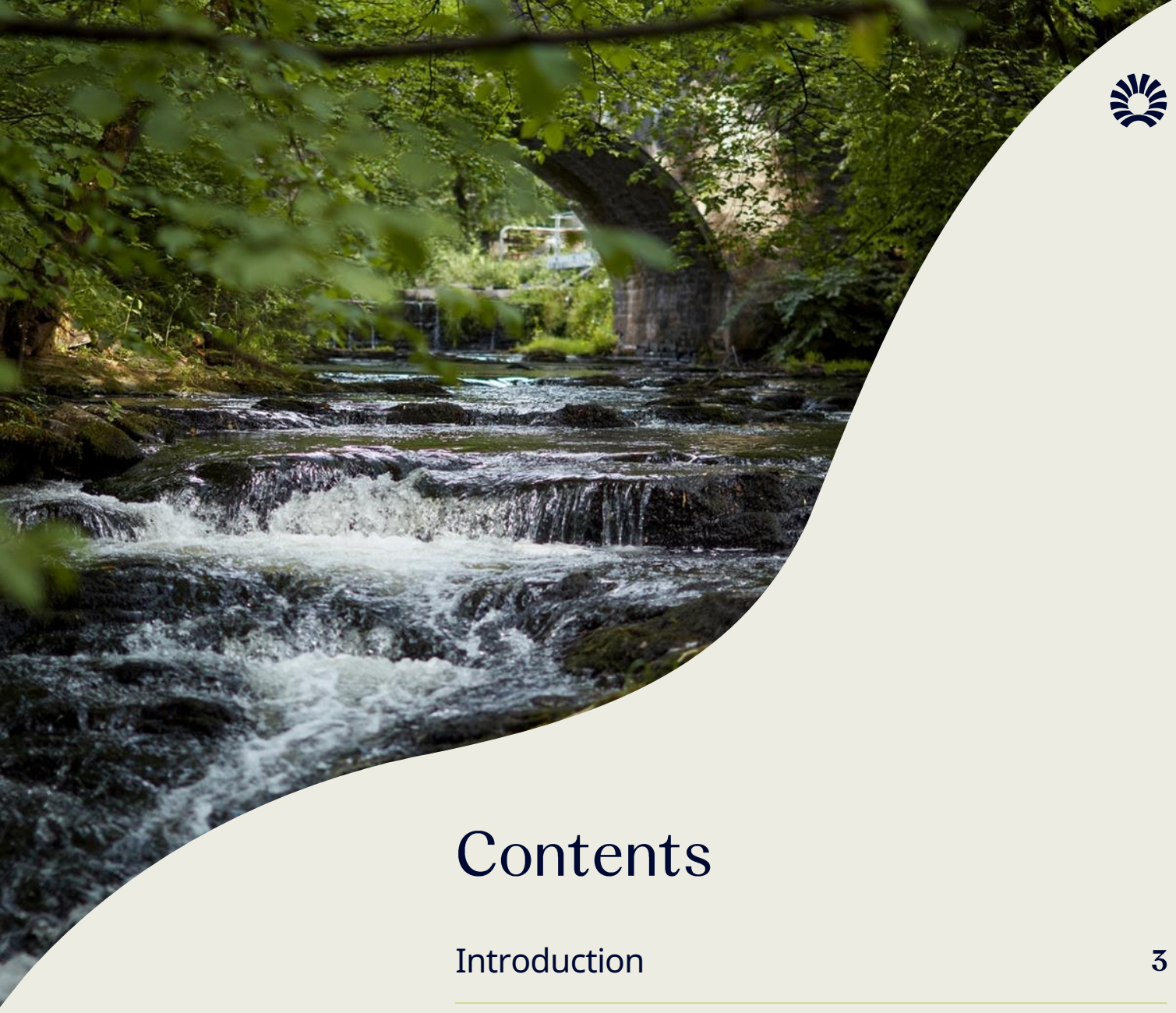
2025

Pernod Ricard Water Stewardship 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.

