in retail and promotional contexts.

Key principles to increase recycling and reuse of packaging and POS material

These principles apply to all teams involved in the development, deployment and management of packaging and POS materials - particularly marketing, procurement, logistics and market activation teams. Their goal is to improve recovery, promote reuse and ensure alignment with local recycling conditions in all markets.

Ensure packaging and POS materials are locally recyclable

Select formats and materials that are compatible with local collection and recycling systems.

Engage with local organisations to collect glass

Carry out landscaping of current glass recycling system in your country and identify or develop a program in collaboration with other peers to increase the cullet availabilities for our suppliers.

Facilitate correct packaging and POS sorting and disposal

Include clear, visible instructions on packaging and POS items where relevant to support disposal by consumers, customers or partners. Avoid combinations that make separation or recovery difficult. Test packaging reuse and return models: Test closed-loop systems, refill options models in selected markets to assess scalability and environmental benefits.

Plan for POS reuse or refurbishment

Design POS materials to be recovered and reused across campaigns where possible. Avoid disposable formats unless justified. And work with trade partners to identify opportunities for reuse or recovery of POS displays, transport packaging or take-back schemes.

Implementing and monitoring circular design



Comply with our internal packaging policies

- For all existing and NPD products



Respect our internal control principles

- Designing recyclable or reusable primary and secondary packaging and POS material
- No single use plastics in POS material



Measure and monitor our performance

- Reuse and recycling programs
- Packaging recyclability



Embed Circularity in our culture



Making circularity part of how we think and work

Embedding circularity in our culture means integrating it into the way we think and make decisions every day, from sourcing and packaging to marketing, innovation and operations.

This approach relies on raising awareness, building capabilities and fostering collaboration. Everyone has a role to play in sharing best practices, learning from pilot initiatives and integrating circularity into existing business processes.

Key principles to promote a culture of circularity



These principles are designed to promote shared responsibility, encourage practical engagement throughout the organisation and ensure circularity becomes a common reference in everyday business.

► **Raise awareness and build a common understanding**

Ensure that all teams understand the basic principles of circularity and how they relate to their roles, decision-making and ways of working.

► **Integrate circularity into existing operations**

Incorporate circularity criteria into key business processes, such as project briefs, procurement activities and supplier evaluations, to make it a visible and consistent part of decision-making.

► **Make progress measurable and visible**

Integrate circularity-related KPIs into relevant performance tracking and reporting to help teams understand their impact and drive continuous improvement.

Roadmap for embedding a culture of circularity

Raise employee awareness

- Promote best practices and foster employee engagement in circularity across functions and markets through internal communication
- Build internal expertise in circularity across affiliates through dedicated training and e-learning

Embed circularity in brands value creation

- Assess circularity across brands and develop dedicated roadmaps.



Governance, implementation & dissemination



The Circularity Policy is embedded in Pernod Ricard's broader Sustainable and Responsible (S&R) strategy and is implemented through a clearly defined governance structure that connects Group-level expertise with affiliate-level execution.

Governance

The Global Sustainability & Responsibility team is responsible for defining, driving and monitoring the implementation of the S&R strategy. With strong expertise in circularity, the team sets targets for the Group and develops local action plans with affiliates. Sustainability & Responsibility Leads within affiliates ensure that circularity ambitions are included in local strategies and that performance is properly monitored.

The Sustainability & Responsibility team works with other departments to oversee the implementation of the roadmaps, the development of relevant policies and procedures, and the definition of metrics (scope and calculation methodologies).

At affiliate level, Vice Presidents of Operations (VPOs) and local S&R Leads are responsible for translating the Group strategy into action, ensuring local relevance and alignment, monitoring progress and reporting on performance.

All relevant departments are involved in the implementation of the policy, with core responsibility being shared by Sustainability & Responsibility, Engineering & Manufacturing, Marketing & Sales, Procurement, Research, Innovation & Quality, Public Affairs and Legal.



Implementation

Implementation of the Circularity Policy is coordinated across upstream operations and downstream activities, with responsibilities shared between functions based on their role in the value chain.

Upstream: Marketing, innovation, procurement and design & development teams are responsible for applying circularity principles in the sourcing and development of packaging, POS materials and product formats.

Operations: Operations teams are responsible for applying circularity principles to production processes, including the development of more circular products and manufacturing practices. Site directors, supported by local S&R leaders, oversee implementation and monitor progress at the site level.

Downstream: Supply chain, sales and public affairs teams contribute to improving packaging and POS recovery and end-of-life outcomes. This includes working with local

partners, complying with national regulations and supporting in-market reuse or recycling initiatives. This policy applies to all Pernod-Ricard activities, including all product categories, brands and geographies and will be reviewed annually.



