2025

Pernod Ricard Climate Resilience & Net Zero Policy

GOOD TIMES FROM A GOOD PLACE.

Contents

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.

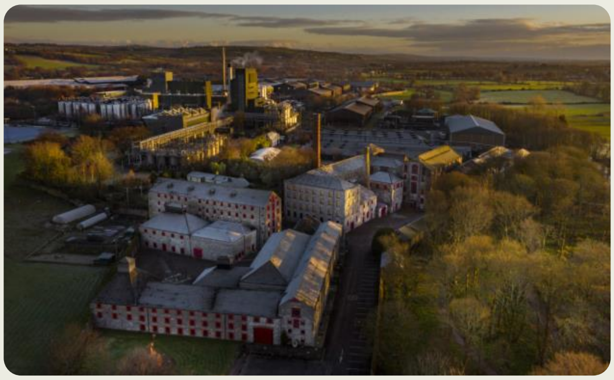
Our heritage, rooted in the vision of our founder Paul Ricard, continues to thrive because of our unwavering commitment to the well-being of our employees, our communities and the land we all share.

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.

Preserving our heritage....

Climate change is one of the most pressing challenges of our time, and our operations are particularly exposed to its effects, both at our manufacturing sites and in the terroirs that ensure the quality and yield of our raw materials. As a global company, we are also aware of our contribution to climate change through greenhouse gas (GHG) emissions, whether directly through fossil fuel use (Scope 1) and electricity consumption (Scope 2), or indirectly through upstream and downstream activities, including raw material sourcing, packaging and logistics (Scope 3).



... adapting for the future

Conducting a comprehensive business resilience assessment is a critical first step in understanding the environmental pressures we generate across five key pillars - climate, water, land, ecosystems and communities - and addressing the associated vulnerabilities. This baseline analysis strengthens the long-term resilience of our business model and reinforces the need to address both our exposure and contribution to global environmental challenges such as climate change and biodiversity loss.

Strategic priorities for our Climate Transition Plan

We identify and prioritise climate 'hotspots' - areas where our GHG emissions intersect with high climate vulnerability - enabling us to take targeted, impactful action. These findings form the backbone of our climate resilience strategy, from which we define mitigation and adaptation pathways to address key environmental and social vulnerabilities.

1

Climate Mitigation

Mitigation means decarbonising both direct and indirect operations, setting science-based targets consistent with a 1,5°C trajectory, improving energy efficiency, scaling up renewables and transforming supply chain practices - all supported by a dedicated technical and financial roadmap set out in our SBTi Action Plan.

2

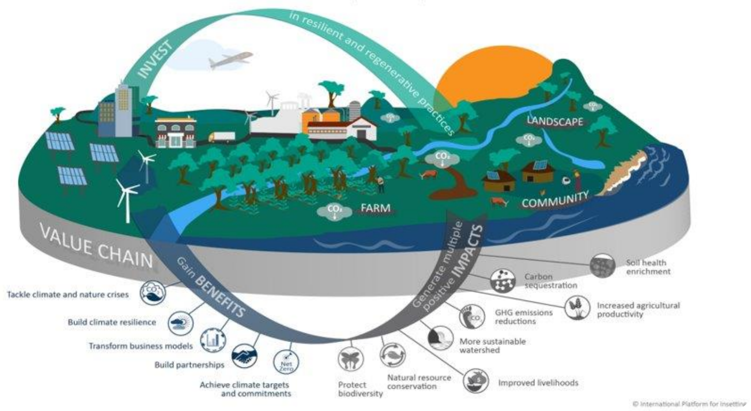
Climate Adaptation

Adaptation means preparing for the physical and regulatory impacts of climate change, through long-term investments in regenerative agriculture and physical adaptation measures at industrial sites.

Scope of the policy

This policy applies to all Pernod Ricard operations, including vineyards, agave cultivation, and wine and spirits production (distillation, bottling, ageing, winemaking and rectification), as well as warehouses and administrative sites, across all regions where we operate. It also covers key stages of our value chain, including agricultural ingredients and processed materials, all forms of packaging, promotional items and logistics.