Water is our most essential resource...

We are committed to achieving sustainable growth while preserving the unique heritage of our brands and the ecosystems that sustain them. At the heart of this commitment is water, mankind's most essential drink. A key ingredient of life, water is also indispensable at every stage of the production of our wines and spirits, from nurturing the terroirs where our ingredients are grown, to being part of our recipes, and to supporting processes such as mashing, fermentation, cleaning, distillation, bottling, and recycling.

...and we need to preserve its availability & quality

In a world where water scarcity and pollution are growing concerns, we recognise that our responsibility goes beyond careful use - it is about protecting this precious resource for future generations, while ensuring the long-term resilience of our operations.

Across our value chain, we are committed to reducing water withdrawals, minimising pollution and adapting to emerging water challenges. We continuously assess where our activities may contribute to water stress, while identifying areas where we are most exposed to water-related risks - ensuring we protect the sustainability of our brands, the ecosystems we depend on, and the communities in which we operate.

Strategic priorities for our Water Stewardship Strategy

To enhance our resilience in an increasingly volatile water context, we prioritise action where it matters most. Our strategy focuses on critical hotspots, areas where our water use overlaps with heightened climate, ecosystem and community vulnerability. These insights inform targeted interventions and the development of a comprehensive water resilience plan, defining clear pathways for both mitigation and adaptation while contributing to long-term community well-being.

We will focus on 2 strategic priorities:

Ensure water availability

Understand, assess and minimise the amount of water we use across our operations.

Protect water quality

Monitor and actively reduce our impact on water pollution.

Scope of the policy

Activities

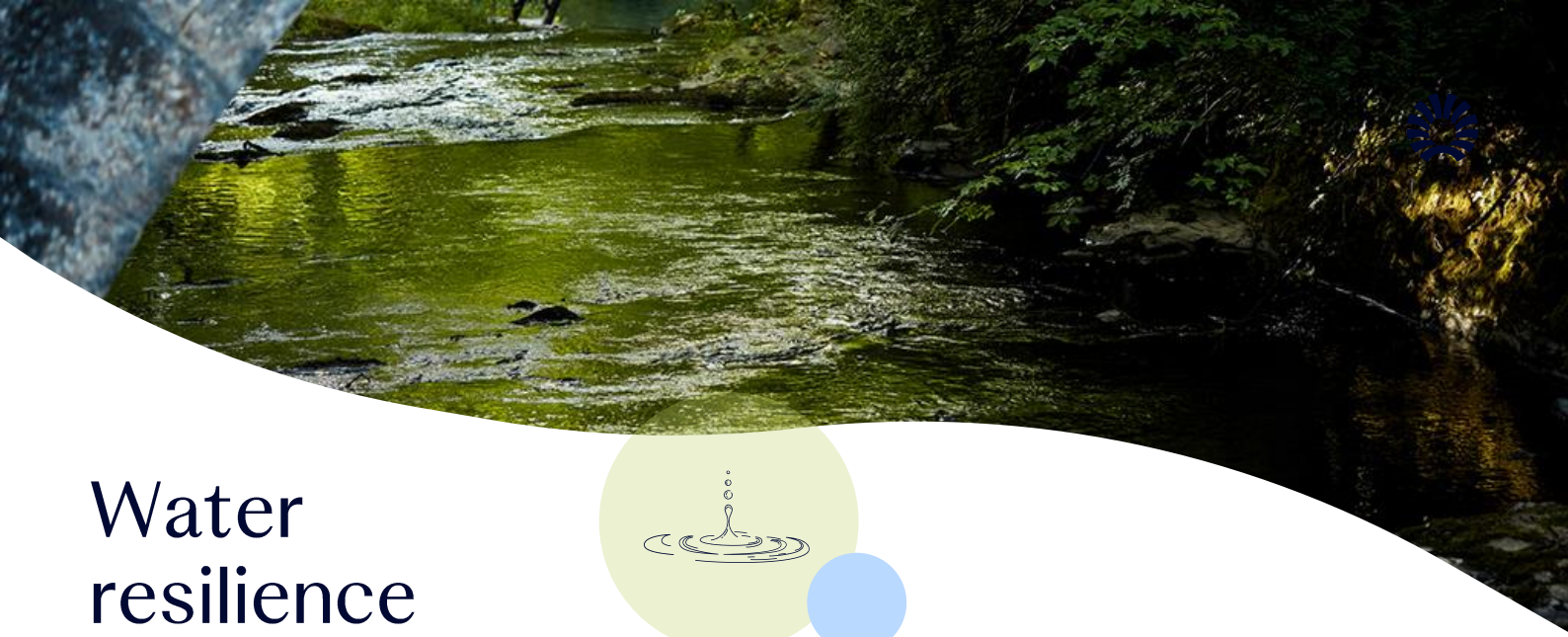
Our water stewardship policy covers both agricultural and industrial activities, reflecting the full extent of our value chain in which water plays a critical role.

