

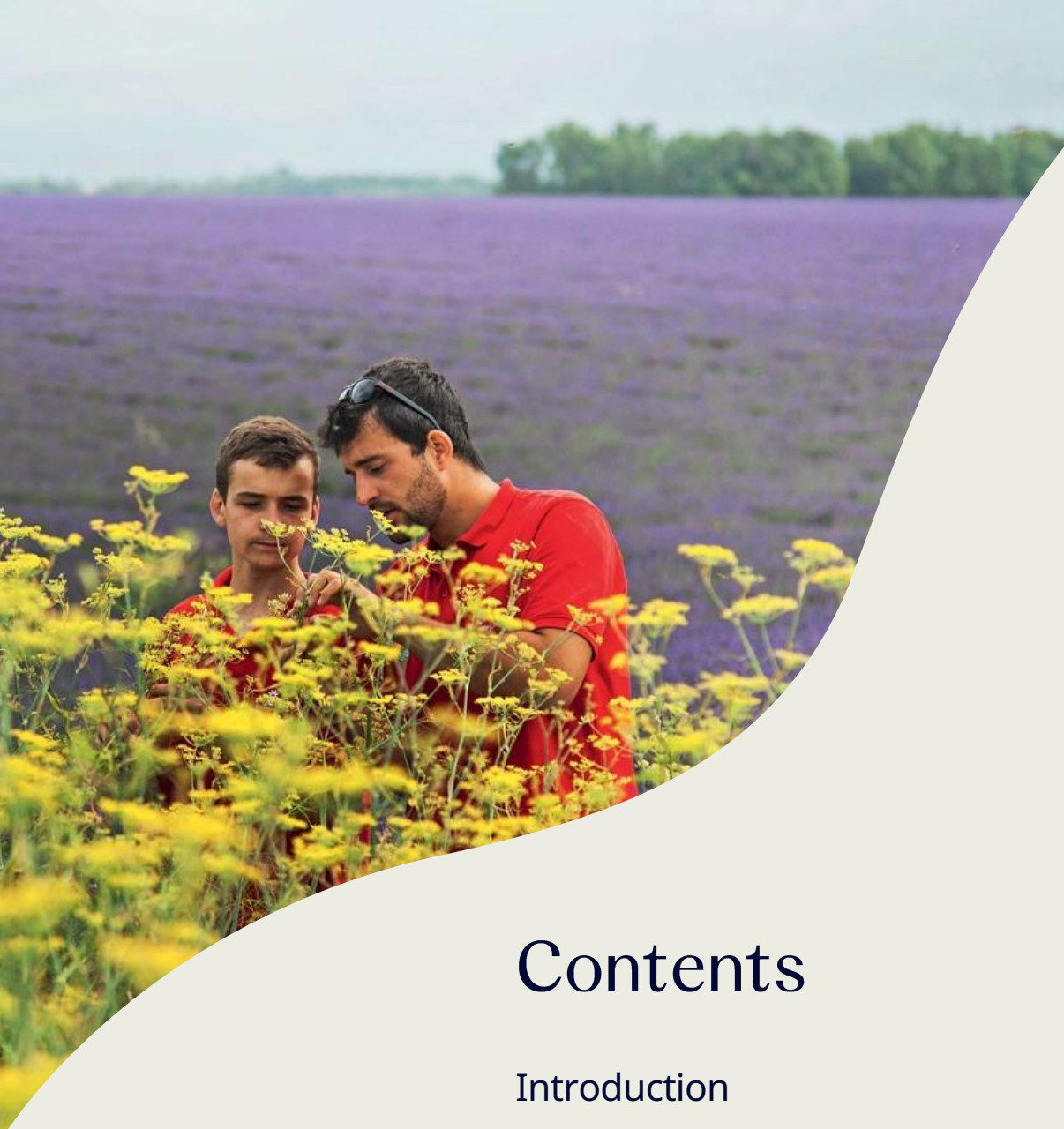
2025



Pernod Ricard Terroir & Nature 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 minimizes 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 nature for sustainable business

At Pernod Ricard, our core business is inextricably linked to nature and well-functioning ecosystems, which provide essential resources and ecosystem services such as pollination, soil fertility and water regulation, all of which are essential to the supply of raw materials for our operations. At the same time, our operations and our terroirs can contribute to environmental pressures that can affect this nature and the communities.

To build our resilience pathway, we analyse pressures and vulnerabilities and select hotspots where to focus our efforts. These insights guide us in designing targeted actions and developing a comprehensive resilience plan. It allows us to define clear pathways for mitigation and adaptation that address vulnerabilities related to water, climate and community well-being.



We focus our efforts on three key objectives:

1

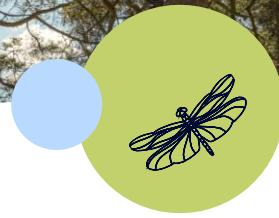
Understand and assess Pernod Ricard's pressures on, and vulnerabilities to the state of nature.

2

Nurture terroirs and their landscape through sustainable and regenerative farming activities.

