Pernod Ricard - Climate Change 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Pernod Ricard is a world's co-leader in the industry of wines and spirits. It was created in 1975 with the merger of Pernod and Ricard companies and has today 85 subsidiaries in more than 70 countries. The company is active in a number of beverage sectors, including: whiskies, vodka, aniseed spirits, liqueurs, cognacs and brandies, gin, rums, bitters, champagne, and wines. The group's activities are focused on international brands such as Absolut, Chivas Regal, Ballantines, Beefeater, Havana Club, Malibu, Martell, The Glenlivet, Jameson or Jacob's Creek. In addition, the group owns and distributes a number of leading local brands.

Pernod Ricard's structure is divided between Brand Companies, such as the Absolut Company, Chivas Brothers or Martell Mumm Perrier-Jouët, that produce those brands and develop marketing strategies, and Market Companies, such as Pernod Ricard Europe, Middle East and Africa, Pernod Ricard North America or Pernod Ricard Asia, that are in charge of the distribution of the brands in every local market.

Pernod Ricard business model is based on a decentralized organization where business decisions are made in the local markets and countries, close to the customers and to our "terroirs".

The Group holds a long tradition of Corporate Social Responsibility (CSR), including a strong commitment towards environment protection, deeply rooted in its long history and in the local territories where its emblematic brands have been produced and developed since many generations. The Group environmental commitments are included into the Pernod Ricard Corporate Environmental Policy which is based on impacts and risks identified for the Group in term of environment. This policy covers the Group's entire value chain and all its business activities, from upstream procurement, production and market distribution to the end of the product's life. It is directed to all our stakeholders, starting with all employees across the world, as well as numerous suppliers and partners. In 2010, Pernod Ricard set a series of environmental targets to be reached by 2020 to address climate change through its 2020 Environmental Roadmap so that this environmental policy can be rolled out to all affiliates. In April 2019, Pernod Ricard launched a new Sustainability & Responsibility (S&R) strategy "We bring good times from a good place.", built on the United Nations Sustainable Development Goals (SDGs) and addressing the entire business from 'grain to glass'. This roadmap has ambitious targets from now until 2030, with key milestones for 2020 and 2025. Below are the main commitments linked to environment and climate change which lies in two of the four pillars of the strategy Visit our website to read the entire strategy: https://www.pernod-ricard.com/en/sr/

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	juillet 1 2018	juin 30 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Argentina
Armenia
Australia
Brazil
Canada
China
Cuba
Czechia
Finland
France
Germany
Greece
India
Ireland
Italy
Mexico
New Zealand
Poland
Spain
Sweden
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Both own land and elsewhere in the value chain [Agriculture/Forestry only]
Processing/Manufacturing	Direct operations only [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Consumption	No

C-AC0.6f/C-FB0.6f/C-PF0.6f

(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?

Row 1

Primary reason
Outside the direct operations of my organization

Please explain
Emissions from distribution are outside our direct Operation. They have been evaluated and judged significant.

C-AC0.6g/C-FB0.6g/C-PF0.6g

(C-AC0.6g/C-FB0.6g/C-PF0.6g) Why are emissions from the consumption of your products not relevant to your current CDP climate change disclosure?

Row 1

Primary reason
Evaluated but judged to be unimportant

Please explain
Calculations have shown that consumption does not require significant amount energy and materials. Therefore, it is not relevant to our CDP disclosure.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity
Other, please specify (Alcohol)

% of revenue dependent on this agricultural commodity
40-60%

Produced or sourced
Sourced

Please explain
The largest source of our revenue (51%) is associated with purchased alcohol. To calculate this figure, we considered procurement of all types of alcohol in the financial year. Main part of purchased alcohol are produced using cereal grains.

Agricultural commodity
Other, please specify (Agave)

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Both

Please explain
Agave represents 2% of our revenue. To calculate this figure, we calculated all agave produced and purchased in the financial year.

Agricultural commodity
Other, please specify (Cereals (Maize, Barley, etc.))

% of revenue dependent on this agricultural commodity
10-20%

Produced or sourced
Sourced

Please explain
Cereals represent 16% of our revenue. To calculate this figure, we calculated all of cereal purchased (including malted cereals or maize), in the financial year.

Agricultural commodity
Other, please specify (Grape)

% of revenue dependent on this agricultural commodity
20-40%

Produced or sourced
Both

Please explain
Grapes represent 27% of our revenue. To calculate this figure, we calculated all of our grapes-based production and procurement in the financial year.

Agricultural commodity
Sugar

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Both

Please explain
Sugar represent 2% of our revenue. To calculate this figure, we calculated all of sugar purchased during the financial year.

Agricultural commodity
Other, please specify (Other alimentary raw materials (Fruits & plants))

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

Please explain
Other alimentary raw materials (Fruits & plants) represent 0.4% of our revenue. To calculate this figure, we calculated all of our additional raw material alimentary procurement in the financial year.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	From 2019, the Group VP Sustainability and Responsibility will be presenting the progress of the recently launched Good Times from a Good Place Roadmap – which includes strategic priority action related to Climate Change: • Twice a year to the Nominations, Governance and CSR Committee • Once a year to the full Board of Directors. The Board of Directors is tasked with evaluating the relevance of the Company's S&R commitments (which include Climate Change) and monitoring their implementation within the Group through the Nominations, Governance and CSR Committee, composed by three members of the Board.. The Nominations, Governance and CSR Committee have multiples and very strategic roles and therefore, having the responsibility for climate-related issues is important because the committee will have a vision of the whole strategy of Pernod Ricard, from the financial to the sustainability side and will then ensure that sustainability is integrated in all of our strategic decisions. In 2019, the Board of Directors has validated the new Sustainability & Responsibility 2030 strategy and the commitments in which the climate change topic is included: • By 2030: Reduction of scope 1 & 2 by 30% (absolute value); • By 2030: Reduction of the overall scope 3 carbon intensity by 50%.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The mission of this Committee, formalized in its Internal Regulations is to help the Board in regards to climate-related issues. More specifically, its roles are the following: - Evaluating the suitability of the commitments of the Company with regard to Sustainability & Responsibility in which climate change is a key topic; - Monitoring the implementation of the 2030 Sustainability & Responsibility strategy at Group level. In relation to climate change, the Science Based Target Initiative (SBTi) approved the Group's greenhouse gas emission targets in June which are aligned with a well-below 2°C scenario for the Group's scope 1 and 2 emissions and the 2°C scenario for Scope 3 emissions. Therefore, the Board will be monitoring the progress and implementation of the following Group targets: • By 2030: Reduction of absolute carbon emissions of production sites by 30% (scope 1 and 2), base year 2018, validated by SBTi to be in line with the well below 2°C scenario; • By 2030: Reduction of the intensity of scope 3 carbon footprint by 50%, base year 2018; validated by SBTi to be in line with the well below 2°C scenario; • By 2025: 100% renewable electricity used in production sites and administrative offices.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Executive Vice President Human Resources Sustainability & Responsibility)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

A description of where in the organisational structure that/those position(s) and/or committee(s) lies:

Pernod Ricard's Executive Vice President Human Resources Sustainability & Responsibility is a member of the Executive Board and report directly to the CEO of the company regarding sustainability issues. The Executive Board prepares. examines and approves all decisions relating to the sustainability and submits these decisions to the Board of Directors when the latter's approval is required.

A clear rationale for why responsibility lies with that/those position(s) and/or committee(s):

"Sustainability and Responsibility" is considered as one of the 4 "essentials" of the new global Business Strategy since 2015. It has been communicated to the management and to all the employees (and external stakeholders) to make sure that sustainability. including climate change. is taken into consideration for each business decisions that are being made.