The policy recognises the vulnerability of farming and rural communities, particularly in water-stressed regions, as well as the risks faced by Indigenous communities due to environmental changes and limited access to resources. The policy will be reviewed annually.



Climate Mitigation Plan

Mitigating climate change is essential to securing the future of our business, our terroirs and the communities on which we depend. Our approach is driven by the need to reduce greenhouse gas emissions at source, in every part of our value chain, and to strengthen the ecosystems that support our ingredients and products. We have based our strategy on science, prioritising direct action and embedding decarbonisation into everyday decisions - from manufacturing and sourcing to packaging and logistics. By focusing on tangible, verifiable reductions, we aim to create lasting value for our business and contribute to the global transition to a low-carbon economy, while maintaining the authenticity and quality that define our brands.

Structured approach for Climate Mitigation plan

To achieve our carbon reduction objectives, we are implementing a structured approach based on a comprehensive set of levers and actions, organised into five steps:

Baseline assessment

Baseline assessment and modelling of a Business-as-Usual (BAU) emissions trajectory with projected growth, to map emissions across all activities and identify priority hotspots.

Carbon levers definition

Identification of carbon reduction levers including suppliers' engagement, optimising volume allocation and other internal initiatives.

Carbon levers analysis

Evaluation of **decarbonisation levers** to assess carbon savings, feasibility, cost-effectiveness, business continuity and brand impact for each proposed scenario.

Supplier roadmaps and internal actions

Consolidation of supplier carbon roadmaps and internal action plans to ensure alignment with our SBTi targets.

Gap assessment

Adjustments based on gap analysis, identifying any shortfalls against targets and deploying additional levers where necessary.

Developing our roadmap to reduce:

Scopes 1 and 2 GHG emissions

Scope 1 and 2 near and long-term targets, in absolute contraction compared to FY22 baseline:

54% reduction by FY30 (near term)

90% reduction by FY50 (long term)

These ambitious targets cover all direct operations, including distillation, bottling, ageing, winemaking and rectification, as well as emissions from warehouses and administrative sites.

Decarbonisation strategy based on four key levers:

Energy efficiency & electrification
Mechanical Vapour Recompression (MVR) & Heat Recovery, Dryers' removal

Switching fuel sources
Biogas from by-products & biomass

Renewable electricity
Renewable Power Purchase Agreements (PPAs) & onsite photovoltaic

Energy management
Smart meters & energy management system and procedures

FLAG emissions (scopes 1 and 3)

FLAG scope 1 and 3 near and long-term targets, in absolute contraction compared to FY22 baseline:

30,3% reduction by FY30 (near-term)

72% reduction by FY50 (long-term)

These targets cover our own farming activities - land owned by the Group - and the sourcing of agricultural raw materials and processed ingredients from natural sources.

Decarbonisation strategy based on three key levers:

Raw material switch
Prioritise the sourcing of alternative commodities with lower GHG emissions

Regenerative agriculture
Promote sustainable agriculture practices (crop rotation, cover cropping, low-carbon fertilisers, etc.)

Carbon removals
Implement projects ensuring carbon removals and other natural and social co-benefits

Non-FLAG Scope 3 emissions

Non-FLAG Scope 3 near and long-term targets, in absolute contraction compared to FY22 baseline:

25% reduction by FY30 (near-term)

90% reduction by FY50 (long-term)

These targets cover emissions from purchased goods - including non-FLAG wet goods, packaging (glass, secondary packaging, capsules and closures, etc.) and promotional items (POS) - as well as upstream transportation and distribution.