3

Preserve & Restore Nature around our sites.



Scope of the policy

Our Terroir & Nature Policy covers our upstream value chain, including our own vineyards and agave fields, external agricultural sourcing, packaging, and point-of-sale (POS) material procurement as well as our industrial sites.

Nurturing terroirs within farming landscapes

To focus our efforts, we have identified 19 key agricultural raw materials that are either essential to our product recipes or make iconic, sensory contributions to our brands. These include:

Cereals: barley, wheat, maize, rye and rice,

Other crops: potato, sugar beet, sugar cane, agave, grapes,

Natural flavours: coffee, coconut, coriander, juniper, fennel, gentian, aniseed (star and green), liquorice, orange.

Agricultural activities



Industrial activities



Nurturing terroirs around our industrial sites

The scope of action for our industrial activities covers our own manufacturing sites, including wine and spirit production activities such as distillation, bottling, ageing, winemaking and rectification as well as upstream suppliers such as packaging and point-of-sale materials.

Transportation and end-of-life impacts have been excluded from the action plan as they were considered not significant by the nature risk assessment.



Nature Resilience Transition Plan



From a comprehensive risk assessment...

Pernod Ricard has voluntarily adopted the Science Based Targets Network (SBTN) framework to better understand the impacts of its direct operations and upstream value chain on nature. The methodology follows five structured steps, the first two of which focus on assessing and interpreting impacts to identify priority actions.

To this end, we conducted a materiality screening and value chain assessment to identify our most significant nature-related impacts and the locations most vulnerable to external environmental pressures.



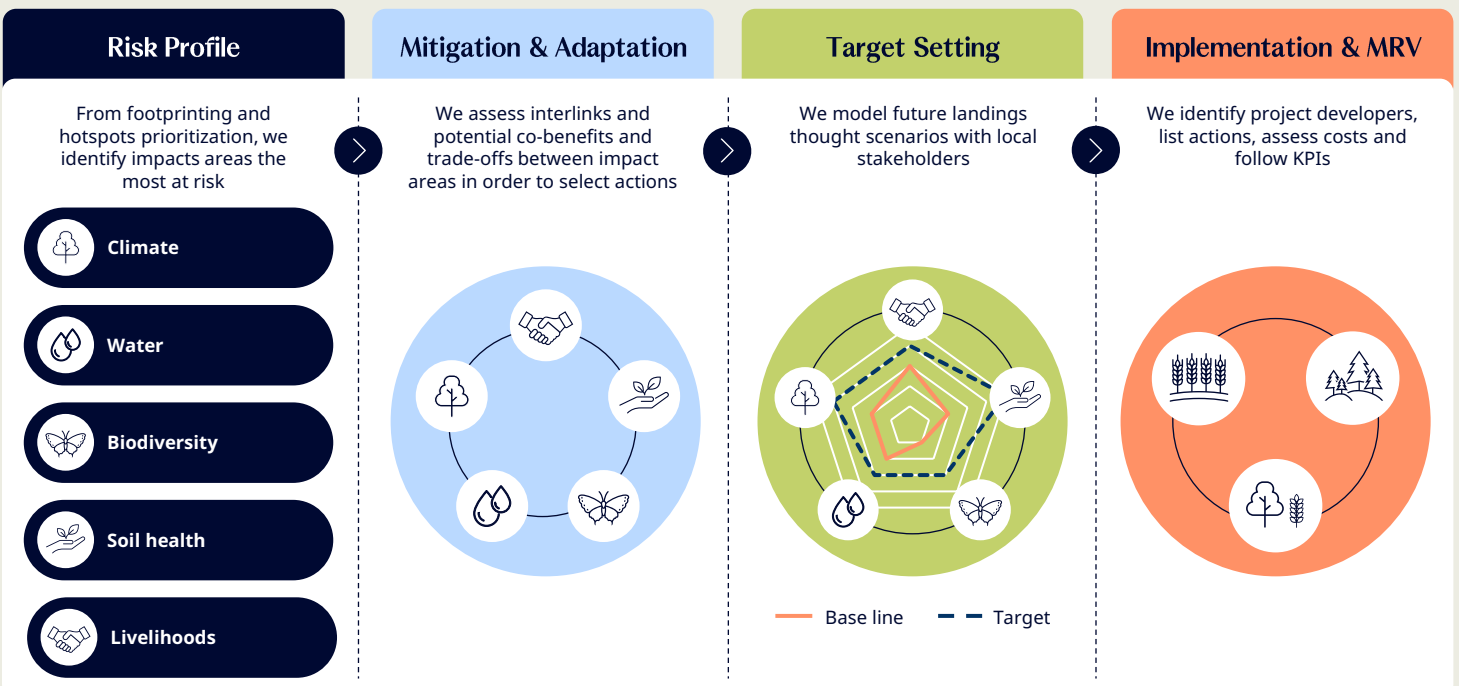
... to a nexus action

This Nature Impact Assessment complements the Climate Scenario Analysis outlined in the Climate & Net Zero Policy, as well as the Human Rights Impact Assessment recently performed.