The Executive Vice President Human Resources Sustainability & Responsibility has one of the highest positions in the company. he is reporting directly to the CEO and has sustainability matter as one of his prerogatives. Therefore. he is in a prominent position to deal with those issues.

This year, this has been reinforced through the launch of the Pernod Ricard new Sustainability & Responsibility (S&R) strategy "We bring good times from a good place.", built on the United Nations Sustainable Development Goals (SDGs). This strategy set target on GHG emissions to be achieved by 2030in line with SBTi.

Specific responsibilities of the position committee with regard to assessment and management of climate-related issues:

The Executive Vice President Human Resources Sustainability & Responsibility oversees and coordinates measures at Group level by ensuring the implementation of:

· the Group 2020 Environmental Roadmap. For example, to roll out the Group's environmental strategy beyond its production sites, a "green office" guideline has been developed to describe best practices and the minimum environmental requirements to be met in an office setting. This guideline applies to all affiliates and aims to engage all employees on the topic of the environment by incorporating it into their day-to-day lives. Each affiliate is then fully responsible for identifying and determining how to reduce its own environmental impact and how to apply the Group's policy locally. For the production sites, the aim is to reduce by 30% CO2e emissions per liter of Pure alcohol produce from 2010 to 2020.

· The Group 2030 Good Times from a Good place strategy launched in April 2019 which contains two pillars closely linked to Climate change topics: Nurturing Terroir (addressing climate change from agricultural production using Science Based Targets) and Circular Making (commit to reducing the overall intensity of our carbon footprint by 50% by 2030 in line with the Science-Based Targets (SBTs) initiative and commit to moving towards 100% renewable electricity by 2025.

In addition to the assessment and management of climate-related issues, the Executive Vice President Human Resources Sustainability & Responsibility along with the other members of the Executive board have also been responsible in validation the Good Times from a Good Place strategy along with its Key Performance Indicators and targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	A monitory reward is given when yearly budgeted carbon targets are met. The carbon emissions indicators are measured based on two targets: • By 2030: Reduction of scope 1 & 2 by 30% (absolute value); • By 2030: Reduction of the overall scope 3 carbon intensity by 50%. These specific indicators were selected because they are covered by Pernod Ricard's 2030 Sustainability strategy. The COO and CSO in particular are eligible to receive a monetary reward as they oversee the Sustainability & Responsibility 2030 strategy and are responsible for team resources and the achievement of targets.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction target	A monitory reward is given when yearly budgeted carbon targets are met. The carbon emissions indicators are measured based on two targets: • By 2030: Reduction of scope 1 & 2 by 30% (absolute value); • By 2030: Reduction of the overall scope 3 carbon intensity by 50%. These specific indicators were selected because they are covered by Pernod Ricard's 2030 Sustainability strategy. The COO and CSO in particular are eligible to receive a monetary reward as they oversee the Sustainability & Responsibility 2030 strategy and are responsible for team resources and the achievement of targets.
Other, please specify (Corporate executive team and local operation team)	Non-monetary reward	Emissions reduction project Energy reduction project	Corporate executive team oversee all energy and carbon stewardship initiatives. Local operation teams are engaged in the realization of these actions. They are part of global communication or work recognition in case of projects that have been implemented an related to the Group Strategy or any action which shows performance improvements.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	For the Financial Year 2019 it means 2020. For example, one target Short-term is the emissions intensity target on Scope 1 and Scope 2 with a reduction by 30%.
Medium-term	2	7	For the Financial Year 2019 it means 2025. One of our targets is to reach 100% of our electricity sourced from renewable sources by 2025.
Long-term	7	12	For the Financial Year 2019 it means 2030. Pernod Ricard have defined Science-Based Targets for this horizon.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

For Pernod Ricard, substantive financial impact is defined by the Profit from Recurring Operations (PRO). A financial impact is defined as substantive if the risk affects more than 2% of the Group's PRO and can be derived from either direct operational risks or supply chain risks. A major crisis affecting the economic environment in a large country is defined as a substantive financial impact.

For examples, Operations Risks, which have been identified as having a substantive financial impact, are those following:

- Damage to a major production facility due to an accident/ natural disaster

- Environmental accident, pollution

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Every two years

Time horizon(s) covered
Long-term

Description of process
A first global risk mapping is updated every 2 to 3 years, and the monitoring of the Group's main risks is performed annually. It covers all current risks that may affect the Group: 1) At a company level, the risks identification process is managed by the Internal Audit team every 2 to 3 years. This team reports to the Managing Director for Finance and Operations. The results are presented to the Executive Committee and to the Audit Committee of the Board. The risk mapping is based on two types of information: · Reporting of the local business risks by each Group affiliate (Market Companies or Brand Companies) and consolidation at a Group level; · Collection of functional risks from each Group function. 2) At an asset level, each affiliate is responsible to identify risks and opportunities related to its business. Each Brand Owner with manufacturing activities is certified according to ISO 14001 Environment Management System, and therefore has identified the impacts and risks of its activities on the environment, climate change being part of them. Based on this assessment, risks on the business are identified and taken into account in an action plan. In addition, internal audits are carried out by the corporate Sustainability team which covers various risks linked to environment: climate change is one of the risks taken into consideration during these audits. Description of a process for managing climate-related opportunities The management of climate-related opportunities is link to the management of climate-related risks, is under the responsibility of the VP Operations. To prioritize climate-related opportunities, we use their position in the multi-criteria risk mapping. Case study/example of how process is applied to: Physical risks AND/OR opportunities A risk exists in relation to the water supply for production sites: a number of sites use underground water tables for their water needs and these can also be affected by climate. The availability and quality of water is therefore a key factor in product quality and is monitored very closely, Pernod Ricard identified : · 6 sites are located in or in the immediate vicinity of high-risk areas. These 6 sites are divided between three countries (Argentina,India and Australia); · 10 sites are located in or in the immediate vicinity of significant risk areas; · The other 75 sites, accounting for around 90% of the Group’s consumption are located in areas considered to be at a low risk. For each category, the Group has determined a water management strategy based on the risk level. · Sites where the risk is low must at least efficiently manage water resources on their premises: · Sites where the risk is considered significant must also perform studies of their basins to ensure there is balance, monitor the development of the risk, and maintain a dialogue with the main stakeholders. · Sites where the risk is considered high must take specific actions with local communities and other stakeholders to contribute to improving the local water management plan. In India, where water is an important local issue, Pernod Ricard India is actively engaged with communities around 16 plant locations across 11 states with more than 30 programs spanning across thematic areas like Clean Drinking Water & Sanitation or Water Harvesting and Watershed Management. This water refills the wells used by the villagers and can be used as reserves for farmers to irrigate their fields and supply their livestock with drinking water. Transitional risks AND/OR opportunities. New taxes on fuel and carbon intensive energy use, which might be introduced in the near future in the European union or in other regions where Pernod Ricard operates, represent a risk for the Group. This risk concerns the Group's own operations as well as its supply chain, since both are highly dependent on energy, especially with respect to the Group's own distilleries, its glass supply, its alcohol procurement and its transportation needs. The Group may not be able to increase its prices to offset these increased costs without suffering reduced volume, sales and operating profit, which could negatively impact the Group’s results. To mitigate this risk, the Group is working on 2 aspects on production sites and supply chain: -Transitioning from fossil fuel to low carbon fuel. For instance, by procuring renewable electricity, moving to low carbon energy for our production sites and working with our suppliers to reduce their carbon footprint -Decreasing the Group dependence to energy by decreasing its direct and indirect consumption. For instance, through packaging eco-design, ISO 50001 certification in production sites, optimization of the logistics chain. This transition to a low carbon economy has been included in our 2030 roadmap in which we have a Science based target related to our scope 1,2 and 3 emissions. All these actions will have to be widely implemented to reach our carbon ambition.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. The Group's businesses throughout the world are subject to a growing number of bodies of regulations, in particular with respect to the sale of alcoholic beverages. Current regulations governing the production and marketing of alcoholic beverages could undergo change in France, in the European Union or in the rest of the world. As a consequence, risks linked to the current regulatory environment are always considered in our assessment, for Pernod Ricard to stay ahead of regulations.
Emerging regulation	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. The Group's businesses throughout the world are subject to a growing number of bodies of regulations, in particular with respect to the sale of alcoholic beverages. New regulations governing the production and marketing of alcoholic beverages could emerge in France, in the European Union or in the rest of the world. As a consequence, risks linked to the emergence of new regulations are always considered in our assessment, for Pernod Ricard to stay ahead of potential new regulations.
Technology	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. We believe that developing new technology and accelerating innovation is helping us consider a changing environment and integrating sustainability. We see new technologies as a powerful lever to develop higher efficiency in many areas and offer news ways to do things differently. As a consequence, technological-related risks are always included in our assessment. Example of a specific risk considered in our assessment, and how it is included in climate-related risk assessments. Our assessment did not consider this category as a "major environmental risk" for Pernod Ricard. It is however important to note that technology is very important to our (future) business. For example, new technology allowed us to implemented an eco-design capsule project for our locally sold brands, reducing their carbon footprint. Plastic caps have now been replaced by eco-design caps manufactured from sugarcane ethanol.
Legal	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. Climate-related legal risks are always considered in our assessment. Indeed, Pernod Ricard want to reduce its exposure to litigation claims linked to climate change that could hurt its business. That is why we constantly update our regulatory watch to make sure the different laws and regulations are followed.
Market	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. The Group's performance is dependent on its capacity to satisfy consumer expectations and desires. However, change in consumer expectations and desires is difficult to anticipate, and in many cases, is beyond the Group's control. As a result, negative changes in consumer demands could affect its sales and market share. As a consequence, market-related risks are always considered in our assessment, for Pernod Ricard to stay ahead of its competitor and increase its market share.
Reputation	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. Pernod Ricard is a worldwide brand and is known for its high-quality products. Indeed, Pernod Ricard holds a core portfolio of strategic spirits and champagne brands and Priority Premium Wine Brands. Through our whole value chain, we need to be very cautious because consumers may change behaviour and prefer products that are perceived as more responsible. As a consequence, reputation-related risks are always considered in our assessment, for Pernod Ricard to be always in line with its customers' expectations.
Acute physical	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. Pernod Ricard has sites all around the world and can be affected by the increasingly frequent occurrence of extreme weather events that could damage production facilities or affect the supply chain (such as cyclones or exceptional snowfalls). As a consequence, acute physical risks are always considered in our assessment.
Chronic physical	Relevant, always included	Justification of the decision on the relevance and inclusion of this risk type in our risk assessment. Risks related to long-term shifts in climate patterns are always considered in our assessment. Indeed, Pernod Ricard has sites all around the world and climate change events, such as frost, hail and drought, can have impacts on the supply of agricultural raw materials and, to a greater extent, the price of raw materials such as vines. Where grains are concerned, this effect, coupled with rising global demand, is contributing to the increasing volatility of market prices, which must be taken into account in procurement strategies and economic supply models.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased capital expenditures