Decarbonisation strategy based on three key levers:

Circular packaging
Source low-carbon glass, design sustainable and circular packaging, develop circularity models

Low-carbon wet goods sourcing
Source low-carbon alcohol and processed ingredients

Sustainable logistics
Reduce air transportation, prioritise multimodal transportation, shift to alternative fuels (electric, biofuel trucks)

Investing in our transition plan

Developing a comprehensive and achievable carbon transition plan required close collaboration across key functions, including Operations, Finance and Affiliates. Additional costs (CapEx and OpEx), as well as cost avoidance and savings, were also estimated to support the achievement of our SBTi commitment by FY30. We review the technical and financial plan twice a year and ensure it is fully integrated into our Group strategy and business decisions.

Given the complexity of the methodological approach and the number of variables involved, we currently do not disclose the investments related to our transition plan. We are actively working to refine our monitoring and reporting methodologies in order to disclose future investments related to decarbonisation.

General rules and positions

Renewable energy

Renewable electricity

We have set ourselves the goal of maximising the use of renewable electricity in our operations.

This will be achieved through:

- On-site renewable electricity generation
- Renewable power purchase agreements (DPPAs)
- Green power tariffs with market suppliers
- Unbundled Energy Attribute Certificates (EACs)

We follow the GHG Protocol framework for reporting renewable electricity procurement and Scope 2 emissions.

We are committed to high quality and transparent market-based instruments and support additionality as a guiding principle in our global renewable electricity strategy.

Renewable energy

Other renewable energies

We are firmly committed to supporting the transition from fossil fuels to renewable energy in our own operations and throughout our supply chain. As part of our decarbonisation roadmap for our operations and key supply chain activities - including distilleries, glass production and logistics - we fully support the development and use of renewable energy sources such as electrification, biomass, biogas, biomethane, biofuels, e-fuels and low-carbon and renewable hydrogen.

We prioritise local solutions and the direct use of renewable energy where ecosystems can sustainably support local supply chains, such as the production of biomethane from distillation by-products. We also carefully evaluate and support the development of new market-based mechanisms for biogas and biomethane, such as Renewable Gas Guarantees of Origin, especially when embedded in local supply chains.

We favour direct use of biofuel solutions such as biodiesel or bioethanol over market-based mechanisms such as book and claim or mass balance approaches. However, we also support the use of market-based mechanisms in freight transport and shipping, recognising their critical role in the collective decarbonisation of these sectors. Biofuels derived from non-crop feedstocks and biomass residues are preferred over first-generation biofuels derived from vegetable oils, which often require intensive agricultural inputs and contribute to competition for food resources.

Mass balancing & market-based mechanisms

Under the SBTi framework, market-based accounting approaches can be considered to meet our near-term reduction targets for Scope 1 and 2, FLAG and non-FLAG Scope 3 emissions. We do not currently account for emissions reductions from such mechanisms. However, we are committed to working closely with the evolving SBTi and GHG Protocol accounting standards as they develop.

As of early 2026, the GHG Protocol is still in consultation phase for market-based accounting approaches. They are gathering survey feedback and technical input to develop new requirements and guidance for the accounting and reporting of actions and market instruments in GHG inventories. We will integrate this guidance when it is formally released. We are particularly interested in the potential new market-based approaches proposed in several areas, including natural gas and bio-methane, agricultural commodities, freight transport and shipping.

Carbon credits and offsetting – Beyond Value Chain Mitigation (BVCM)

As part of the food and beverage industry, we are deeply connected to the land where our ingredients are grown. In this context, our climate strategy prioritises tangible and transformative actions within our value chain. As a result, carbon credits are not a core element of our strategy and will not be used to meet our near-term greenhouse gas (GHG) reduction targets.

Rather than relying on offsetting activities outside our value chain, we focus on insetting initiatives – implementing projects that directly reduce emissions and provide additional co-benefits that strengthen the resilience of our terroirs. This approach ensures that our climate action delivers meaningful environmental, social and economic benefits to the ecosystems and communities that support our business.