The **agricultural activities** cover our own vineyards and agave fields, as well as external agricultural sourcing in all regions. Given our strong connection to terroirs - a specific place where an ingredient is grown - and the essential role of water in growing our raw materials, all agricultural sources have been carefully assessed.

The **industrial activities** cover our own manufacturing sites, Indian dedicated copackers, as well as upstream suppliers such as packaging and point-of-sale materials. Downstream activities have not been included in this assessment as they contribute only marginally to the Group's total water footprint and are not considered material in terms of water-related risk.

Timeframe

Agricultural activities		Industrial activities
We leverage our multi-impact analysis from our Terroir Risk Mapping and SBTN analysis conducted every 3 years as presented in our Terroir & Nature policy. Each update aims at improving data granularity and local communities' involvement.	2018	Our Water Resilience assessment is based on our annual water data, as well as future vulnerabilities 2030. The objective of the policy is to define a list of priority sites that will be reassessed every 3 years.
	2030	



Water resilience

Structured approach to understand current and future risks

We see the pursuit of resilience as a systemic strategy focused on mitigating existing pressures and anticipating and preparing for future disruptions. This approach involves actively reducing our impact today, while exploring alternative and adaptive models for tomorrow.

To assess the levels of risks, we follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we use the Science Based Targets for Nature (SBTN) framework.

Given the global footprint of our operations, it is essential to go beyond general assessments and consider local realities at the watershed level, enabling us to take targeted local action where it is most needed.