Could lead to significant production and/or distribution disruption too.

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Loss of major site, resulting in significant business disruption and unavailability of key brands in the trade. Scotland, Ireland, Cognac and Sweden sites remain critical to Pernod Ricard activities and an incident (such as a natural disaster) occurring at one of these locations could lead to significant production and/or distribution disruption. Main causes: natural hazards and disasters such as earthquakes, hurricanes, floods, snow, etc.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We do not have a potential financial impact figure because it depends on different parameters. The figure depends on the nature of the climate disaster and the major site. For example, in New Zealand, 2 production sites (Marlborough Winery and Church Road Winery) are located in active seismic zones. The Marlborough Fault system could produce an earthquake of magnitude 7-7.8. Marlborough experienced a 6.5. followed by a 6.6 earthquake a month later in 2013. There was significant damage to winery infrastructure. The loss in New Zealand related to earthquakes in 2007,2013 and 2016 have represented more than 36 million euros. This example is not related to a climate change disaster, but it gives an order of magnitude of the economic damage that results from a climate change disaster.

Cost of response to risk
0

Description of response and explanation of cost calculation
The Management method is based on different actions including : 1) Main prevention/protection measures in place - Group insurance program - Loss prevention program including: - Crisis management plans - Strategic inventories stored in multi-locations, monitoring of safety stocks and spare parts kept for key machineries 2) Recent loss-prevention investments - Large investments with strong reduction of risk exposure in a major distillery - Expansion of The Glenlivet malt distillery to double its capacity and allow for 'independent' production at either old or new site - Shutdown of Los Reyes site in Mexico - Installation of new equipment for protection against earthquakes ('EQ' tanks) and fire (sprinklers, fire pumps) in plants and/or warehouses of several affiliates 3) Main action plans for the future - Extension/upgrade of sprinkler protection on a few sites - Revision of business continuity plans for three major affiliates - 'Industrial Control Systems' assessment for major sites The cost of management hasn't been estimated, due to different actions link to the management.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Impact of climate change on the supply of agricultural raw materials. Increasingly irregular crop yields, climatic events such as frost, hail and drought can affect the availability and, to a greater extent, the price of raw materials such as vines. Where grains are concerned, this effect, coupled with rising global demand, is contributing to the increasing volatility of market prices, which must be taken into account in procurement strategies and economic supply models. Two significant examples: Grain supply is essential to Pernod Ricard for its distilleries, and wine and champagne production is inherently dependent on the availability of vines.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
50000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial implications due to agricultural supply chain disruption could be significant. We estimate that it could lead to a 5% increase price of raw materials. At a group level for this year, this would lead to an increase of 50 million euros.

Cost of response to risk
0

Description of response and explanation of cost calculation
For the short term, our procurement strategy takes this risk into account, for instance through edging tools allowing us to limit the extend of seasonal volatility due to climate factors. For the long term, Pernod Ricard includes environmental factors into its Responsible Procurement Policy and its Procurement Code of Ethics. This commitment applies throughout the Group and is supported by Senior Management. The Managing Director of each subsidiary is responsible for implementing this policy. For example, Pernod Ricard has set up at least four measures to enable the inclusion of environmental factors in supply chain management: -Integration of environmental issues into contractual clauses; -Supplier questionnaires ; -Supplier support (e.g. training, technical assistance, etc.) ; -Training and awareness-raising of employees in charge of procurement Linked to the new S&R strategy "We bring good times from a good place.", in the pillar "Nurturing Terroir", the Group will start by conducting a terroir risk

mapping of 100% of its agricultural raw materials. The aim of this exercise is to map their origins and identify social and environmental risks and opportunities in its supply chains. This Terroir Mapping will enable to identify the most pressing issues for each terroir (from which climate change) and work on developing new agriculture practices to adapt to climate change. The Group also set a target to reach 100% of our main agriculture raw materials to be certified to sustainable agriculture principles to mitigate those risks and work on regenerative agriculture practices when relevant for some crops. As the management of these actions is performed by our Procurement officers, there are no additional costs to the existing procurement costs (overhead and tools).

