

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

TEMPLATE FOR COMPANIES

PERNOD RICARD

REPORT SUBMITTED ON **JULY 2024**

Type of business/s ector (E.g. retail, dairy)	Sustainability dimension (E.g. environmental, social)	Code aspirational objective (1-7)	Individual commitments with baseline	Progress on KPIs and goals (qualitative and/or quantitative)	Additional information (optional) (E.g. partnerships, geographical coverage, sharing best practices, links with other COM initiatives, with other reporting initiatives)
Agri-food industry Wine & spirits	Social	1/ <i>Healthy, balanced and sustainable diets for all European consumers, thereby contributing to reversing diet-</i>	Responsible Party – Reduce binge drinking among young adults, reducing alcohol related harm promoting responsible	KPIs: -3 million young adults by 2030 -30 million adults reached digitally by 2025.	Responsible Party (https://www.responsible-party.com/fr) is Pernod Ricard flagship program fighting binge drinking among young adults since 2009. This initiative has 2 main objectives: raising

	<i>related noncommunicable diseases (NCDs) in the EU.</i> - o Aspirational target a) <i>Improved food consumption patterns in the EU</i> - o Indicative actions: <i>promote consumer awareness of healthy, balanced and sustainable diets, including sustainable food consumption, as part of healthy & sustainable lifestyles</i>	consumption and behaviour. Baseline against to which monitor progress The program has reached over 450,000 students in 33 countries since the beginning of the program in 2009. In 2020, 6 million young adults were reached through the Responsible party's digital campaign <i>Sharing Good Vibes</i>. Articulated around the concepts of healthy lifestyles, solidarity and <i>convivialité</i>, this campaign aimed at encouraging young adults to lead a responsible lifestyle.	Progress - Digital: Drink More Water campaign has already achieved the targets and overpass them at scale: - Initially Launched since July 2021 in 32 countries, including 14 EU MS (Germany, Belgium, Netherlands, Romania, Slovenia, Croatia, Bulgaria, Malta, Italy, Poland, Austria, Spain, Greece, France). - Since its launch, by May 2024 Drink More Water campaign had reached: - o Over 400 million people online and - o 9 million people through on-the-ground activations - o in 60 countries Impact Global • <i>Thruplay: VTR 62%. Videos watched until the end –with videos that varied from 8s to 16s</i> • <i>High avrg frequency: 5,32 (n° of times it was repeated in a campaign)</i> • <i>Impressions: 532M (number of impressions of the campaign around the world – n° of times the campaign was seen)</i>	awareness on the risk of alcohol abuse and reducing harm at parties. In Europe, this initiative the result of a close collaboration with Erasmus Student Network (ESN). During the COVID pandemic, the programme activity where adapted to keep connecting with young adults audience for fighting against binge drinking. DRINK MORE WATER by Responsible Party Pernod Ricard is committed to fighting binge drinking around the world, notably through its Responsible Party flagship programme which aims to raise awareness of the risks of binge drinking and reducing harm linked to this dangerous drinking practice. Wholly separate from the Group's brands, the programme has its own visual identity and is based on a peer-to-peer approach. Originally launched in 2009 in partnership with Erasmus Student Network, the largest European student organisation, its scope has
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			Focus France • The campaign gained a reach of 6.7 million with a frequency during the campaign period of 4.76. The impressions were at 32.1 million. • Reach on Target : 71% • Thruplay : 58%. Brand lift • Ad recall • +8.5% point lift in Ad Recall • An additional 522k people can remember seeing DMW Ads in the 2 days prior to being polled • Favourability: • +2.5% point lift (favorable opinion) • An additional 152k people now have a favourable opinion of 'Drink More Water' • Self-assessed probability of behaviour change to drink more water • +2.0% point lift in consumers being more likely to drink water when they are on a night out • an additional 122k people said they would now consider this after seeing DMW ads	since expanded from students to the young adult population at large and now includes the “DRINK MORE WATER” campaign. “DRINK MORE WATER” is an innovative campaign launched in 2021 to broaden the programme's scope and reach more young adults during and after the Covid-19 pandemic. Its message, “DRINK MORE WATER”, is a clear and universal call to action reflecting a bold campaign that targets Gen Z by speaking their own language. Since the launch of the DrinkMore Water campaign in 2021 it was implemented in 60 countries. The online campaign has proven highly successful, reaching more than 400 million young adults, and the on-the-field programme has reached 9 million young adults through activations during iconic music festivals, carnivals, events, and student parties. It was awarded Gold at the first Health Communication
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					Grand Prix held by French marketing magazine Stratégies. . https://www.responsible-party.com/fr By the end of 2025, the DMW campaign goal to reach ONE BILLION young adults.
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Agri-food industry Wine & spirits	Environmental	3. Climate neutral food chain by 2050.	Net Zero ambition for our scopes 1 & 2 carbon emissions by 2030 at the latest and -50% intensity scope 3 by 2030 (as approved by the SBTi) Indicators and baseline For scope 1 & 2 emissions, target to reach net zero by 2030 at the latest, going beyond our Science-Based Target to reduce by 30% in absolute value our emissions by 2030.	1/ Reduction of Scope 1 & 2 GHG emissions (vs FY18) FY 2023 Scopes 1 & 2 carbon emissions have fallen -12% in absolute value. 2/Reduction of financial intensity of Scope 3 GHG emissions (vs FY18) FY 2023 we have reduced by -18% the financial intensity (<i>tCO2e/€ of profit from recurring operations</i>) of Scope 3 emissions.	<u>1/Initial objective: aligned with 2°C</u> New science-based targets aligned with a 1.5°C trajectory In May 2024 Pernod Ricard's revised near- and long-term science-based GHG emissions reduction targets in line with a 1.5°C trajectory were approved by the Science Based Targets initiative (SBTi) with the following timeline: In the near-term (FY30), Pernod Ricard commits to reducing absolute scope 1 & 2 emissions by 54% by FY30 from a FY22 baseline. The Group also commits to reducing absolute	Pernod Ricard generates emissions contributing to climate change in a range of ways: - directly, by using fossil fuels on sites (Scope 1) and consuming electricity that generates GHG emissions (Scope 2); - indirectly, through upstream and downstream activities (agricultural raw materials, packaging, logistics, etc.) (Scope 3). Mitigating and adapting to climate change is a major

