

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

TEMPLATE FOR COMPANIES

PERNOD RICARD

REPORT SUBMITTED ON 29 APRIL 2022

Type of business/sector (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

related noncommunicable diseases (NCDs) in the EU.

- Aspirational target a) Improved food consumption patterns in the EU
- Indicative actions: promote consumer awareness of healthy, balanced and sustainable diets, including sustainable food consumption, as part of healthy & sustainable lifestyles

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 *Sharing Good Vibes*. Articulated around the concepts of healthy lifestyles, solidarity and *convivialité*, this campaign aimed at encouraging young adults to lead a responsible lifestyle.

Progress

- Few events on the ground due to Covid restrictions.
- **Digital: Drink More Water** campaign
- **Launched in 32 countries**, including 14 EU MS (Germany, Belgium, Netherlands, Romania, Slovenia, Croatia, Bulgaria, Malta, Italy, Poland, Austria, Spain, Greece, France).
- **111M reach (*) over 9 months** (July 21- March 22)
 - 14 M organic reach
 - 86M paid reach
 - 8M influencer reach
 - 3M Vice (media) reach

TOTAL: **111 106 941** over 9 months on 30 markets

Organic:	Paid media:	Influencers:	Vice:
13 840 000	86 120 573	8 097 578	3 048 610

On average 48% reach within our targeted audience (LDA - 30years' old)

- **Impact**
 - a) **Social demographics**
 - 70% impressions (**) among the 18-35 target which is aligned with the *Drink More Water* target age
 - 62% impressions most impactful among the 20-30 target age

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.

Therefore the *Drink More Water* campaign was born last summer, in July 2021. Since then, the campaign has been implemented in 32 countries, reaching more than 111 million people online and continues to be extended to more countries and on the ground activations since few months.

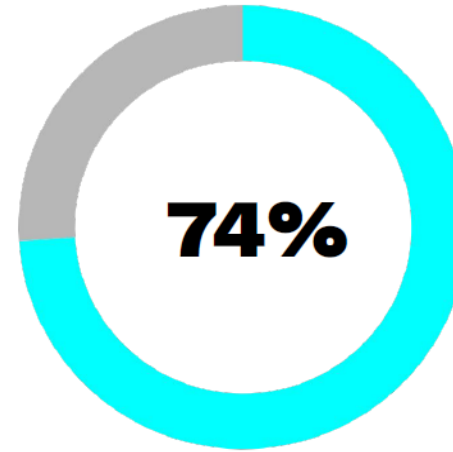
It was awarded Gold at the first Health Communication Grand Prix held by French marketing magazine [Stratégies](#).

. <https://www.responsible-party.com/fr>

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| | | | <ul style="list-style-type: none">○ On 19 countries (focus analysis) – the campaign generated 231M impressions, 1,3M clicks, and sparked interest within the target age, the assets were relevant for the communication method used.○ Click rate was 0,55% which is higher than the standard click rate identified for 2021(0,26%). This shows that the message was positive- it is concrete and anchored in the values oof users, being centered around their actions. <p>b) Impact study from the partnership with Vice Media (Vice BLS different method): 70% exposed to the campaign on VICE has a favorable opinion and said the campaign is relevant for them. The results exceed the VICE benchmark (set at 51%).</p> | |
|--|--|--|---|--|

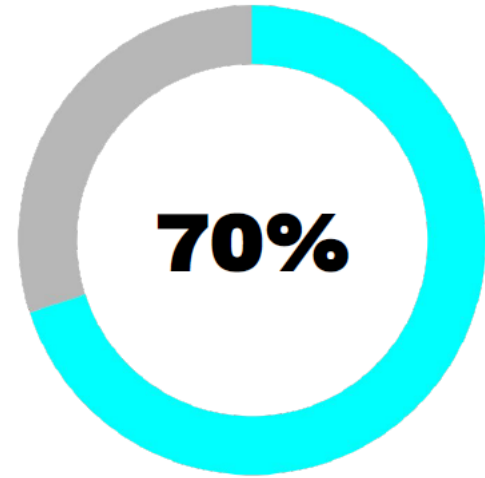
- Love/like it: 74%

"Based on the ad you recently saw for the DRINK MORE WATER campaign on vice.com,
how do you feel about it?"
(%Love it/%Like it)



- Relevance: Very relevant/somewhat relevant: 70%

"Based on the ad you just saw for the DRINK MORE WATER campaign on vice.com,
how relevant is the campaign to you?"
(%Very relevant/%Somewhat relevant)



(*) **Reach** is the total number of unique people who see the content
(**) **Impressions** are the number of times the content is displayed, no matter if it was clicked or not)