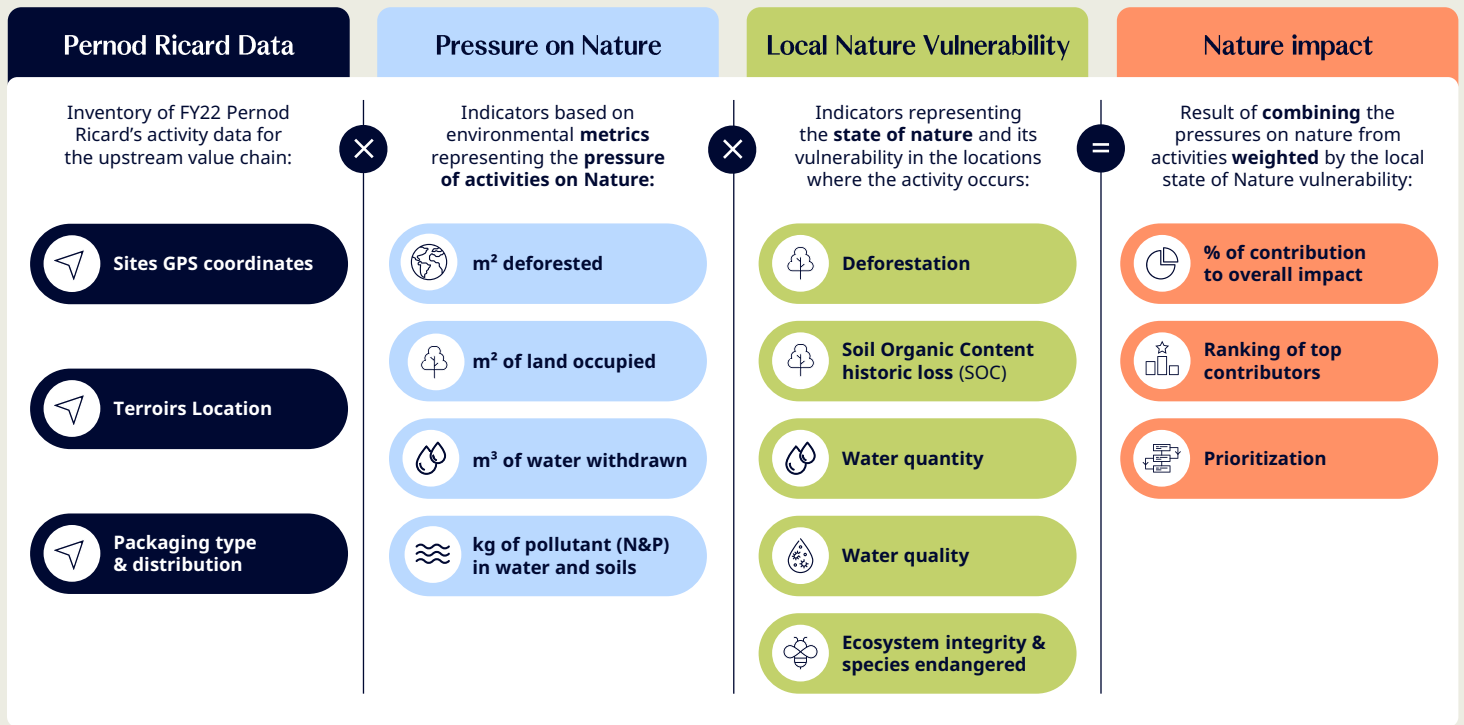
Adapted from the IPBES Nexus Report (2019), our nature resilience strategy is built on an integrated nexus approach to socio-ecological systems.

It addresses five key impact areas: climate (including GHG emissions), water (availability and quality), biodiversity, land and soil health, and livelihoods.

By acting across these interconnected domains, the strategy enhances co-benefits, reduces trade-offs, and strengthens long-term resilience for ecosystems and communities.



Understand and assess nature related pressures and vulnerabilities



Main pressures and vulnerabilities

The materiality assessment helps identify where our activities are material throughout the value chain and to define the type of pressures and vulnerabilities.

	Pressures potentially generated by PR	Vulnerabilities of local areas
Climate	<ul style="list-style-type: none"> GHG emissions due to fertilizers, energy for machineries, tillage and land management 	<ul style="list-style-type: none"> Climate change: droughts, floods, frost, heatwaves, raising temperature, water balance, extreme events
Biodiversity	<ul style="list-style-type: none"> Ecosystems pollution due to chemical inputs Land conversion, habitat destruction and deforestation Monocropping and crop diversity reduction 	<ul style="list-style-type: none"> Sensitive biodiversity areas Vulnerable and endangered species
Water	<ul style="list-style-type: none"> Withdrawals through irrigation or water intensive crops Pollution through chemical inputs Deforestation or land conversion affecting water cycle 	<ul style="list-style-type: none"> Water stressed area Polluted watershed local competition for water
Land and soil health	<ul style="list-style-type: none"> Land conversion and deforestation Soil pollution due to chemical inputs Soil erosion and sealing 	<ul style="list-style-type: none"> Soil pollution Soil erosion and sealing local competition for land
Livelihoods	<ul style="list-style-type: none"> Human rights Working conditions 	<ul style="list-style-type: none"> Local living conditions Food security challenges