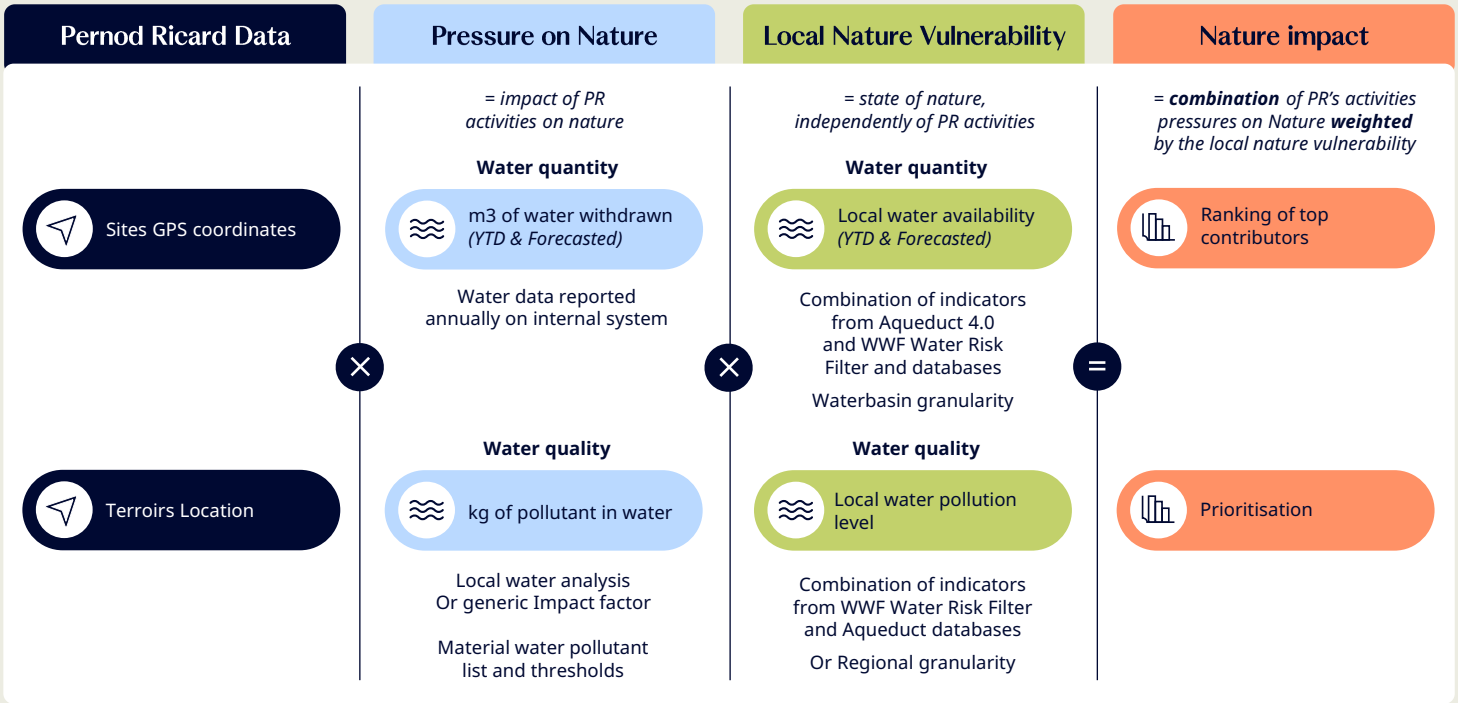
We assess the level of water-related risks to our assets and suppliers based on two key parameters:

Pressure on nature

The direct or indirect impact of Pernod Ricard's activities on the environment.

Local natural vulnerability

The current state of nature, regardless of our activities.



Enabling the definition of water hotspots...

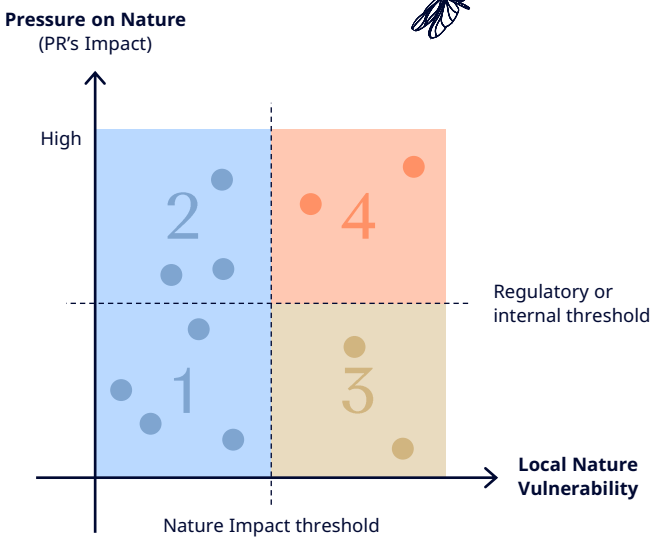
This comprehensive approach helps us identify hotspots and focus our efforts on the sites and suppliers that have the greatest impact on water resources, particularly in the most vulnerable areas.