We acknowledge SBTi's development of a Beyond Value Chain Mitigation (BVCM) framework. However, we prioritise emissions reductions within our value chain, in line with our Net Zero ambition, before considering the use of BVCM activities. We also appreciate that voluntary carbon markets, and the carbon credits they generate, can contribute to the broader global Net Zero transition by enabling other economic and social actors to reduce GHG emissions. We believe that such markets and credits must adhere to clear guidelines that ensure high quality carbon standards and robust guardrails for BVCM activities and related investments.

Carbon removals and neutralisation of residual emissions

Under the SBTi framework, carbon removals and storage within our value chain may contribute to our near-term reduction targets for Scope 1, Scope 2, FLAG and non-FLAG Scope 3 emissions. We are committed to aligning with the evolving SBTi and GHG Protocol accounting standards. As of early 2026, the GHG Protocol's standard on the Land Sector and Removals Standard (LSRS) has been released and the guidance is expected to be issues mid 2026. We will incorporate this guidance into our practices as soon as it is formally published and will update this policy accordingly.

This forthcoming guidance will clarify how companies should account for and report GHG emissions, CO_2 removals and carbon storage from land-based activities and products in their value chains, as well as technological CO_2 removal and storage pathways, in corporate GHG inventories under Scope 1, Scope 2 and Scope 3. For our Forest, Land and Agriculture (FLAG) emissions, carbon removals may be included in the inventory and will be calculated and reported in accordance with the GHG Protocol Land Sector and Removals Guidance and IPCC guidelines.

To neutralise residual emissions by 2050, we are committed to regenerating terroirs and developing insetting initiatives beyond the requirements of the FLAG target. We will increase carbon sequestration in forests, soils, wetlands and agricultural systems through tailored projects such as agroforestry, reforestation, afforestation, biochar production and ecosystem restoration. These initiatives will also contribute to improving biodiversity and strengthening ecosystem services.

Our insetting strategy aims to integrate sustainable practices directly into our supply chain, reducing emissions at source while strengthening the resilience of the ecosystems on which we depend.

Other positions

Public claims of carbon neutrality

With the development of the new SBTi framework (Ongoing Emissions Responsibility) and the strengthening of climate-related claims (carbon neutral, carbon offsetting, net zero, …), regulations and policies, we are launching a working group to define the specific rules to apply. These guidelines will ensure that any sustainability claims we make are relevant, easy to substantiate and enable consumers to trust the information presented as they seek to align their purchasing decisions with their values.

Carbon pricing scheme

We apply an internal carbon price (shadow carbon price) to capital expenditure (CapEx) decisions within our operations in order to prioritise low-carbon projects and strengthen their business case beyond purely financial considerations.

Internal carbon pricing is fully integrated into our Scope 1 and Scope 2 mitigation plan for CapEx decisions. The price is set at €80 per tonne of CO_2 equivalent (tCO_2e), based on the carbon price in the EU Emissions Trading System in 2023. This value will be adjusted over time.

Locked-in emissions

Locked-in GHG emissions refer to future GHG emissions that are likely to be caused by key assets or products sold within their operating lifetime. We recognise that some emissions within our activities are locked in, and we actively manage them to ensure they do not hinder progress toward our climate targets.

Climate change adaptation & business resilience

Climate scenario framework

In 2023, we conducted a first scenario analysis for a selection of climate risks following the Task Force on Climate-related Financial Disclosures (TCFD) recommendations using various narratives to identify the main risks and opportunities related to climate change and assess their impact on our activities.

Physical climate risks

We considered two IPCC scenarios focused on physical impacts when assessing physical climate risks and our activities' exposure:

Scenario RCP4.5 (+2,4°C by 2100)

Scenario RCP8.5 (+4°C by 2100)

We used external data providers to estimate agricultural impacts and ad-hoc climate-related extreme events (such as water stress and coastal/riverine flooding), all aligned with the RCP4.5 and RCP8.5 scenarios.

The two scenarios were used to estimate the potential financial impacts of climate change on our business, before accounting for the effect of mitigation measures..