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

	Shifts in consumer preferences

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
The Group's performance is dependent on its capacity to satisfy consumer expectations and desires. Consumers may change behaviour and prefer products that are perceived as more responsible, and this could affect Pernod Ricard sales and market share in case this was not anticipated well enough. Indeed, Pernod Ricard holds a core portfolio of strategic spirits and champagne brands and Priority Premium Wine Brands, as well as key local spirit brands that are leaders in their particular category or in the Premium segments of the respective local markets. 16 brands are amongst the world's top 100. A poor reputation could impact these strategic brands.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
450000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
A poor reputation could have one important consequence: Pernod Ricard would see its revenue decreases due to a market share decline. More specifically. the financial implications due to a loss of market share could be significant. We estimated that the sales reduction could reach near 450 million euros. This impact is based on a 5% loss on market share, with global sales of 9 182 million euros this reporting year.

Cost of response to risk
1000000

Description of response and explanation of cost calculation
This risk is taken into account in the Group marketing strategy which relies on brand premiumization. We carry consumer insight research in order to understand their expectations and develop our brands in order to meet these expectations. Before anything else, we consider our consumers as human beings who have expectations for their lives and future and who trust our brands. For example, the Pernod Ricard eco-design initiative, by the Group's marketing teams, aims at making our products always more sustainable, when planning the development of the product range in both the short and long term. Costs associated with this risk include consumer research, development of LCA knowledge, training of marketing, packaging and operations teams, and development of eco-friendly solutions for our packaging and products. We estimate these management costs to be around 1 million euros.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Pernod Ricard's exposure to future energy and tax regulation accelerate the implementation of energy efficiency programs within its operational sites as well as in its supply chain. It is especially important for our distilleries in UK, Ireland and Sweden which represent more than 50% of our global energy consumption. These efficiency programs can give us a competitive advantage as it would reduce operational costs compared to our competitors.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
7200000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Cost reduction due to energy efficiency programs in our operation sites and in our supply chain. Since 2010, we observed a 18% energy reduction with a global energy cost of 40 million euros. This led to an energy cost reduction of estimated 7 million €/year.

Cost to realize opportunity
4000000

Strategy to realize opportunity and explanation of cost calculation
Pernod Ricard implements measures to reduce greenhouse gas emissions: directly at its production sites, and indirectly with its suppliers, based on the eco-design of products and the optimization of the logistics chain. And results show progress: from 2009/2010 to 2018/2019 period, the Group reduced its CO2 emissions by unit produced by 34%, mainly through energy efficiency programs implementation and through renewable electricity purchase. For instance, in Sweden, we replaced carbon energy sources with clean energy: the three production sites are now powered by renewable electricity, and the oil-fired boiler at the Ahus bottling site was replaced by the use of district heating. This management implies cost associated with new equipment investments and resources to optimize and track energy consumption and CO2 emissions. We estimate these costs up to 4M€ on an annual basis.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Increase market share and new products/business creation

Company-specific description
The success of the Group's brands depends on the positive image that consumers have of those brands. We care for our history, for the place where our products were born, and for the way they are produced. Developing quality products in respecting the environment might encourage consumer to choose Pernod Ricard's products, whose expectations in terms of sustainable consumption are growing rapidly, to choose our product and trust our brands. Indeed, this opportunity is more important to recognize as Pernod Ricard: - Holds a core portfolio of strategic spirits and champagne brands and Priority Premium Wine Brands, as well as key local spirit brands that are leaders in their particular category or in the Premium segments of the respective local markets. - Has more than 16 brands which are amongst the world's top 100. A good reputation could impact these strategic brands.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)
450000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Through quality product, we can increase our market share. We estimated that it could lead to an increase of 5% of market share. With global sales of 9 182 million euros this reporting year, it represents near 450 million euros.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
This factor is taken into account in the Group's marketing strategy, with a strong focus on "premiumization", which means giving more value to the consumer: environment value becomes more and more perceived as an added value. We have focused on 3 areas: 1/ Sustainable agriculture practices within our farms: - Example: Pernod Ricard has 95.5% of its vineyards certified according to environmental standards, around 280 hectares of vineyards managed according to organic farming standards and Jacob's Creek and Campo Viejo distributed on the market organic wine. 2/ Encourage our suppliers to work towards sustainable agriculture: Exemple: Kahlúa has worked with the NGO Fondo Para La Paz and Ocotempa, a Mexican coffee community, to develop a sustainable model for coffee production. This "coffee for change" programme comprises social, economic and environmental criteria to ensure that coffee growing is sustainable. Within five years, 100% of the coffee sourced by Kahlúa will be sustainably grown. 3/ Eco-design practices because packaging is the first element that consumer will see: - Example: Altos bottle weight has been reduced by 22% and Absolut Vodka post-consumer recycled content increased to 45%. Almost all our practices related to making our brands more sustainable are already initiated or implemented at various levels: they are not new additional actions with a foreseeable cost. For instance, sustainable agriculture practices are included in our existing business practices.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Increased revenue through demand for lower emissions products and services

Company-specific description
We believe that taking into account a changing environment and integrating sustainability concerns in the way we develop our products is an opportunity to accelerate innovation and be more creative. The expectation of consumers to reduce their CO2 footprint is a strong driver for fostering innovation in more efficient distribution, more efficient home delivery of products designed differently, with a lower CO2 content. More specifically, digital is a unique opportunity in this area: we see the digital opportunity as a powerful lever to develop higher efficiency in many areas and offer news ways to do things differently.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
450000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
This will generate new product and service offers and become a substantial part of our business. We estimate that it could lead to an increase of 5% of market share. With global sales of 9 182 million euros this reporting year, it represents near 450 million euros.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Innovation and digital are considered as strategic priorities. Different entities are working on these aspects: The Breakthrough Innovation Group, the innovation and digital internal network. Examples of projects that are being studied include producing connected bottles to optimize transportation. Almost all our practices related to making our brands and therefore our products more sustainable are already initiated or implemented at various levels: they are not new additional actions with a foreseeable cost. Furthermore, Innovation and digital are already implanted in the Group. They do not require significant additional costs.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

i. Why climate-related scenario analysis is not yet used to inform your business strategy.

Climate change is an important focus of our new 2030 Sustainability & Responsibility roadmap.

This year we launched a pilot project with our affiliate, Martell, on the impact of climate change using climate scenarios.

The pilot focused on analysing the impact of climate change on the Martell vineyards, the transport of finished products and the procurement of glass through the analysis of climate-related scenarios.

This pilot is part of the project to analyse the impact of climate change on Pernod Ricard's business using climate scenario analysis methods.

The results of this analysis will inform and determine the resilience of our strategy.

ii. Example of why climate-related scenario analysis has not yet been used to inform your business strategy

In the past 8 years, we reduced our carbon footprint by 30% per unit through the implement carbon reduction programs in all our distilleries to anticipate new regulations on carbon emissions. However, we did not carry out enough climate related risk scenarios analysis informed our business strategy and support implementation of other more impactful program of CO2 emission reduction as we were focusing on implementing this strategy. With the defining of the Science Based targets this year, we have made a further step to address the climate change issue and next year, we should be concentrating our efforts to carry out climate related scenario analysis on this topic to better informed our business strategy.