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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.	Scope 1+2: Since FY18 , Scopes 1 & 2 carbon emissions have fallen by 1% in absolute value From FY10 to FY21 the Group has reduced its emissions from 358 to 295 kt CO2e, a -17,5% (reduction despite a +25% growth of the production of alcohol distilled) thanks to a -34% reduction of the carbon intensity	Previous objective: aligned with 2°C Reduce our Scope 1 + 2 (own manufacturing plants) by 30% absolute target (2030) (base year 2018). FY18 baseline was c 300kt CO2, which, with business growth, could equate to c. 450-500kt by 2030. 30% absolute reduction meant reaching level of c. 210kt by 2030 (>50% intensity reduction) in line with SBTs New objective: We are committed to following a science-based Net Zero trajectory by 2050 in line 1.5 °C.	Pernod Ricard generates carbon emissions in several ways that contribute to climate change: <ul style="list-style-type: none"> • directly, through the use of fossil fuels on sites (Scope 1) and due to the electricity consumed, whose production generates greenhouse gases emissions (Scope 2); • indirectly, through products (agricultural raw materials, packaging, etc.) and services (transport, etc.)

		<p>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.</p> <p>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)</p>	<p>of its direct operations.</p> <p>Scope 3:</p> <p>From FY18 to FY21 we have reduced by 2% the scope 3 intensity (tons of total CO2 footprint per € profit)</p>	<p>We are reviewing our climate mitigation strategy to understand opportunities to enhance our ambition.</p> <ul style="list-style-type: none"> • Scope 1 & 2 = -55% in absolute value by 2030 avoiding emissions and reducing emissions. Currently at 300K CO2/year. • Scope 3 = Reduce Scope 3 by 50% intensity by 2030 (currently defining new reduction target): being developed with suppliers - includes all supplies (raw materials, dry goods...) and transportation up to our customers (*) Currently 2-3mt CO2/year. <p><i>(*) Not the downstream footprint to consumer</i></p> <p>The long-term reduction targets (2050) are not defined yet.</p> <p>For residual emissions until 2050, we are committed to create carbon sinks and implement other carbon</p>	<p>purchased (Scope 3).</p> <p>To help reduce climate change, our Group follows a two-step approach consisting of:</p> <ul style="list-style-type: none"> • assessing its carbon footprint throughout the supply chain to identify priorities; • implementing relevant measures to reduce direct and indirect emissions, working with production sites, farmers and suppliers. <p>This year, as part of the acceleration of our carbon reduction roadmap, the Group consolidated projects and reduction opportunities with projected investments to achieve our scope 1 and 2 targets.</p>
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					<p>removal measures in our value chain and outside our value chain. Carbon sequestration can be done through green carbon (forests), brown carbon (soil) projects and link to terroir and agriculture, or blue carbon (mangroves)</p>	<ul style="list-style-type: none">• A taskforce has been set up with the main distilleries to identify technologies that will help achieve Scope 1 SBTs.• Weight reduction for many bottle types has already led to a significant reduction in the carbon footprint from glass.• Discussions are to be hold with our main suppliers to set carbon reduction action plans regarding Scope 3 emissions.• A reporting tool and process will be designed and implemented to better measure progress towards Science Based Targets.
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<p>Agri-food industry Wine & spirits</p>	<p>Social</p>	<p>5. Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>By 2030, top management team will be gender balanced (balance considered achieved with a range of 40-60%).</p> <p>Baseline: 27% (mid 2021)</p>	<p>In FY21, 29% of women in our top management.</p>	<p>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.</p> <p>Since the start of a Better Balance journey in 2015, Pernod Ricard increased the percentage of women in Top Management from 19% to 29%.</p>	<p>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".</p> <p>Local affiliates' leadership teams set up their own Better Balance agenda, supported by the global Initiative.</p>

Background to the report Pernod Ricard's EU Code of Conduct pledges - April 2022

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 29% since 2015 and we are committed to having a gender balanced top management team by 2030. We are also reaching equal gender pay as we promised to do by 2022.

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**
 - **reducing the weight** - **Plymouth Gin** has reduced the weight of its bottle by 15% for example,
 - **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.
 - **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
 - **looking at new technology with glass manufacturers** – **Jameson** recently trialed new technology that could reduce up to 90% of carbon emissions
 - **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 Hosting.- 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 12 years now, we've been supporting the **Responsible Party** initiative aimed at tackling binge drinking among young adults. This flagship programme now also has a digital campaign, with '**Drink More Water**'. So far the campaign has reached over 100 million people in 30 countries, over 9 months, and we're still counting!