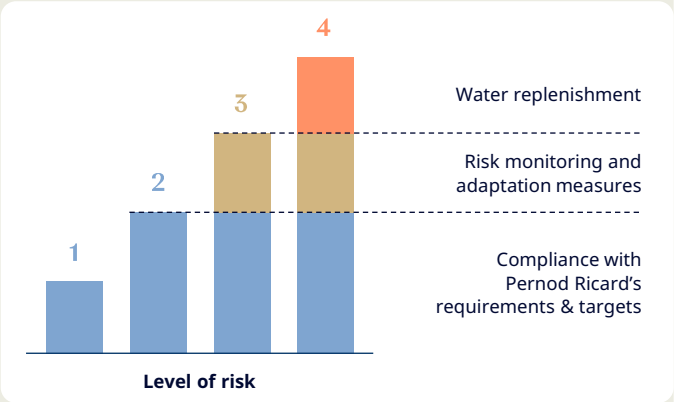
Within our own operations, each site is **classified on a 1 to 4 scale** regarding its ranking for Local Nature Vulnerability and Pressure on Nature.

Two separate rankings are established:

- One for quantity-related risks
- One for quality-related risks

Sites ranked in **categories 3 and 4 are pre-designated as hotspots and reviewed by local affiliate experts to confirm, adjust or remove them as hotspots.**





...and adapted action plans

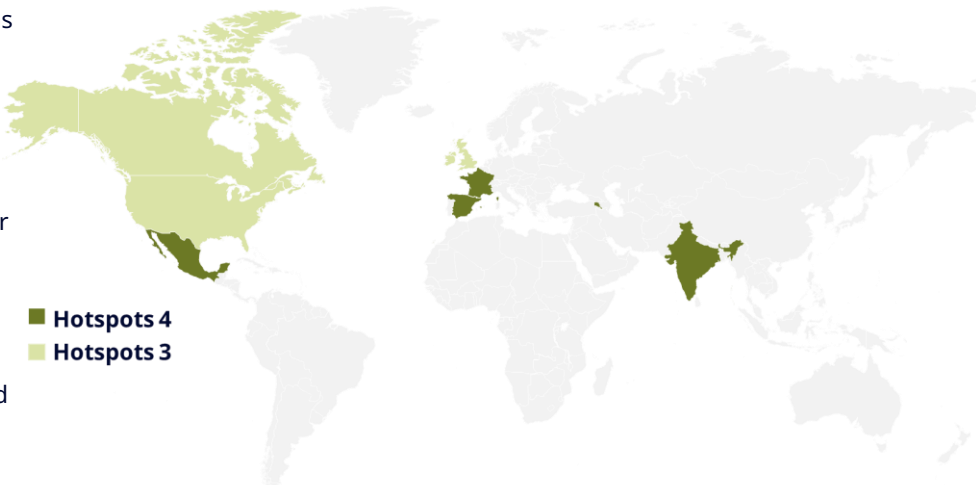
The action plan for each site is then tailored to its ranking. Each score involves the implementation of mitigation and adaptation actions in line with the site's level of risk.

The effectiveness of these actions is monitored through specific targets addressing key sustainability impacts, risks and opportunities. Progress is tracked and reported annually in our Universal Registration Document (URD), ensuring transparency and accountability over time.

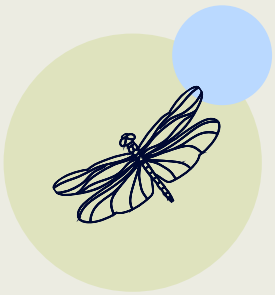
For farming operations, as part of the Nature & Terroir Policy we have defined our hotspots Terroirs as the ones that most contribute to significant pressures and vulnerabilities on all our impact areas including water withdrawals and pollution. For these terroirs, mitigation and adaptation plans are implemented through regenerative agriculture practices to reduce the pressures on resources and enhance nature recovery.