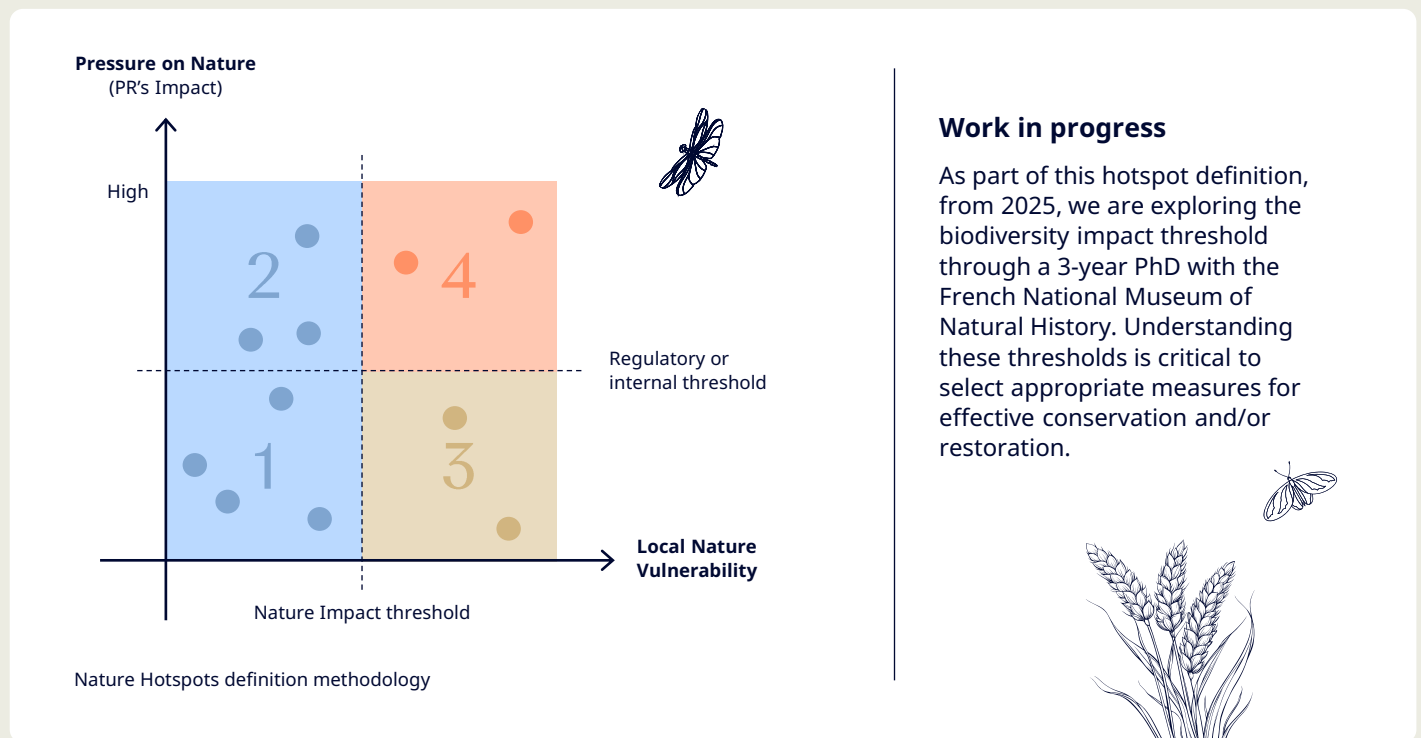
Hotspot definition



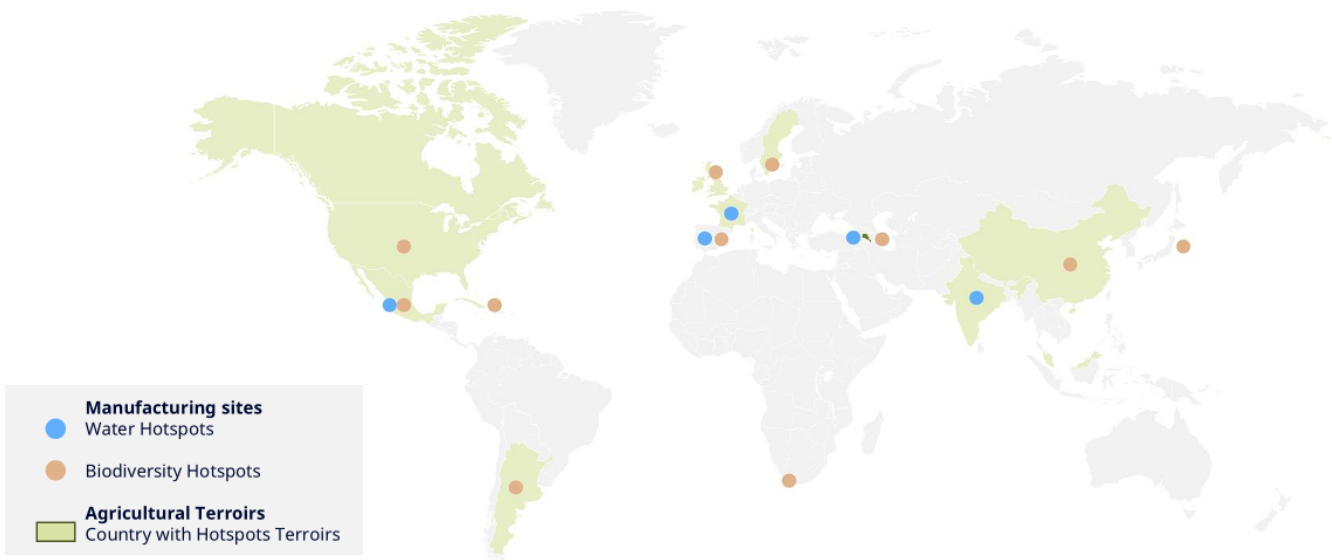
This comprehensive approach helps us identify hotspots and focus our efforts on the sites, terroirs and suppliers that have the greatest impact on nature.

Based on this analysis, we have defined an initial shortlist of priority terroirs and sites:

- If a local ecosystem is not considered vulnerable, the site or terroir is not identified as a hotspot for Nature but must still include measures to avoid or reduce ecological pressure (risks levels 1 and 2).
- If a local ecosystem is considered vulnerable, the site or terroir is identified as a hotspot for nature, requiring targeted mitigation, restoration or conservation actions (risks levels 3 and 4).
- Those in categories 3 and 4 are pre-identified as hotspots and reviewed by local affiliate experts to confirm, adjust or remove them as hotspots.



Mapping of hotspot locations



Implementing and monitoring actions



Producing and sourcing ingredients sustainably is essential for long-term resilience and to address social, environmental and economic challenges. Our transition plan aligns with the SBTn AR3T framework, focusing on avoiding and reducing nature-related impacts from our operations in line with the do no harm principle and regulatory compliance, and pursuing transformative, value-chain and landscape-level actions where site-level measures are insufficient.



Stakeholders' engagement & management

Our direct operations and agricultural suppliers are key partners in achieving our sustainability goals. By fostering strong, collaborative relationships, we ensure that sustainability principles are embedded throughout the production process.

To manage our suppliers effectively, we categorise them according to the volume of purchases and the number of brands that rely on them. They fall into two main categories:

- **Global suppliers:** managed by our central procurement team
- **Local suppliers:** managed by local procurement contacts

Traceability & transparency

Transparency in our supply chain is crucial for achieving positive impacts. We aim for comprehensive traceability from farm for our Key Agricultural Raw Materials to production facilities, providing a detailed understanding of impacts.

Traceability targets vary by terroir classification:

- **Hotspots terroirs:** terroir level.
- **Priority terroirs:** country level.