		For Scope 3 (emissions in our value chain), our aim is to reduce our overall intensity by 50% by 2030, in line with the Science-Based Targets. To achieve this we will work with all our suppliers both in agriculture and packaging. Between 2010 and 2020 we had already reduced by one-third the carbon intensity of our industrial operations (scope 1 and 2, i.e. direct CO2 emissions from energy consumed by production sites and indirect emissions from the energy purchased by our production sites)	scope 3 FLAG (<i>forest, land and agriculture</i>) emissions by 30.3% and non-FLAG emissions (<i>purchased goods and services, upstream transportation and distribution</i>) by 25% within the same timeframe. • In the long term (FY50), Pernod Ricard commits to reducing its absolute scope 1 & 2 emissions and its scope 3 non-FLAG emissions by 90% by FY50 from a FY22 baseline. Pernod Ricard also commits to reducing absolute scope 3 FLAG emissions by 72% within the same timeframe. With 95% of its emissions linked to its scope 3 in FY23 (including 49% linked to agriculture, 25% to packaging, and 8% to transport), these new science-based targets aligned with a 1.5°C	area of focus for Pernod Ricard's environmental policy. The Group is working on reducing the CO2 equivalent emissions generated throughout its supply chain and on adapting its business to ensure resilience to climate-related risks. Pernod Ricard is committed to minimising resource use at every step in its value chain by imagining, producing, and distributing products and experiences in more optimised and circular ways. The biggest challenge lies in the Group's supply chain, with the sourcing of natural ingredients and packaging. In FY23, Pernod Ricard worked to improve the quality
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				trajectory demonstrate Pernod Ricard's ambition to tackle emissions on its own operation sites and throughout its value chain by working closely with its suppliers. This ambition will be achieved through robust carbon reduction roadmaps and measures including: • Distilleries: Procuring renewable electricity, moving to alternative energy sources (biomass, biofuels), using new technologies including for heat recovery, and driving energy efficiency. • Packaging: Decreasing bottle weight, augmenting recycled content, innovating and exploring new materials and developing closed-loop distribution models. • Transport and logistics: Optimizing shipping loads, switching to electric or biofuel-powered transportation and exploring alternative	of its carbon emissions assessment, working closely with its suppliers to collect specific emissions factors for 20% of its Scope 3 GHG emissions. The Group also undertook an upgrade of its climate-related risks and opportunities assessment with extensive work done to evaluate the vulnerability of its resources and resilience of its business. In FY23, the Group expanded its climate governance by creating a Net Zero Strategy Steering Committee tasked with designing an ambitious yet realistic Net-Zero 2050 pathway that is compliant with the latest SBTi Corporate Net-Zero standard
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					modes of transportation. • Agriculture: Implementing regenerative agricultural practices aimed at restoring natural ecosystems, reducing carbon emissions and enhancing carbon sequestration in the soil.	and the SBTi's new FLAG Guidance for integrating agricultural emissions. More specifically, the Committee is charged with revising the Group's carbon targets by exploring pathways and assessing feasibility based on projected growth as well as internal and external levers. Sponsored by three Executive Committee members (EVP Finance & IT, EVP Global Operations and EVP Corporate Communication, S&R and Public Affairs), it includes the Operations, Procurement, and S&R Directors;
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Agri-food industry Wine & spirits	Social	5. Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	By 2030, top management team will be gender balanced (balance considered achieved with a range of 40-60%). Baseline: 27% (mid 2021)	In FY23, 36% of women in our top management.	Pernod Ricard has made diversity a focus for its leaders through the “Better Balance for Better Business” initiative. This programme aims to raise awareness on the value of diversity throughout the business with a focus on gender and nationality and laid the foundation to address any other dimension of diversity. Since the start of a Better Balance journey in 2015, Pernod Ricard increased the percentage of women in Top Management from 19% to 36% in FY 2023	To move the needle further, not just in terms of gender, but all aspects of diversity, the group have designed a new focused roadmap, "Better Balance: Inclusive Diversity". Local affiliates' leadership teams set up their own Better Balance agenda, supported by the global Initiative.