Map areas facing water challenges & act on hotspots

Maintaining a regularly updated map of areas with water availability challenges (stress, depletion...) helps identify the most vulnerable sites and terroirs - across our industrial operations, vineyards, agave fields and key upstream wet goods, packaging and point-of-sale activities.
Combining this vulnerability analysis with our pressure assessment helps us classify our sites under the 4 categories presented in the previous section, among which 3 & 4 are considered hotspots. We pay particular attention to hotspots sites where we implement in-depth local risk monitoring and implement adaptation & remediation measures.



Water availability management



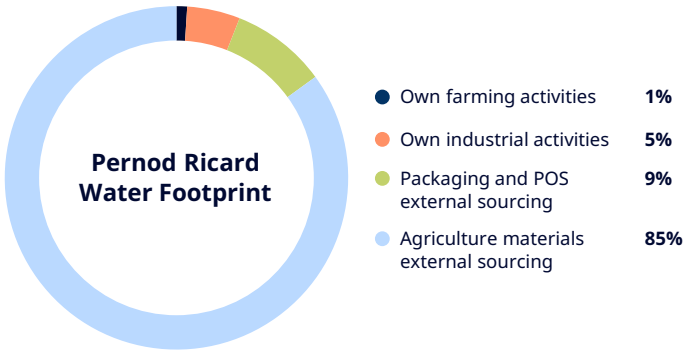
We are focusing on four key actions to effectively manage our water footprint and promote sustainable use throughout our value chain. These actions help us better understand how water is used, reduce our impact and ensure responsible water management where it matters most:

- Accurately measure and understand water use
- Map areas facing water availability challenges and identify hotspots
- Reduce impacts and rethink water management practices
- Replenish water resources

Actively measure & understand water use

Map water flow and collect accurate data in our own operations

We develop detailed water flow maps for all our industrial sites - a key step to understand and manage water use across our operations. We also ensure that all industrial sites, vineyards and agave fields are equipped with water meters to accurately measure both consumption and abstraction. By collecting accurate, real-time data, we strengthen our ability to monitor, manage and ultimately reduce our water footprint, supporting our commitment to using water responsibly and efficiently where it matters most.



Own farming activities	1%
Own industrial activities	5%
Packaging and POS external sourcing	9%
Agriculture materials external sourcing	85%

Map water withdrawals in our upstream value chain

A global mapping of water withdrawals across our upstream operations helps us identify the most water-intensive areas within our wet goods, packaging and point-of-sale supply chain.
By building a clearer picture of where water is being used the most, we are able to prioritise actions where they can have the greatest impact, contributing to a more efficient and responsible use of water throughout our value chain.

Consolidate and quantify our global water footprint

Building on our efforts to measure and map water use across our operations and supply chain, we consolidate primary water data from our industrial sites, vineyards and agave fields to more accurately assess water use. This baseline assessment improves continuously our understanding of how water is used in our direct operations. In parallel, we match volumes of purchased materials to generic water impact factors to estimate use within our upstream activities for wet goods, packaging and point-of-sale materials. Together, these actions enable us to more fully quantify our water footprint, guide future decisions and support our goal of optimising overall water use.

Reduce impacts & rethink water management practices

Industrial sites

We aim to reduce our water consumption intensity by 20% in all distilleries by FY30 with a reference year of FY18. We have already started and will continue to implement water reduction measures such as Mechanical Vapour Recompression (MVR) technology, along with recycling and reuse measures, at our industrial sites to improve water efficiency. These solutions are designed to reduce overall water consumption. By improving efficiency, we also expect to reduce our water intensity and operating costs.

On top of distilleries, for all our industrial sites that have been shortlisted as hotspots we aim to deep dive the understanding of the watershed constraints with local expertise and work on dedicated targets & reductions pathways.

