10.3.2 Management report

This Universal Registration Document contains all components of the management report as required by Articles L. 225-100 *et seq*., L. 232-1-II and R. 225-102 *et seq*. of the French Commercial Code (*Code de commerce*), to which the corporate governance report is attached.

Component	Main reference	Pages
THE GROUP'S FINANCIAL POSITION AND BUSINESS		
The Company's financial position during the past financial year and an objective and exhaustive review of the development of the business, financial results and financial position of the Company and the Group, particularly concerning its debt position, in light of the volume and complexity of its business	Articles L. 232-1 II 1°; L. 233-6 and L. 233-26 of the French Commercial Code	301-305
Financial KPIs	Articles L. 232-1 II 4° and L. 233-26 of the French Commercial Code	300-301
Non-financial key performance indicators relevant to the Company and the Group's particular business	Articles L. 232-1 II 4° and L. 233-26 of the French Commercial Code	6; 8-9; 21-22; 100-272
Significant events that occurred between the reporting date and the date of the management report	Articles L. 232-1 II 1° and L. 233-26 of the French Commercial Code	363
Forecast developments in the Company's and the Group's position and outlook	Articles L. 232-1, II 1° and L. 33-26 of the French Commercial Code	27; 306
Identity of the main shareholders and holders of the voting rights at Shareholders' Meetings, and changes that have occurred during the financial year	Article L. 233-13 of the French Commercial Code	426-430
Existing branches and activity of the Company's affiliates	Articles L. 232-1 II 3° and L. 233-26 of the French Commercial Code	14-22; 364-366; 392-393
Significant shareholdings in companies whose registered office is in France	Article L. 233-6 1° of the French Commercial Code	N/A
Disposals of cross-holdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	N/A
Research and development activities	Articles L. 232-1, II 2° and L. 233-26 of the French Commercial Code	20-21; 26-27; 210
Five-year financial summary	Article R. 225-102 of the French Commercial Code	395
Information on payment terms for customers and suppliers	Article D. 441-6 of the French Commercial Code	394-395
Amount of inter-Company loans granted and statements by the Statutory Auditor	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A
Information on key intangible assets	Article L. 232-1, II 7° of the French Commercial Code	14-15; 330-331
INTERNAL CONTROL AND RISK MANAGEMENT		
Description of the main risks and uncertainties facing the Company	Article L. 232-1, II 5° of the French Commercial Code	276-296
Information on the objectives and policy regarding the hedging of each main category of transaction and on exposure to price, credit, liquidity and cash flow risks, including the use of financial instruments	Article L. 232-1, II 6° of the French Commercial Code	293-296
Anti-corruption measures	Act No. 2016-1691 of 9 December 2016, known as the Sapin II law	215-218; 284
Sustainability report	Article L. 225-102-1 I of the French Commercial Code	104-251
Impact of these activities on the fight against tax evasion	Article L. 22-10-35 1° of the French Commercial Code	270-271
Information on initiatives aimed at promoting the bond between the nation and its armed forces and citizens' engagement in local democracy	Article L. 22-10-35, 2° and 3° of the French Commercial Code	N/A
Information on the operation of facilities referred to in Article L. 515-36 of the French Environmental Code	Article L. 232-1-1 of the French Commercial Code	285

This Universal Registration Document contains all components of the corporate governance report as required by Articles L. 225-37 *et seq*. of the French Commercial Code.