Dissemination

To ensure clear understanding and adoption across teams and geographies, the policy and its tools are shared through multiple internal channels:

- A dedicated library on My Portal
- Regular technical webinars
- On-site meetings between HQ experts and affiliate teams

For partners such as design agencies, suppliers, logistics providers and recycling organisations, the policy's key principles and action plans are incorporated into relevant standards by each managing department. The full policy can also be shared on request where relevant for collaboration or contractual compliance.

References



Agencies, NGOs & frameworks



Ellen MacArthur Foundation: an NGO accelerating transition to a circular economy through research, collaboration and practical tools.

UNECE/OECD Guidelines for Measuring the Circular Economy (CE): A joint framework providing harmonised methods and indicators for governments and organisations to assess circular economy performance.

Science Based Targets for Nature (SBTN): A global initiative developing science-based targets for companies to address their impacts on nature, including land, water, biodiversity and resource use.

ADEME Circular Economy Framework: A model developed by the French Agency for Ecological Transition (ADEME) that defines seven pillars of the circular economy, including sustainable sourcing, eco-design, responsible consumption and recycling.

Circul'R - Circularity Measurement Coalition: A coalition of companies developing common indicators to measure circular economy performance in business contexts.

Circular Economy Indicators Coalition (CEIC): An industry-led initiative working to align circular economy indicators across sectors, in collaboration with international institutions and regulatory bodies.

ISO standards 59004/10/20 (Circular economy): International standards providing a common vocabulary (59004), guidance for business model transition (59010), and frameworks for evaluating circularity performance (59020).



Regulatory references

EU Packaging and Packaging Waste Regulation (PPWR): A proposed EU regulation aimed at reducing packaging waste, improving recyclability, promoting reuse, and increasing recycled content across all packaging placed on the EU market.

AGEC law (France, 2020): French anti-waste law for a circular economy which mandates reductions in single-use plastics, improved product reuse and repair, and extended producer responsibility for packaging and other sectors.

Canadian Ban on Single-Use Plastics (2022): A federal regulation that prohibits the manufacture, import and sale of certain single-use plastic items, including checkout bags, cutlery, straws, and food containers.

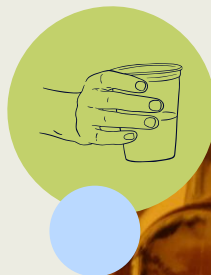
Indian National Circular Economy Framework (NCEF, 2023): A government-led framework promoting circularity across key sectors in India through material efficiency, extended producer responsibility, and eco-design principles.

US state-level circular economy policies: Several U.S. states are introducing circularity-focused legislation. For example, California's SB 54 (2022) requires producers to reduce plastic packaging and fund recycling infrastructure under extended producer responsibility rules.





Circular economy	An economic system that aims to eliminate waste and ensure the continuous use of resources through reuse, recycling and regeneration.
Conflict minerals	Natural resources extracted in conflict zones, often involving exploitation and human rights abuse, the trade of which can perpetuate conflict.
End-of-Life Management	The processes and strategies used to manage materials or products at the end of their useful life to minimise their environmental impact.
Extended Producer Responsibility (EPR)	A policy approach whereby producers are given significant responsibility for the treatment or disposal of post-consumer products.
Industrial Symbiosis	Collaboration between industries in which waste or by-products from one become inputs for another, improving resource efficiency.
Life Cycle Assessment (LCA)	A methodology for evaluating the environmental impacts associated with all stages of a product's life cycle, from raw material extraction to disposal or recycling.
Post-consumer recycled material	Material that is recycled after consumer use and then reused in new products or packaging.
Primary packaging	Direct packaging that contains the product, such as bottles or containers. Reuse Models: Systems designed to reuse products or packaging through return, refill or refurbishment processes.
Secondary packaging	Packaging used to group primary packaging, usually for transport, storage or shelf display purposes.
Tertiary Packaging	Additional packaging used for bulk handling, storage and transport, such as pallets and shrink wrap.
Valorisation	The process of converting waste or by-products into usable products or energy, thereby reducing environmental impact and increasing resource efficiency.
Virgin materials	Raw materials that have not been previously processed or consumed, typically extracted directly from natural resources.



Thank you!

For any questions, please contact the Pernod Ricard Sustainability & Responsibility team at:

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GOOD TIMES
FROM A GOOD PLACE.

Speak up

Report any breach to this policy, through the Pernod Ricard Speak Up line:

<https://speakup.pernod-ricard.com>

The Pernod Ricard Speak Up line is our global whistleblowing platform, managed by an independent third party. Open to all Pernod Ricard stakeholders, it provides a secure and confidential way to report any irregularity or suspected misconduct in good faith. This system is available 24/7 online or by phone, in several languages.