iii. Description of how you plan to implement climate-related scenario analysis

First step was to set Science Based Targets so that our targets are aligned with the 2°C scenario of the IPPC. Next year, we will start analysing climate related risks scenarios especially on our agricultural supply chain so that we can make informed decisions on these specific supply chain.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Consumers' expectations towards our brands are more and more driven their need for a more sustainable world and for sustainable products and brands. Consumer studies show that their trust to our brands must be based on a strong environmental engagement by businesses. This is even more important for the millennials and the young generations. This strongly influences the marketing strategy and make. Making our brands and operations more sustainable gives us a strategic advantage and demonstrate that we care for consumers as human beings. Sustainability being definitely part of the relationship between brands and consumers.
Supply chain and/or value chain	Yes	Climate related risks influenced our supply chain. We engaged with our packaging suppliers in Eco-design principles such as bottle weight reduction, increased recycled content, reducing CO2 emissions. We also engaged with our Agricultural raw materials suppliers to start building resilient agriculture models and progress toward regenerative agriculture practices.
Investment in R&D	Not evaluated	
Operations	Yes	Climate related risks influenced our Operations in different ways: - In our own vineyards, we are requesting certification according to sustainable agriculture standards or other environmental standards to make them more resilient to climate change. In 2019, 95.5% of our vineyards were certified. - In our production sites, we are requesting certification according to ISO 14001 certification (99.9% of our production volumes are certified in 2019) - We set targets for water, energy, CO2 reduction to decrease our dependency to natural resources on all production sites.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Capital allocation Acquisitions and divestments Assets	REVENUES : - Company-specific description: Increased revenue through demand for less emissive products and services is an opportunity impacting Pernod Ricard. Consumer behavior is changing and an increasing number of people prefer products that are perceived as more responsible. It is a strong driver for fostering innovation in more products designed differently, with a lower CO2 content, therefore increasing our market share and revenues. - Magnitude of this impact: We consider that the impact is significant, and we take it in consideration, as it can reach up to 450 million euros (increase of 5% of our market share). DIRECT COSTS - OPERATING COSTS : - Company-specific description: Pernod Ricard is exposed to future energy and tax regulation and therefore, want to accelerate the implementation of greenhouse gas emissions and energy efficiency programs within its operational sites as well as in its supply chain. It would reduce operational costs compared to our competitors. - Magnitude of this impact: Since 2010, we observed a 18% energy reduction. This led to an operating costs reduction of 7.2 million euros. This data is taken into consideration in our future planning. CAPITAL EXPENDITURES / CAPITAL ALLOCATION : - Company-specific description: Risk associated with climate-related to stricter regulations on carbon emissions and energy is impacting Pernod Ricard. This is more so important since in Europe, the Group's four largest distilleries are subject to the CO2 emissions quota system (EU-ETS). Pernod Ricard will probably see its costs increasing. To reduce its exposure to this risk, Pernod Ricard invest every year on energy efficiency and carbon emissions reduction. - Magnitude of this impact: Pernod Ricard invests every year 4 million euros on new equipment investments and resources to optimize and track energy consumption and CO2 emissions. Linked to the launch of the new S&R strategy, investments will be more than 100 million euros. ACQUISITIONS AND DIVESTMENTS : Prior to any acquisition, Pernod Ricard conducts a full due diligence evaluation, covering -among others- the various aspects of supply chain and production. In case a major risk is identified, the acquisition project can be reviewed or halted, or a mitigation plan built. This covers risks linked with energy use, regulatory risks, supply of raw materials, physical and natural risks, ... ASSETS : Risks related to severe climate change impacts are taken into account in the management of industrial assets. This is done by engaging mitigation plans and adapting the long term strategy (reduce activity or reduce dependence on climate factors on a climate sensitive site). ACCESS TO CAPITAL : Not impacted Pernod Ricard is in a solid situation in terms of access to capital. However, it is due to an improving financial situation (a lower financial debt for example) than our good extra-financial rating. Therefore, our financial planning does not consider climate-related impacts on our access to capital. LIABILITIES : Not impacted In the last years we didn't note any increasing cost insurance due to growing frequency of climate-related risks nor any decreasing cost due to our good extra-financial rating. Therefore, our financial planning does not consider climate-related impacts on our liabilities.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

"A company-specific explanation of how business objectives and strategy have been influenced by climate-related issues"

"Explanation of whether your business strategy is linked to an emissions reductions target or energy reduction target"

Collection and analysis of various data has influenced our strategy and have placed the climate change in the Group business strategy:

1. The data collected from our operations and supply chain shows our dependency to climate and the environment. Other KPIs also show how much we rely on energy, but also on climate dependent factors such as crops or water availability. We started to report on our environmental impacts in 2002 and we used this information as a key trigger in influencing our strategy in this matter.

We have set up reporting system on GHG emissions, water and other environmental key indicators which are followed on a yearly basis at Group level, allowing us to measure our company's environmental and climate change footprint. Indeed, our main carbon emissions target (metric tons CO2e per kilo liter of Pure Alcohol) is a key element to our business strategy. More so since the launch of the "Sustainability and Responsibility" strategy this year which includes objectives on carbon in line with Science based targets.

2. Consumers' expectations towards our brands are more and more driven their need for a more sustainable world and for sustainable products and brands. Consumer studies show that their trust to our brands must be based on a strong environmental engagement by businesses. This is even more important for the millennials and the young generations. This strongly influences the marketing strategy of our brands and changes the way they behave, with the new concept of Brand Social Responsibility.

Therefore, making our brands and operations more sustainable gives us a strategic advantage over our competitors. Demonstrating that our brands are more human, that we care for consumers as human beings and not just as customers. gives our brands an advantage, sustainability being definitely part of the relationship between brands and consumers nowadays.

Climate change also brings opportunities for our business such as decreasing our operational costs through energy savings, increasing our market share through sustainable products, increasing innovation through new green materials.

Going more in depth, different aspects of climate change have influenced our strategy. They are linked to the key industrial and supply chain risks we have identified such as water scarcity, fuel/energy taxes and regulations, volatility of agricultural raw materials supply, consumer preference for greener product. These climate change risks have influenced our strategy in three ways:

• "Sustainability and Responsibility" is considered as one of the 4 "essentials" of the new global Business Strategy since 2015. This strongly influence brands strategy and supply chain strategy as well.

• The 2020 Environmental Roadmap is strongly influenced by the climate change risks that lie in our supply chain, our production and through our distribution.

• We launched the Sustainability and Responsibility Road Map 2030 based on four pillars : Circular Making, Valuing People, Responsible Hosting and Nurturing Terroir. This strategy is in link with 8 Sustainable Development Goals (SDG).

3. The most important components of the short-term strategy that have been influenced by climate change are:

• Sustainability introduced as an "essential" in the strategy of each of our key brands, in order to make sure that we respond to consumers' expectations.

• Setting targets for water, energy, CO2 and waste for all production sites.

• Engaging into product Eco-design: tools have been developed and results are visible on the reduction of bottle weight in many products such as wine, vodka, whiskies...

• Requesting all our own vineyards to be certified according to sustainable agriculture standards or other environmental standards. In 2019, 95.5% of our vineyards were certified.

• Requesting all our sites to be certified according to ISO 14001 certification (99.9% of our production volumes are certified in 2019)

4. Our long-term strategy is influenced by climate change in relation with the following aspects:

• With "Sustainability" identified as one of the 4 essentials in the Group strategy, the Environmental engagement of the Group is not only gaining a new momentum, but also recognized as necessary success factor for our brands. Building premium brands is a long-term effort and takes years and years, especially with aged products such as whiskies or cognacs. This new strategic essential will influence the Group for the long term.

• In the operations and supply chain, climate change strategy is translated into capital expenditures (such as introducing new technology in distillation Equipment for instance, as was done in Ireland with the 100 million € project of new distillery for Jameson).

• We set GHG targets in line with SBTi, which will require long term partnership with our suppliers and long term investment planning in our production sites.