These measures enhance supply chain transparency and integrity, supporting our ambition for positive impacts. From 2025, we ensure full traceability according to these criteria, with progress tracked via the Terroir Reporting Protocol.

An exception exists for broken rice from India. Despite its hotspot status, the national Food Security Act limits traceability. We aim to identify the Indian states where this rice is produced.

Risk mapping

Terroir risk mapping is a desktop assessment of potential threats within our agricultural supply chains, including farms, suppliers, and wild harvests.

Hotspots terroirs : These undergo detailed analysis of 16 environmental and social risks using data from sources like IBAT, WWF, and UN. Certifications and team insights supplement the assessment.

Priority terroirs and other terroirs with key agricultural raw materials: A simplified analysis uses country-level data from EPI, ILO, and UNDP, with team input.

Each terroir is scored (high, medium, low risk) to guide actions. While desktop-based, site visits and supplier discussions help validate findings. Initiated in 2020, this process is updated every three years, with progress reported via the Terroir Reporting Protocol.

For our own sites we combine our water analysis (detailed in our Water Stewardship Policy) with insights from the WWF Biodiversity Risk filter to identify hotspots areas.



Risk mitigation

We proactively address risks with targeted actions to ensure the sustainability and resilience of farming systems and industrial sites. Mitigation measures are tailored to each context, focusing on specific risks. Our directly managed operations lead this initiative, aiming to eliminate agrochemicals in our vineyards and agave fields. Sustainable agriculture standards are assessed against key principles, ensuring they provide assurance of 'sustainable sourcing.'

We extend sustainability efforts throughout our supply chain, using sustainable agriculture certification, local tailored made programs with a dedicated contract (including regenerative agriculture) or the signature of purchasing contracts having specific sustainability requirements. This approach strengthens supplier relationships and reinforces our environmental and community impact.

Aligned with EUDR and our SBTi commitments, we are committed to no deforestation and no conversion of other natural ecosystems throughout our agricultural supply chain and wood-based materials by 2025. Crops under deforestation risk shall come with a certification ensuring no contribution to deforestation.