					During FY23 the Group launched its global Diversity & Inclusion framework, which involves detailed KPIs to translate four objectives – talent management, workplace culture, innovation, and reputation – into improved business performance.	
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Background to the report Pernod Ricard's EU Code of Conduct pledges - July 2024

Our company mission is to **unlock the magic of human connections by bringing 'Good Times from a Good Place'**. This mission places Sustainability and Responsibility (S&R) at the heart of our business and all our activities.

S&R among the 6 top trends for 2022 identified by the Cultural Foresights team. Consumers want a greener, more sustainable, more inclusive world, and **expect companies and their favourite brands to take stronger positions** on the climate emergency, social justice, health and wellbeing, working conditions, and other S&R topics.

Our 'Good Times from a Good Place' S&R strategy is built 4 pillars:

- **Nurturing Terroir** – all products come from nature/agriculture – this is about protecting these natural ingredients and the places they come from.
- **Valuing People** - which is about care and respect for people everywhere;
- **Circular Making** - which is about minimising our impact whilst making our products,
- **Responsible Hosting** - which is about **fighting alcohol misuse in society** and making sure we market/sell our products in the right way

Valuing people is about sharing warmth, care and respect for all the people around us. We strongly believe in creating a **work environment where everyone can thrive from our own employees to our suppliers and customers** ... and it starts with our employees.

- **Diversity and Inclusion** is one of them. As a company with employees in more than 70 countries, it is really crucial for us to reflect the diversity of our consumer base. Last year we launched a global D&I council who have been working on strengthening the global D&I framework, implementing leadership training and supporting other local initiatives.
- **We've made good progress on gender balance...** We've gone from 19% women in top management roles to 36% since 2015 and we are committed to having a gender balanced top management team by 2030. We have also **reached equal gender pay**.