Farming activities

We have already started to use advanced irrigation methods, such as buried drip irrigation, to improve water efficiency in our farming operations. These techniques enable precise control of water withdrawals and significantly reduce overall consumption. In parallel, we are developing regenerative hydrology systems to strengthen water resilience over the medium and long term. This includes increasing soil organic matter and integrating viti-forestry practices into our vineyards and agave fields. These actions are expected to deliver multiple benefits beyond reducing water use, including improved soil health, crop resilience, and local biodiversity.
In hotspot terroirs where water availability is a key challenge, we work with our suppliers to implement regenerative agriculture practices that reduce pressure on water withdrawals and improve soil water retention capacity.

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Water quality protection

To manage water pollution and protect the ecosystems and communities that depend on clean water, we focus on four key actions across our operations and farming activities:

- Measure and Track Water Quality
- Understand and Monitor Watershed Pollution to Identify Quality hotspots
- Reduce Water Pollution
- Remediate Water Pollution Incidents

Measure and track water pollution from our industrial sites and own farming activities

To ensure compliance with environmental standards, protect ecosystems, and safeguard community health, we are committed to implementing continuous monitoring systems to measure and track water pollution across our industrial sites, vineyards, and agave fields. In addition to identifying sources of pollution and enabling informed decisions to reduce our impact, monitoring pollutants in our farming activities also protects soil health and ecosystems.

Understand & monitor watershed pollution to identify quality hotspots

A regularly updated map of water pollution hotspots helps us identify the most vulnerable sites and regions across our industrial operations, vineyards and agave fields to ensure our efforts to manage and reduce water pollution are focused where they are most needed.

Reduce water pollution

Treat wastewater from industrial sites

To reduce water pollution and protect ecosystems and community health, we plan to install wastewater treatment systems at our industrial sites ensuring that all effluent meets environmental standards before discharge.

Reduce and/or ban the use of hazardous chemical inputs at own vineyards and agave fields

We work to reduce and phase out hazardous chemical inputs in our vineyards and agave fields by developing and enforcing alternative schemes for crop protection and nutrition. These will be progressively replaced by regenerative agricultural alternatives such as biocontrol solutions and organic fertilisers, helping to minimise water pollution, improve soil fertility and reduce dependence on synthetic inputs.

Support the reduction of hazardous chemical inputs in the upstream supply chain

In our terroir hotspots where pollution has been identified as a key challenge, a specific focus is made on this within a regenerative agriculture programme. We work with our upstream suppliers to implement practices that reduce the use of chemical inputs.

Remediate pollution incidents

Mitigate environmental incidents at our industrial and farming sites

We mitigate environmental incidents at our industrial sites, vineyards and agave fields by implementing a reporting system to document and analyse all incidents and help prevent future occurrences. In parallel, we will develop and implement a comprehensive mitigation action plan to address and resolve incidents promptly.

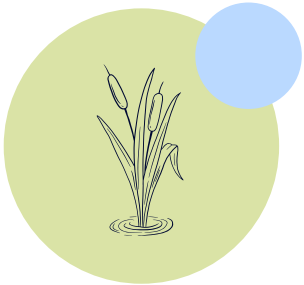
Replenish water resources

Water replenishment initiatives

We implement water replenishment projects with the ambition of achieving 100% replenishment of the water used at our industrial sites, and co-packing facilities by 2030. Hotspot locations (Category 4) have been prioritised, as they represent areas experiencing high water stress, meaning our sites exert significant pressure in water-sensitive environments, in terms of either water availability or water quality. Following the mitigation measures described previously, we deepen our understanding of local watershed conditions with the support of local expertise. This enables us to identify the most relevant water replenishment projects to implement, focusing either on improving water availability or water quality. We follow the recommendations of the WRI Volumetric Water Benefit Accounting method to implement projects related to:

- Agricultural best management practices
- Demand Management
- Green or grey infrastructure
- Land Conservation & restoration
- Water, Sanitation, and hygiene (WASH)

By actively replenishing, restoring and protecting watersheds, we not only secure our own water supply but also support local ecosystems and communities by addressing the specific impacts that affect them.