Our goal is to tend towards 80% key agricultural raw materials sustainably sourced by 2030. Progress is reported through the Terroir Reporting Protocol.

NB: some terroirs present local contexts that do not allow this objective to be implemented, alternative measures are currently being studied.

Across our industrial sites, we apply the do no harm principle to ensure our activities and processes do not cause significant adverse impacts on nature and ecosystems, including water resources. We operate in strict compliance with environmental regulations, notably on pollutant emissions, maintaining impacts below applicable thresholds.

Based on the level of identified environmental risk, we prioritize impact avoidance, followed by reduction and mitigation measures, in line with our Climate & Water Stewardship policies.



Regenerate ecosystems to create value



Aligned with our nexus ambition, regenerating terroirs and landscape is a holistic approach that aims to maximise positive impacts on climate, ecosystems and biodiversity, as well as the well-being of communities. The combination of (agro)ecological practices at field, farm and landscape level aims to improve soil health and natural fertility, restore ecosystems, water retention capacity and resilience to water stress. In the long term, this model also aims to reduce greenhouse gas emissions and increase carbon storage and biodiversity.

	Benefits expected by PR	Example of Impacts measurement indicators
Climate	<p>Our actions address both climate mitigation and adaptation across agricultural systems, surrounding landscapes and industrial sites. We reduce GHG emissions while increasing carbon sequestration through regenerative agriculture, agroforestry, ecosystem restoration and nature-based solutions.</p> <p>At the same time, these actions strengthen yield stability and improve landscape resilience to climate extremes such as heat, droughts and floods.</p>	<ul style="list-style-type: none"> • GHG Emissions • Carbon sequestration • Yields • Hectares under restoration or conservation
Biodiversity	<p>We enhance biodiversity across production areas, landscapes and adjacent natural ecosystems. By protecting and restoring natural habitats, improving ecological connectivity and promoting functional and genetic diversity in crops and livestock, our actions support ecosystem balance and resilient agricultural production.</p>	<ul style="list-style-type: none"> • Areas of natural habitat restored or conserved • Number of ecological corridors created or restored • Presence / abundance of key indicator species • Chemicals inputs reduction
Water	<p>Our initiatives aim to secure water availability and improve water quality from field to watershed scale. By increasing soil water infiltration and retention, reducing chemical leaching and restoring natural filtration systems (wetlands, riparian zones, mangroves), we improve water regulation, reduce flood and erosion risks, and strengthen resilience to climate variability.</p>	<ul style="list-style-type: none"> • Water use efficiency • Water pollutant reduction • Area of restored wetlands, riparian zones or mangroves
Land and soil health	<p>Healthy soils and land systems are central to ecosystem resilience and long-term productivity. Through regenerative practices, improved soil cover, reduced disturbance and integrated land-use at landscape scale, we enhance soil fertility, stability and carbon storage while reducing land and soil degradation.</p>	<ul style="list-style-type: none"> • Soil coverage increase • Tillage intensity reduction • Soil Organic Carbon Increase • Soil life increase
Livelihoods	<p>Our actions support resilient livelihoods and inclusive value chains. By promoting fair working conditions, diversified income sources, ecosystem services and strengthened local stakeholder collaboration, we improve farm resilience and support sustainable transitions across agricultural and territorial systems.</p>	<ul style="list-style-type: none"> • Perceived increase in income • Life balance increase • Farmers in transition

For terroirs, we consider several criteria, such as the deployability and affordability of practices, technology availability, and supplier maturity, we organise the regenerative agriculture transition plan into three deployment waves between FY22 and FY30, as part of the SBTi Net Zero transition plan, and where relevant extend to ecosystem conservation and restoration at landscape level.

For industrial sites we assess potential to combine our Do No Harm approach with nature restoration or conservation actions where relevant.



Nurturing terroirs within farming landscapes



From preservation to regeneration: Rethinking agriculture

The many risks and challenges facing agriculture can have a significant impact on our business and the industry, and are not only economic or operational, but also deeply intertwined with social and environmental concerns.