Component	Main reference	Pages
COMPENSATION INFORMATION		
Compensation policy for corporate officers	Article L. 22-10-8 I 2°	80-89; 91-95
Compensation and benefits of any kind paid during or awarded for the financial year to each corporate officer	Article L. 22-10-9 I 1° of the French Commercial Code	72-80; 89-91
Relative proportion of fixed and variable compensation	Article L. 22-10-9 I 2° of the French Commercial Code	72-80; 81-88; 91-94
Use of the option to request the repayment of variable compensation	Article L. 22-10-9 I 3° of the French Commercial Code	N/A
Commitments of any kind entered into by the Company for the benefit of its corporate officers, corresponding to compensation, indemnities or advantages due or liable to be due by virtue of their taking up, discontinuing or changing their duties, or following the performance of those duties	Article L. 22-10-9 I 4° of the French Commercial Code	85-89; 90-92
Compensation paid or awarded by a company included within the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	Article L. 22-10-9 I 5° of the French Commercial Code	N/A
Ratios between the compensation of each executive corporate officer and the average and median compensation of the Company's employees	Article L. 22-10-9 I 6° of the French Commercial Code	95
Year-on-year changes in compensation, the Company's performance, the average compensation of the Company's employees and the aforementioned ratios over the five most recent financial years	Article L. 22-10-9 I 7° of the French Commercial Code	95
Explanation of how total compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance and how the performance criteria have been applied	Article L. 22-10-9 I 8° of the French Commercial Code	73-77; 80-85; 92; 94
Explanation of how the vote cast at the last Ordinary Shareholders' Meeting, as provided for in paragraph I of Article L. 22-10-34 of the French Commercial Code, has been taken into account	Article L. 22-10-9 I 9° of the French Commercial Code	89
Deviations from the procedure for implementing the compensation policy and any exceptions	Article L. 22-10-9 I 10° of the French Commercial Code	89-92
Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of Directors' compensation in the event of failure to comply with gender balance requirements on the Board of Directors)	Article L. 22-10-9 I 11° of the French Commercial Code	N/A
Grant and lock-in of stock options by corporate officers	Articles L. 225-185 and L. 22-10-57 of the French Commercial Code	74-78; 93-94
Grant and lock-in of free shares for executive corporate officers	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	74-78; 93-94
GOVERNANCE		
Body chosen to serve as the Company's senior management (if the management structure has changed)	Article L. 225-37-4 4°	31-32
List of all offices or functions held by each of the corporate officers in all companies	Article L. 225-37-4 1° of the French Commercial Code	33; 40-54
Agreements entered into, either directly or through intermediaries, between, on the one hand, a corporate officer or shareholder holding more than 10% of the voting rights in Pernod Ricard SA, and on the other hand, a company controlled by Pernod Ricard SA within the meaning of Article L. 233-3 of the French Commercial Code, excluding agreements relating to ordinary transactions entered into under normal market conditions	Article L. 225-37-4 2° of the French Commercial Code	400
Table and report on delegations in force for share capital increases granted by the Shareholders' Meeting	Article L. 225-37-4 3° of the French Commercial Code	64-65
Composition of the Board of Directors and conditions governing the organisation of its work	Article L. 22-10-10 1° of the French Commercial Code	33-54; 58-63
Description of the diversity policy and related objectives and outcomes with regard to the members of the Board of Directors	Article L. 22-10-10 2° of the French Commercial Code	38-40
Limitations imposed by the Board of Directors on the powers of the Chief Executive Officer	Article L. 22-10-10 3° of the French Commercial Code	31
Reference to the AFEP-MEDEF Code and application of the "comply or explain" principle	Article L. 22-10-10 4° of the French Commercial Code	30
Shareholders' meeting and how to take part	Article L. 22-10-10 5° of the French Commercial Code	69-70
Description and implementation of the procedure for assessing standard agreements	Article L. 22-10-10 6° of the French Commercial Code	55
Factors liable to have an impact in the event of a public takeover bid or exchange offer	Article L. 22-10-11 of the French Commercial Code	68-69

Restrictions provided for in the Company's Bylaws on the exercise of voting rights and share transfers	Article L. 22-10-11 6° of the French Commercial Code	69-70
Shareholders' agreements relating to the securities comprising the Company's share capital	Article L. 22-10-11 6° of the French Commercial Code	69
Key features of the internal control and risk management procedures implemented by the Company and the Group, regarding accounting and financial reporting procedures	Article L. 22-10-10 7° of the French Commercial Code	276-277; 296
SHAREHOLDERS AND SHARE CAPITAL		
Structure and changes in the Company's share capital and threshold crossings	Article L. 233-13 of the French Commercial Code	426-430
Acquisition and disposal by the Company of its own shares	Article L. 225-211 of the French Commercial Code	66-68
Report on employee profit-sharing plans (as well as those for executives), transactions carried out as part of stock option plans reserved for salaried employees and executives, transactions carried out as part of free share grants reserved for salaried employees and executives as of the last day of the financial year	Article L. 225-102 1° of the French Commercial Code	357-358; 74-78; 93-94
Details of any adjustments to securities granting access to the share capital in the event of share buybacks or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	66-68
Information on transactions carried out in the Company's shares by senior management and related parties	Article L. 621-18-2 of the French Monetary and Financial Code	57
Dividends distributed during the last three financial years	Section 243 *bis* of the French Tax Code	392-393; 395; 408
ADDITIONAL INFORMATION		
Additional tax information	Article 223 *quater* and 223 *quinquies* of the French Tax Code	394
Injunctions or financial penalties for anti-competitive practices	Article L. 464-2 of the French Commercial Code	N/A