Governance

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

Sustainability & Responsibility Leads within affiliates ensure that water 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 water-related 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).

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 water stewardship ambition and strategy for the Group

Coordinates resilience plan, roadmaps & reporting

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

Brings expertise to create / review water stewardship strategy & resilience plan, create roadmaps & set targets

Co-creation of climate roadmaps & monitoring of performance

Affiliates
Local implementation of water stewardship roadmaps and reporting on progress

Oversees & guides the development of transition plans & related budget

Water-related variable compensation for senior executives

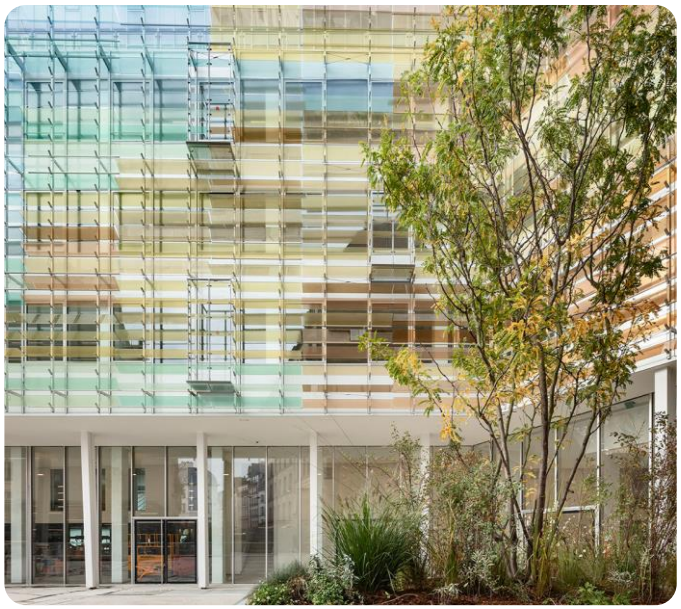
The annual variable remuneration of the Chairman, CEO, and relevant members of the Executive Committee includes non-financial CSR criteria, with specific water management KPIs, such as progress in reducing water consumption intensity across the Group's operations. These targets are adapted to each executive's responsibilities and annual priorities.

Long-term incentives

Performance shares are granted based on both financial and non-financial criteria. A key objective is the implementation of the roadmap to achieve a 20.9% reduction in water consumption intensity at the Group's distilleries by 2030. This applies to performance shares granted to the Chairman, CEO, and senior executives.

Dissemination & enforcement

The Sustainability & Responsibility team at headquarters oversees the implementation of the Water Stewardship 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.

Glossary

Hotspot	A combination of a business activity and a location that have been identified as being at risk concerning water, or that contribute to major water-related impacts.
Point-of-sale materials (POS)	Pernod Ricard's point-of-sale materials refers to the branded items and promotional tools used at retail locations to market and display their products. These materials can include branded signage and displays, promotional stands or shelves, menus and drink cards, coasters, bar mats, glassware, event kits and sampling tools. These items are designed to enhance product visibility and influence consumer purchasing decisions at the point of sale.
Universal Registration Document (URD)	Pernod Ricard's URD serves as a key communication tool for stakeholders, including investors, customers, employees, and regulatory bodies. It includes information concerning financial statements, governance, business activities, sustainability & responsibility and risk management. The URD is designed to provide a holistic view of Pernod Ricard's performance and strategic direction, helping stakeholders make informed decisions and understand the company's commitment to sustainable growth. It is legally binding, verified and approved by statutory auditors.
Water replenishment	Replenishment activities seek to return water to ecosystems and communities so that the water used by industrial and agricultural operations is “balanced” or “offset.”
Water stress	The ratio of total water demand to available renewable surface and groundwater supplies. Water demand includes domestic, industrial, irrigation, and livestock uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability.
Water depletion	Baseline water depletion measures the ratio of total water consumption to available renewable water supplies.

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.