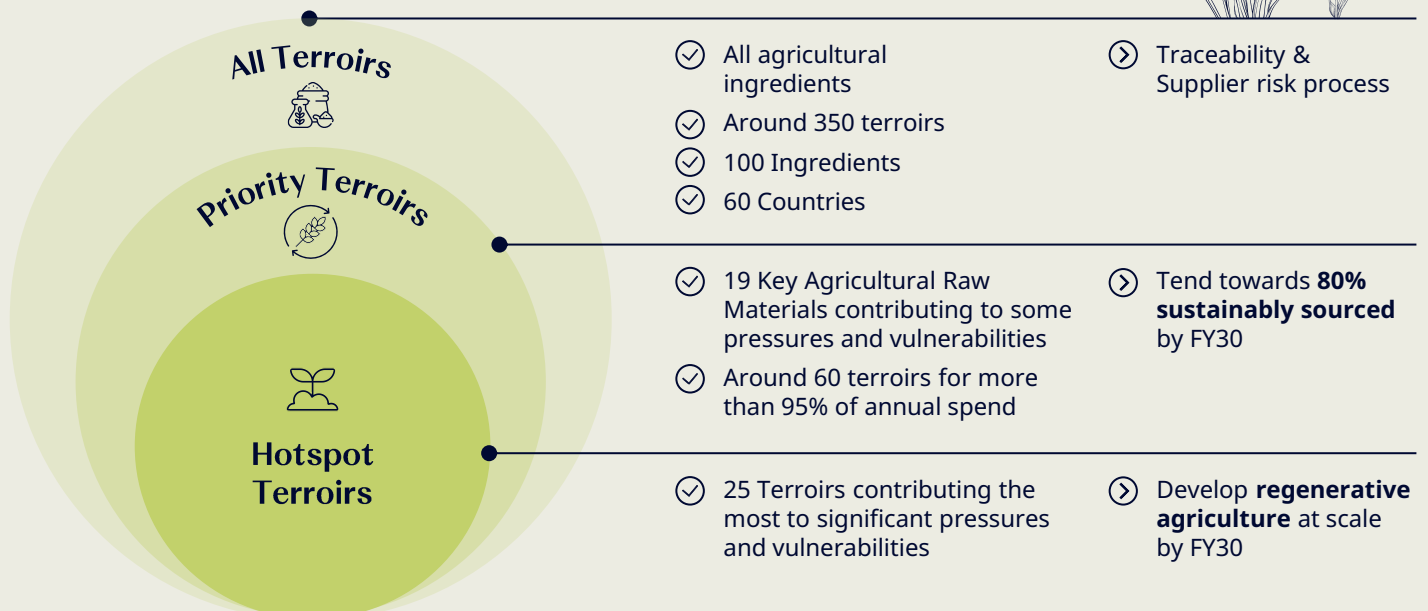
Understanding these challenges is critical to developing strategies to mitigate their impact and promote a more sustainable and equitable agricultural sector.

To support the transition toward more sustainable practices, Pernod Ricard relies on frameworks formalizing our approach to sustainable and regenerative agriculture

and provide clear principles for implementation. They serve as the foundation for our ambition to embed sustainability across all regions where we operate, ensuring consistency and alignment with our global commitments.

Where we have the main impacts, our hotspots terroirs, we intend to promote the adoption of regenerative agricultural practices to ensure the long-term resilience, secure our sourcing while generating benefits for local communities and the environment.

Terroir prioritization & hotspots identification for sustainable farming





Nurturing terroirs around our industrial sites



Ensure we do not impact negatively nature and ecosystems around our sites



Through our industrial activities, we are applying “do not harm” principles with continuous assessment of potential impact we might generate on the surrounding nature.



We work on the identification and monitoring of pollutants in our industrial process with potential impacts on air, water and soil and develop mitigation plans when the pollutant rate is above the regulatory thresholds.



In addition, we are working on the identification of our sites and associated areas based in biodiversity sensitive areas.

Promote and develop nature regeneration programs on hotspots locations

After identifying our manufacturing hotspots in key impact areas such as water, carbon, and biodiversity, we are integrating these findings into a comprehensive nexus approach to nature regeneration, where project implementation includes co-benefits actions on relevant impact areas.

This work marks a significant milestone in developing our forthcoming nature regeneration framework, which will aim to guide our initiatives across diverse ecosystems while maximising positive impact on nature.