"What have been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy. Both the business decision and the aspect of climate change that has influenced the business decision must be made clear in the answer. If there are none to report, this should be stated"

The most substantial business decisions made during the reporting year that has been influenced by climate change is to set carbon reduction targets in line with the Science based Targets initiatives (SBTi). This decision was made last year but is relevant to this reporting year (and the years to come) as it will drive all of our business decisions so that we ensure that Pernod Ricard contributes to keep the earth temperature below the 2°C at the end of the century.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2019

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2018

Covered emissions in base year (metric tons CO2e)
296812

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
30

Covered emissions in target year (metric tons CO2e) [auto-calculated]
207768.4

Covered emissions in reporting year (metric tons CO2e)
297529

% of target achieved [auto-calculated]
-0.805223508483484

Target status in reporting year
Underway

Is this a science-based target?
Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This year, the Group submitted a greenhouse gas emission reduction target to the Science-Based Targets (SBT) initiative. In June 2019, the SBT initiative approved our targets, which are aligned with a below 2°C scenario for our Scope 1 and 2 emissions. It covers all production sites for scope 1 and 2. From FY18 to FY19, slight increase (+0,24%) in absolute terms is observed due to production increase of 6% balanced by better carbon efficiency in our distilleries (mainly driven by energy efficiency improvement) and decrease of our scope 2 emissions driven by renewable electricity installation and emission factors update.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 3 (upstream & downstream)

Intensity metric
Other, please specify (Metric tonnes CO2e per profit (M€))

Base year
2018

Intensity figure in base year (metric tons CO2e per unit of activity)
857

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
80

Target year
2030

Targeted reduction from base year (%)
50

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
428.5

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions
30

Intensity figure in reporting year (metric tons CO2e per unit of activity)

% of target achieved [auto-calculated]
<Calculated field>

Target status in reporting year
Underway

Is this a science-based target?
Yes, this target has been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)
Scope 3 emissions represent the vast majority of Pernod Ricard's GHG emissions, 90% in 2019, therefore it provides a focus to reduce overall emissions. According to the Science-Based Target, this target is launched to contribute to the "Accords de Paris" to achieve the goal of limiting temperature rise to 2°C by the end of the century. The target covers 80% of the Scope 3, which represents those categories : "Purchased Goods and Services" (Raw Agricultural Materials and Dry Goods) (67% of the Scope 3) and "Upstream Transportation and distribution" (13% of the Scope 3). For the fiscal year FY19 we are currently working on the process of measuring our target, therefore we cannot carry forward to date the figure.

Target reference number
Int 2

Year target was set
2010

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Intensity metric
Other, please specify (Metric tonnes CO2e per kilo litre of alcohol)

Base year
2010

Intensity figure in base year (metric tons CO2e per unit of activity)
1.83

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2020

Targeted reduction from base year (%)
30

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
1.281

% change anticipated in absolute Scope 1+2 emissions
30

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)
1.21

% of target achieved [auto-calculated]
112.932604735883

Target status in reporting year
Achieved

Is this a science-based target?
No, but we are reporting another target that is science-based

Please explain (including target coverage)
Pernod Ricard has set up a target covering Scope 1 and 2 GHG emissions from combustion and energy use (excluding cooling fluids as these emissions are not significant). These intensity targets are set per unit of distilled alcohol produced (and not per total volume produced) as the distilleries represent more than 80% of our energy consumption and therefore GHG emissions. In 2018/2019, emissions from Pernod Ricard's industrial sites (Scopes 1 and 2) were 297 529 tons CO2 equivalent, compared to 357,654 tons CO2 equivalent for 2009/2010. Adjusted for units produced, these emissions amount to 1.21 kg of CO2 equivalent per liter of pure alcohol. compared to 1.83 kg of CO2 equivalent in 2009/2010. This fall of 33.8% is due firstly to the policy implemented to improve the energy efficiency of production sites, and secondly to the gradual move towards an energy mix containing less carbon.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
72

Target year
2025

Figure or percentage in target year
100

Figure or percentage in reporting year
72

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
We aim to cover 100% of our electricity consumption with renewable electricity by 2025. This objective is part of our reduction of SCOPE 1 and 2 emissions (market-based); ID Int2 and Abs1

Is this target part of an overarching initiative?
RE100

Please explain (including target coverage)
This target covers our production sites as well as our administrative offices.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	26	
To be implemented*	10	45864
Implementation commenced*	1	437
Implemented*	1	500
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

	Product or service design

Estimated annual CO2e savings (metric tonnes CO2e)
500

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
510000

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
3-5 years

Comment
Bottle weight reduction project Establishment of a consolidation system for carbon emission reduction projects, data reported are not representative of all projects implemented in FY19

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal price on carbon	We use an internal carbon price of 50euros/tCO2 in all of our operating investments.
Dedicated budget for energy efficiency	Energy saving and environmental compliance have been strong drivers of carbon reduction investment projects. For example, installation of onsite photovoltaic project in Australia. Each year, some investments are made in our distilleries for capacity expansion or equipment replacement have given the opportunity to improve the energy efficiency of our operations, hence reducing their carbon emissions.
Dedicated budget for other emissions reduction activities	Scope 2 reduction emissions due to purchased Green Energy Certificate by some affiliates.

C-AC4.4/C-FB4.4/C-PF4.4

(C-AC4.4/C-FB4.4/C-PF4.4) Do you implement agriculture or forest management practices on your own land with a climate change mitigation and/or adaption benefit?
Yes

C-AC4.4a/C-FB4.4a/C-PF4.4a

(C-AC4.4a/C-FB4.4a/C-PF4.4a) Specify the agricultural or forest management practice(s) implemented on your own land with climate change mitigation and/or adaptation benefits and provide a corresponding emissions figure, if known.

Management practice reference number
MP1

Management practice
Fertilizer management

Description of management practice
Several agricultural management practices are undertaken on our own farms which are link directly or indirectly to climate change mitigation: - Reduced use of fertilizers, selection and use of pesticides that are less hazardous for the environment; Additionally, the Group's vineyard estates cover 5,597 hectares in seven main countries: New Zealand (45%), Australia (24%), Argentina (8%), France (13%), Spain (5%), the United States (3%) and China (2%). The majority of these vineyards are certified to environmental standards, representing 99% of surfaces covered by reporting.

Primary climate change-related benefit
Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)
0

Please explain
This Management practice include several agricultural management practices where the corresponding CO2e saved has not been evaluated

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Management practice reference number
MP2

Management practice
Biodiversity considerations

Description of management practice
In France a detailed map of the biodiversity of the vineyards operated by Martell was undertaken. This highlighted the importance of non-cultivated land (borders, groves, ditches, etc.) which represent 8 to 15% of the land and play an essential role as a habitat for many wildlife species. This study identified specific measures to reinforce the land's biodiversity.

Primary climate change-related benefit
Increasing resilience to climate change (adaptation)

Estimated CO2e savings (metric tons CO2e)
0

Please explain
This Management practice is about biodiversity, the CO2e saved corresponding has not been estimated.

Management practice reference number
MP3

Management practice
Integrated pest management

Description of management practice
Several agricultural management practices are undertaken on our own farms which are link directly or indirectly to climate change mitigation: - Reduced use of fertilizers, selection and use of pesticides that are less hazardous for the environment; Additionally, the Group's vineyard estates cover 5,597 hectares in seven main countries: New Zealand (45%), Australia (24%), Argentina (8%), France (13%), Spain (5%), the United States (3%) and China (2%). The majority of these vineyards are certified to environmental standards, representing 99% of surfaces covered by reporting.