To assess climate risks, we used external datasets on agricultural impacts (FAO portals) and climate-related extreme events such as water stress and flooding (WRI Aqueduct), analysed under the RCP4.5 and RCP8.5 climate scenarios. Using these scenarios, we assessed risks related to raw material availability and operational disruptions from climate-related events. The results will inform the implementation of our resilience plan.

Transition risks

To evaluate transition risks and opportunities, we used two NGFS (Network for Greening the Financial System) scenarios, which we adapted to provide a comprehensive view of trends in energy-related drivers (energy mix per geography, carbon price, emission factor trends, developments in energy efficiency, etc.):

NGFS "Delayed Transition" (+1,6°C by 2100)

NGFS "Net Zero 2050" (+1,4°C by 2100)

Time horizons used

We conducted climate risk assessments over three time horizons: short term (2030), medium term (2040) and long term (2050).
In FY25, we carried out a dedicated deep dive focusing on agricultural raw materials. For this assessment, we updated the previously used IPCC scenarios to their latest versions, SSP2-4.5 and SSP5-8.5.
The time horizons for this specific analysis were refined to focus on the historical baseline (1984–2015), the near-term outlook around 2030 (2015–2044) and long-term climate trends around 2050 (2045–2064).

Climate-related risk & opportunity assessment

We prioritised the 19 climate-related risks and opportunities identified in our risk assessment through a materiality analysis based on two criteria: the likelihood of occurrence and the severity of the potential financial impact.
Scenario analysis is a process used to identify and assess the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and are not intended to provide precise forecasts. Instead, they help us explore how the future might evolve if certain trends continue or specific conditions arise.
They take into account both internal drivers (such as growth rates, business trends and Pernod Ricard's decarbonisation strategy) and external drivers (including regulations and policies, technological developments and market dynamics).
We also provide tailored climate scenario reports to our largest affiliates.

Physical risks

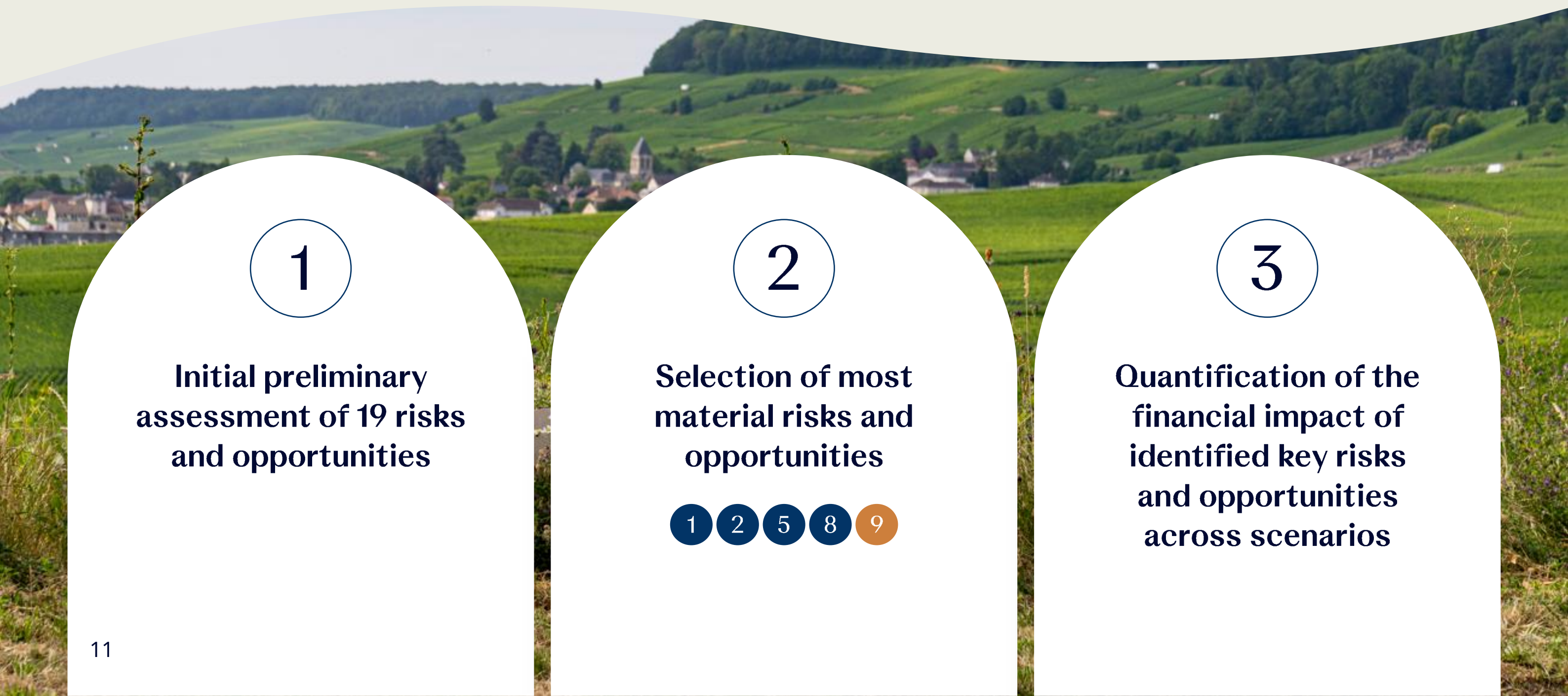
1. Impact of water, drought and temperature variability on agriculture raw materials
2. Impact of degradation of key ecosystem services on raw materials
3. Impact of climate change leading to migration of workers
4. Impact of climate change on safety and workability
5. Impact of climate change on resource usage conflicts
6. Impact of water stress on operations and dry goods suppliers
7. Impact of heat stress on operations
8. Impact of extreme weather events on operations and logistics