Governance

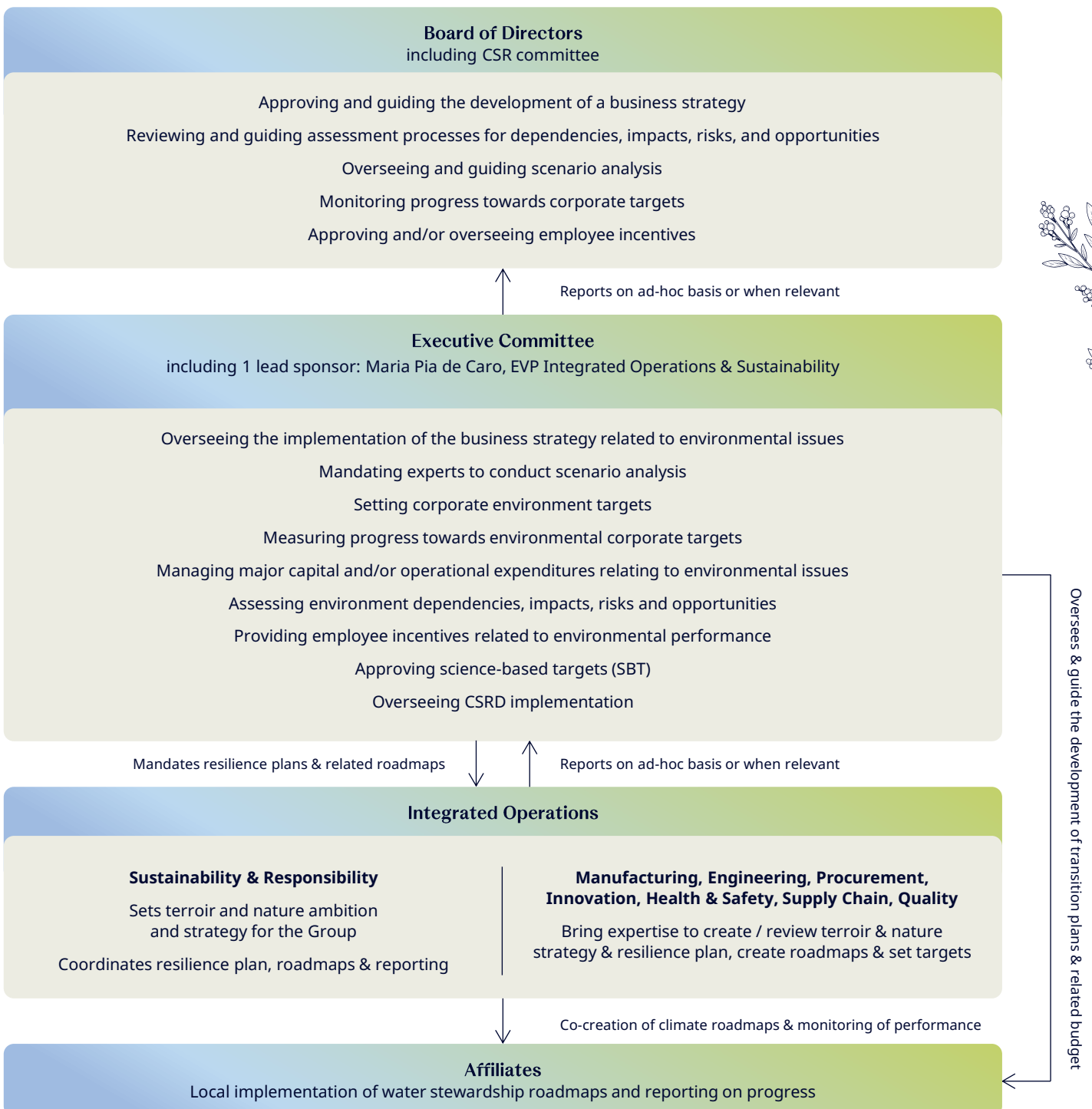


The Global Sustainability & Responsibility team is responsible for defining, driving and monitoring the implementation of the Group's Terroir and Nature strategy. With dedicated expertise, the team sets targets for the Group and works with multiple functions and affiliates to develop tailored local action plans.

Sustainability & Responsibility Leaders within affiliates ensure that nature risks and opportunities are integrated into local strategies and that performance is effectively tracked.

The Sustainability & Responsibility team also works closely with other departments to oversee the implementation of roadmaps, develop relevant policies and procedures, and define metrics, including scope and calculation methodologies.

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



Dissemination & enforcement

The Sustainability & Responsibility team at headquarters oversees the implementation of the Terroir & Nature 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 activities, teams from Terroir and Procurement along with S&R implement actions at global and local levels.

Communication and support

Multiple channels are used to disseminate the policy, tools and processes:

- A resource library on My Portal.
- Technical webinars organised regularly throughout the year.
- Live sessions between HQ experts and local teams to provide tailored guidance.



Engagement with external partners

Strategic suppliers are engaged through regular meetings to share the Water strategy and align on action plans. Relevant materials are shared openly to encourage collaboration and transparency.

Alert mechanism

Speak Up is a confidential whistleblowing channel for employees and stakeholders to report concerns about ethics, internal policies and legal misconduct, including issues related to climate policy and the integrity of its implementation.



Biodiversity

Variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems (IUCN).

Conservation

The protection, care, management and maintenance of ecosystems, habitats, wildlife species and populations, within or outside their natural environments, to safeguard the natural conditions for their long-term permanence (IUCN).

Deforestation

Conversion of forest to agricultural use, whether human-induced or not.

Ecosystem services

The benefits people obtain from ecosystems.

Land change

Refers to a change in the use or management of land by humans, which may lead to a change in land cover.

Land use

Refers to the modification or management of natural environments into human dominated environments, such as settlements, semi-natural and agricultural areas (IPBES).

Nature Conservation

The management of human interactions with genes, species, and ecosystems so as to provide the maximum benefit to the present generation while maintaining their potential to meet the needs and aspirations of future generations; encompasses elements of saving, studying, and using biodiversity.

Nature Regeneration

Any intentional activity that initiates or accelerates the recovery of an ecosystem from a degraded state.

Pressures

Pressures are all the negative impacts we generate throughout our business.

Terroir

Terroir refers to a specific area, a land, a region and its typicity from a climate and pedology perspective where we source our raw materials. Multiple producers from the same region form one terroir, while different regions form multiple terroirs.

Vulnerabilities

Vulnerabilities are all the risks we could face in the short and long term due to external events.



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**

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.