Primary climate change-related benefit
Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)
0

Please explain
This Management practice include several agricultural management practices where the corresponding CO2e saved has not been evaluated

---

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
juillet 1 2009

Base year end
juin 30 2010

Base year emissions (metric tons CO2e)
259896

Comment

Scope 2 (location-based)

Base year start
juillet 1 2009

Base year end
juin 30 2010

Base year emissions (metric tons CO2e)

Comment

Scope 2 (market-based)

Base year start
juillet 1 2009

Base year end
juin 30 2010

Base year emissions (metric tons CO2e)
97758

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
262378

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
The Group is using the Greenhouse Gas Protocol database for national electricity emission factors and the DEFRA emission factor for combustible fuels. Consequently, country electricity emission factors were applied for all sites except for Chivas sites for which supplier's emission factor was used, rather than the national emission factor as the emission factor was verified by external parties.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
65865

Scope 2, market-based (if applicable)
35515

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
About Scope 2 Market-based: For this figure we use specific verified emission factor from electricity suppliers and a difference is made between renewable electricity and non-renewable electricity. About Scope 2 Location-based: For this figure we use national emission factor for all the electricity consumed, there is no difference made between renewable energy and non-renewable. The only electricity which is not considered in the calculation is the electricity produced and consumed on site. Chivas Sites use 100% of renewable energy, so in location-based they represent 17 259 tCO2e. These emissions are not including in the market-based method because CO2 emissions from renewable energy are considered as zero. They represent the most important part (57%) of the difference between the market-based and the location-based.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
We are excluding GHG emissions from our sales force transportation.

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
GHG emissions from these sources have been estimated or calculated during the last 5 years through the quantity of fuel used by our sales force. They represent 5% of our scope 1&2 emissions, they are considered not relevant. We integrate those emissions in the category “8. Upstream Leased Assets” of the Scope 3 of the GHG protocol.

Source
We are excluding GHG emissions from cooling gas

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
GHG emissions from these sources have been estimated or calculated during the last 5 years through the Cooling gas emissions. As they represent less than 1% of our scope 1&2 emissions, they are considered not relevant.

Source
We are excluding GHG emissions from energy use in our agricultural activities (5 625 ha)

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
GHG emissions from the energy use in our agricultural properties are calculated every year and they account almost for zero of our scope 1&2 emissions.

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1975289

Emissions calculation methodology
This includes CO2 emissions associated with dry materials (glass, cardboard) and raw materials (alcohol, wine, wheat etc..) purchased by the Group to manufacture our products. CO2 emissions are calculated with a tool developed for the Group according to the Greenhouse Gas Protocol (GHG protocol) methodology. Conversion factors are taken from international sources (i.e.ECOINVENT) or national one (ADEME) or Agrifootprint.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
277589

Emissions calculation methodology
This includes CO2 emissions estimated from the purchase of capital equipment, CO2 emissions are calculated using the Quantis Scope 3 Evaluator tool. Spend data for all capital expenditures over the reporting year are grouped into categories aligned to Quantis tool purchase categories and entered in the tool to get a rough estimate of the emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
72633

Emissions calculation methodology
This includes CO2 emissions estimated from fuel and energy-related activities (which are not included in Scope 1 or 2). CO2 emissions are calculated using the Quantis Scope 3 Evaluator tool, which converts Financial data into CO2 emissions. Therefore, results are a rough estimate of the emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
96549

Emissions calculation methodology
This includes CO2 emissions associated with transportation of Dry Goods and Raw Materials from suppliers to affiliate, Site to site transportation and POS and VAP transportation. This is an estimation based on the distances captured in FY18 by the affiliates and using the FY19 procurement volumes.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
136

Emissions calculation methodology
This includes CO2 emissions associated with solid waste landfilled and solid waste incinerated generated in operations. We multiply the solid waste landfilled and incinerated from this reporting year by the factor from "2017 DEFRA Greenhouse Gas Conversion Factor"

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
40420

Emissions calculation methodology
This includes CO2 emissions from all PR employees air & train travel which are procured by travel agencies. And consolidated at Group Level through a tool. This covers approximately 90% of the business travels. The residual 10% are extrapolated.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
20400

Emissions calculation methodology
This includes CO2 emissions estimated from commuting to work by 19 098 Pernod Ricard employees worldwide. CO2 emissions are calculated using the Quantis Scope 3 Evaluator tool, which converts Financial data into CO2 emissions. Therefore, results are a rough estimate of the emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
23080

Emissions calculation methodology
This includes emissions from offices and leased vehicles owned and leased by the Group by PR to third parties and energy consumption of the offices. - Emissions from energy consumption of the offices (4 943 tons CO2e) : We used the energy (in kWh) consumed in the offices every year. For electricity, consumption is multiplied by the country-specific emission factors published by the IEA (2019 edition - 2016 data). For other energy consumption DEFRA emission factors are used (2019 edition – 2016 data). - Emissions from offices and leased vehicles consumption (18 137 tons CO2e) : We use Fuel consumed by the vehicles owned or leased by the Group year and we convert it using the emission Factors for Fuel from DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
234318

Emissions calculation methodology
Downstream transportation: for affiliates with manufacturing activities & market companies This includes CO2 emissions associated with transportation of : b) Finished goods from the manufacturing sites to warehousing and the storage of finished goods in warehousing: Downstream transportation from Brand companies: in FY18 affiliates reported transportation from their production sites to the Pernod Ricard market companies (mainly by sea & road) and the information has been consolidated at Group level. An estimation based on the distances captured in FY18 by the affiliates and using the FY19 logistics volumes c) Finished goods from warehouse to first paying customers: Downstream transportation from Market companies: The Group calculates the CO2 emissions associated with the transportation of finished production from markets to our first paying customers based on average country distances and volumes distributes in this country. Based on the volumes distributed during the fiscal year the environment manager consolidates the data at Group level.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is considered not relevant to Pernod Ricard as our sold products don't need further processing by downstream customers.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is considered not relevant to Pernod Ricard because they do not meet the relevancy criteria stipulated by the Scope 3 Reporting Standard considering Pernod Ricard's products.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5526

Emissions calculation methodology
This includes CO2 emissions estimated from the disposal/treatment by consumers of packaging materials at end of life. CO2 emissions are calculated using the Quantis Scope 3 Evaluator tool, which uses data on glass and cardboard purchased during the fiscal year. Therefore, results are a rough estimate of the emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Nothing has been excluded for the computation of the emissions of this category.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is considered not relevant to Pernod Ricard because Pernod Ricard does not lease assets to third parties.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is considered not relevant to Pernod Ricard because Pernod Ricard does not operate any franchises.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is considered not relevant to Pernod Ricard as we don't have any investments that meet the criteria for inclusion in this Scope 3 category.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?
Partially

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity
Agriculture/Forestry

Scope 3 category
Purchased goods and services

Emissions (metric tons CO2e)
890205

Please explain
To calculate this figure, we considered the emissions linked to the amount of Raw Agricultural Materials purchased and produced. Every affiliate with manufacturing activity reports each year the quantities they procure, and they are then multiplied by an emission factor specific to the agricultural raw material purchased for the Main agricultural raw materials. For the raw materials with low volumes, a generic emission factor is used.

Activity
Distribution

Scope 3 category
Upstream transportation and distribution

Emissions (metric tons CO2e)
330867

Please explain
From the definition of the “Distribution” given by the CDP, we considered that it represents all of our emissions from the following categories: “Upstream transportation and distribution” and “Downstream transportation and distribution”.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?
No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities
Other (Alcohol)

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
Company-wide: for our data collection we used information related to alcohol procurement for all our subsidiaries.

Agricultural commodities
Other (Agave)

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
Company-wide: for our data collection we used information from agave procurement and production.

Agricultural commodities
Other (Cereals)

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
Company-wide: for our data collection we used information related to the procurement of all cereals in all our subsidiaries.

Agricultural commodities
Other (Grapes)

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
Company-wide: for our data collection we used information from all grapes procured and produced in all our subsidiaries.