Circular Making is all about how we imagine, produce and distribute our products in a way that **minimises waste, reduces carbon emissions and makes us less reliant on natural resources such as water**. We strive to create a more circular business at every step, from agriculture to manufacturing, packaging and transport. Every year, our activities emit 3m tonnes of carbon, which is one of the main reasons for climate change. **Our commitment is to follow a Net Zero trajectory by 2050, in line with a 1.5°C scenario.**

There are two things to tackle – our own emissions in distilleries and vineyards, and the ones from our suppliers. Our own sites actually only represent 9% of our total emissions, while the production of natural ingredients, packaging and transport account for over three quarters of our emissions, That's why we are working with all our production sites AND all our suppliers.

- **In our distilleries and vineyards**, we're trying to use less energy (installing new efficient machines, such as boilers at **Irish Distillers**), and to change the kind of energy we use:
 - Removing fossil fuels (oil, gas, coal), such as **Absolut**
 - Replacing with biofuels, such as **Chivas Brothers**
 - Using electricity where possible - **Martell Mumm Perrier-Jouët** now use electric automated tractors. **Pernod Ricard Winemakers** has installed solar panels in its vineyards. Our Group commitment is to have 100% renewable electricity (from wind or solar for example) by 2025.
- **Most of our packaging is glass, and glass is good news because it's infinitely recyclable.** But glass is heavy.. and takes a lot of energy to produce and transport. **So we're**
 - o **reducing the weight** - **Plymouth Gin** has reduced the weight of its bottle by 15% for example,
 - o **rethinking the materials we use.** **Absolut** partnered with a start-up and other industry leaders to develop a paper bottle. **Perrier-Jouët** designed a new gift box which is made from 100% natural fibers, which is lighter and entirely recyclable.
 - o **increasing the amount of recycled glass** – **Absolut** now has over 50% recycled content which is remarkable for a transparent bottle, **Ricard** has 81% recycled content
 - o **looking at new technology with glass manufacturers** – **Jameson** recently trialed new technology that could reduce up to 90% of carbon emissions
 - o **working with others to increase glass recycling in markets** –

- **As for transport** - we're also looking at ways to reduce our carbon emissions by using alternative energies. **Lillet** saves 90% CO2 emissions in its logistics by using bioethanol
- **We are also committed to reducing waste and sending less to landfill.** This year, we successfully eliminated all single use plastic POS.. which avoided us producing 71 million single plastic items last year. **Our ambition now is for all POS materials to be recyclable, reusable or compostable by 2025.**
- **We're finding ways to reuse the by-product from distillation** –many of our distilleries use their by-product to produce tonnes of feedstock for animals.
- We use **water** for land irrigation, manufacturing and packaging. We've already reduced our water consumption by 27% since 2020 and our commitment is to give back all the water we use in high-risk areas by 2030.

Responsible Drinking.- As a responsible company, we want to ensure our brands are enjoyed responsibly. We believe that there is no conviviality in excess and that we have a duty to help consumers make responsible choices.

We are all ambassadors! That's why we've developed a mandatory **e-learning** on alcohol and responsible drinking for all employees. And, all our marketing and commercial teams must complete an e-learning on our **Code for Commercial Communications**.

Today, we are proud to contribute to more than **150 global and local programmes** in close collaboration with industry, governments and local partners – key to this is ensuring that they are evaluated to demonstrate impact.

For more than 14 years now, we've been supporting the **Responsible Party** initiative aimed at tackling binge drinking among young adults. This flagship programme now also has grown at scale through a digital campaign, with '**Drink More Water**'. **By May 2024 Drink More Water campaign** has reached over 400 million people **online** and **9 million people through on-the-ground activations**, in 60 countries, and we're still counting! By the end of 2025, the DMW campaign goal is to reach one billion young adults globally. – see below geographical scope of the DMW campaign.

WHERE WILL THE V2 LAUNCH?