Transition risks

9. Expanding carbon pricing mechanisms and ETS* coverage across our value chain
10. Strengthening of other climate-related regulations
11. Increasing customer expectations regarding responsible products
12. Increasing concerns or negative feedback of employees and other stakeholders on Pernod Ricard's activities
13. Increasing investors' expectations on business climate performance

Opportunity

14. Optimisation of energy usage and consumption
15. Development of alternative materials through rethinking, reuse and recycling
16. Increase of low carbon energy sourcing
17. Development of regenerative agriculture practices & strengthening of wet goods suppliers' climate resilience
18. Strengthening of dry goods suppliers' and subcontractors' climate resilience
19. Market share gains induced by an increased demand for sustainable products or services



1

Initial preliminary assessment of 19 risks and opportunities

2

Selection of most material risks and opportunities

1 2 5 8 9

3

Quantification of the financial impact of identified key risks and opportunities across scenarios

Action plan

Given our broad geographic footprint, the impacts of climate change on our manufacturing activities and terroirs take different forms depending on the type of climate hazards, their intensity and frequency, and the damage incurred. Business continuity plans, including adaptation measures, must therefore be designed, monitored and assessed at a regional level.

Manufacturing sites:	Terroirs:	Financial impact:
Adaptation actions and metrics still under development.	integrated within regenerative agriculture strategy, raw material switch, targeting ecosystem resilience and yield protection.	Estimation of direct and indirect impacts is ongoing due to their complexity, with further work planned for FY27. Major cost avoidance expected from reduced operating costs linked to lower Scope 1, 2 and 3 emissions.

One of our key ambitions is to make climate resilience a core part of how we operate, embedding the management of climate-related risks and opportunities across our organisation and decision-making.

Financial effects

Based on our assessment of physical and transition risks, we used various methodologies to quantify their potential financial impacts:

- The impact of reduced agricultural yields on future procurement costs using different price elasticity hypotheses.
- Potential loss of sales by considering reduced production volumes due to temporary shutdowns of production sites in case of extreme climatic events.
- NGFS scenarios to estimate Pernod Ricard's future exposure to carbon taxes.

This global “cost of inaction” represents a first high-level estimate that is currently being refined to incorporate more granular data.

In parallel, the global “cost of action”, including CapEx and OpEx investments in areas such as climate-resilient infrastructure and regenerative agriculture, is currently being assessed.

Governance

The policy is approved at the highest hierarchical level by the Executive Vice President (EVP) of Integrated Operations and Sustainability & Responsibility (S&R).

The Global Sustainability & Responsibility team is responsible for defining, driving and monitoring the implementation of the S&R strategy. With strong climate expertise, the team sets targets for the Group and develops local action plans with affiliates.

Sustainability & Responsibility Leads within affiliates ensure that climate risks and opportunities are integrated into local strategies and that performance is properly monitored.

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

Board of Directors
including CSR committee

Approving and guiding the development of a business strategy

Reviewing and guiding assessment processes for dependencies, impacts, risks, and opportunities

Overseeing and guiding scenario analysis

Monitoring progress towards corporate targets

Approving and/or overseeing employee incentives

↑ Reports on ad-hoc basis or when relevant

Executive Committee
including 1 lead sponsor: Maria Pia de Caro, EVP Integrated Operations & Sustainability

Overseeing the implementation of the business strategy related to environmental issues

Mandating experts to conduct scenario analysis

Setting corporate environment targets

Measuring progress towards environmental corporate targets

Managing major capital and/or operational expenditures relating to environmental issues

Assessing environment dependencies, impacts, risks and opportunities

Providing employee incentives related to environmental performance

Approving Science Based Targets (SBT)

Overseeing CSRD implementation

Mandates resilience plans & related roadmaps ↓ ↑ Reports on ad-hoc basis or when relevant

Integrated Operations

Sustainability & Responsibility

Sets climate ambition and strategy for the Group

Coordinates resilience plan, roadmaps & reporting

Manufacturing, Engineering, Procurement, Innovation, Health & Safety, Supply Chain, Quality

Provide expertise to create / review climate change strategy & resilience plan, create roadmaps & set targets

↓ Co-creation of climate roadmaps & monitoring of performance

Affiliates
Local implementation of climate roadmaps and reporting on progress

Oversees & guide the development of transition plans & related budget

Dissemination and enforcement

The Sustainability & Responsibility team at headquarters oversees the implementation of the Climate Policy in collaboration with the affiliates' Vice Presidents of Operations to ensure compliance and progress.

Roles and responsibilities

For direct operations, VP Ops and their teams, supported by local Sustainability & Responsibility (S&R) teams, lead implementation activities.	For upstream and downstream activities, teams from Procurement, Supply Chain, Innovation and Marketing, supported by S&R, implement actions at global and local levels.

Glossary & frameworks

FLAG	Forest, Land, and Agriculture emissions refer to greenhouse gas emissions from land management, agricultural activities, and land-use changes such as tillage, livestock production, deforestation, and biomass use. Scope 1 FLAG emissions are direct emissions from agricultural activities on land owned or operated by the Group. Scope 3 FLAG emissions are indirect emissions associated with the procurement of agricultural raw materials and processed ingredients from third party suppliers.
Carbon Pricing	A cost applied to carbon emissions to encourage businesses to reduce their carbon footprint, either through direct charges or supplier-related costs passed on to the company.
GHG (Greenhouse Gas)	Gases, such as carbon dioxide (CO2) and methane (CH4), that trap heat in the atmosphere and contribute to global warming.
Insetting	Emissions reduction projects within a company's value chain, focusing on direct action to improve sustainability in areas like agriculture and production.
Scope 1 emissions	Direct emissions from a company's own operations, such as fuel combustion at manufacturing sites.
Scope 2 emissions	Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by a company.
Scope 3 emissions	All other indirect emissions in the value chain, including those from suppliers, transportation, and product use.
Science Based Targets initiative (SBTi)	A framework that helps companies set emissions reduction targets aligned with climate science to limit global warming to 1,5°C

Thank you!

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

sustainability_responsibility@pernod-ricard.com

GOOD TIMES FROM A GOOD PLACE.

Speak up

Any suspected breach of this policy should be reported 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.