Agricultural commodities
Sugar

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
Company-wide: for our data collection we used information related to sugar procurement in all our subsidiaries.

Agricultural commodities
Other (Other alimentary raw materials (Fruits & plants))

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
Company-wide: for our data collection we used information related to Fruits and Plants procurement in all our subsidiaries.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Sugar

Reporting emissions by
Total

Emissions (metric tons CO2e)
21695

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
We multiply the tons from dry sugar and liquid sugar from cane and beet, and molasses from cane by emission factors (from ecoinvent, agrifootprint and agribalyse database) specific to the sugar type.

Other

Reporting emissions by
Total

Emissions (metric tons CO2e)
864951

Denominator: unit of production
<Not Applicable>

Change from last reporting year
Higher

Please explain
Greenhouse gas emissions figure is higher than last year because we add a new category : Fruits and Plants. Alcohol: We multiply the liters of alcohols from cane, beet, cereals by an emission factor (from a database specific to the spirits and wine sector or more general one such as ecoinvent) specific to the alcohol type. Agave: We multiply the tons of agave by an average emission factor. Cereals: We multiply the tons of each cereals by emission factor (from LCA databases) specific to each cereals. Grapes: We multiply the tons of grapes by an average emission factor (from multiples sources including ADEME. Agribalyse v1.3). We then add up those results into a single figure. Fruits and Plants : We multiply the tons of each Fruits and Plants category reported by a generic emission factor (from Agribalyse v1.3 database). We then add up those results into a single figure.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000324

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
297529

Metric denominator
unit total revenue

Metric denominator: Unit total
9182000000

Scope 2 figure used
Market-based

% change from previous year
1.9

Direction of change
Decreased

Reason for change
Metric tons CO2e per € of net sales during this reporting year decreased by 1.9% compared to the previous year. The emissions reduction can be explained by a reduction of Carbon emissions due to the energy efficiency projects in our distilleries as well as procurement of renewable electricity

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Intensity figure
1.21

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
297529

Metric denominator
Other, please specify (KLAA)

Metric denominator: Unit total
245999.6

Scope 2 figure used
Market-based

% change from previous year
3.6

Direction of change
Decreased

Reason for change
In 2018/2019, emissions from Pernod Ricard's industrial sites (Scopes 1 and 2) totalled 297 529 tons CO2 equivalent, compared to 296 812 tons CO2 equivalent for 2017/2018. Adjusted for units produced, these emissions amount to 1.21 kg of CO2 equivalent per liter of pure alcohol, compared to 1.28 kg/ liter in 2017/2018. This reduction can be explained by : - The improvement of our installations energy efficiency projects; - The decreased use of high-carbon energy. Despite an increase in carbon emissions related to SCOPE 1 and 2, there is a 5% decrease of CO2 emissions per unit produced, thanks in particular to the use of renewable electricity. The Group is working to replace heavy fuel oil and coal with cleaner sources of energy like natural gas and plans to only use renewable electricity by 2025.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Argentina	385.5
Armenia	3344.53
Australia	935.37
Brazil	2475.79
Canada	69962.96
China	0.33
Cuba	2388.06
Spain	1168.3
Finland	0
France	7675.04
Greece	52.93
India	19856.31
Ireland	47394.75
Italy	219.37
Mexico	8341.36
New Zealand	695.06
Poland	15.58
Czechia	193.34
Sweden	667.2
United Kingdom of Great Britain and Northern Ireland	95372.99
United States of America	1233.28
Germany	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Ageing	1536.18
Bottling	9401.2
Distillation	247891.36
Others	408.41
Winemaking (including bottling of wine making)	3140.89

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

No

C-AC7.4c/C-FB7.4c/C-PF7.4c

(C-AC7.4c/C-FB7.4c/C-PF7.4c) Why do you not include greenhouse gas emissions pertaining your business activity(ies) in your direct operations as part of your global gross Scope 1 figure? Describe any plans to do so in the future.

	Primary reason	Please explain
Row 1	Judged to be unimportant	Greenhouse gas emissions pertaining our business activity are considered insignificant to our Scope 1 whereas they have a more important part of our scope 3 emissions.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Argentina	1488.97	1488.97	3960.04	0
Armenia	434.16	434.16	2679.98	0
Australia	10405.5	11166.02	14711.49	0
Brazil	337.13	0	2809.43	2809.43
Canada	1386.89	1386.89	9308	0
China	594.58	594.58	948.3	0
Cuba	1541.82	1541.82	2839.44	0
Spain	2232.45	7.87	9074.99	9042.97
Finland	683.47	447.22	4545.86	2019.17
France	1270.36	1270.36	24430.06	0
Greece	84.16	84.16	161.85	0
India	1224.29	2863.08	3943.7	0
Ireland	13888.51	1469.44	41734.23	38176.25
Italy	266.44	0	804.95	804.95
Mexico	1294.75	1294.75	2790.41	0
New Zealand	1067.36	0	10165.38	10165.38
Poland	5550.16	5550.16	21710.64	0
Czechia	331.79	161.75	626.03	320.84
Sweden	708.78	0	64058	59065
United Kingdom of Great Britain and Northern Ireland	17258.42	0	62080.64	62080.64
United States of America	3668.38	5242.98	12260.6	152.11
Germany	146.57	146.57	327.9	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Ageing	2093.78	446.34
Bottling	17480.65	11213.37
Distillation	27935.34	5422.64
Others	3880.4	3682.4
Winemaking (including bottling of winemaking)	14474.8	14386.06

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Remained the same overall

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1718	Decreased	0.58	1) This year, the part of the renewable energy consumption increased. This represent a saving of 1 717,9 tCO2e. 2) Our previous year Scope 1+2 emissions are: 296 812 tCO2e 3) Calculation 1718/296812 = 0.58 %
Other emissions reduction activities	6333	Decreased	2.1	Emissions reduction initiative of Irish Distillers 1) Estimated annual CO2e savings : 6 333.2 tCO2e 2) Our previous year Scope 1+2 emissions were: 296 812 tCO2e 3) Calculation : 6 333.2 /296 812 =2.1%
Divestment	1176	Decreased	0.4	1) We sold 2 Sites: in France and Argentina. This represents a saving of 1175,6 tCO2e. 2) Our previous year Scope 1+2 emissions were: 296 812 tCO2e 3) Calculation 1175.6/296 812 = 0.4%
Acquisitions	0	No change	0	No acquisitions were included in the reporting this year.
Mergers	0	No change	0	No mergers have been done in the reporting year.
Change in output	16085	Increased	6.42	1) The industrial scope taken into account for this financial year therefore covers a production volume of pure alcohol of 246 000 million liters (measured as pure alcohol) compared to 232 707 million in 2017/18 2) We produce 1.21 tons of CO2 equivalent per kiloliter of pure alcohol in this reporting year. 3) Our previous year Scope 1+2 emissions are: 250 542 tCO2e 4) Calculation (246 000- 232 707) kl*1.21 tCO2e/kl=16 084.53 tCO2eq 16 084.53 tCO2e / 250 542 tCO2e = 6.42%
Change in methodology	0	No change	0	No change in methodology has been done in the reporting year.
Change in boundary	0	No change	0	No change in boundary has been done in the reporting year.
Change in physical operating conditions	0	No change	0	No change in physical operations conditions has been done in the reporting year.
Unidentified	0	No change	0	Not Applicable
Other	0	No change	0	Not Applicable

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	2239.49	1202246.45	1204485.94
Consumption of purchased or acquired electricity	<Not Applicable>	184636.74	84884.52	269521.26
Consumption of purchased or acquired heat	<Not Applicable>	0	26450.7	26450.7
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1993.59	<Not Applicable>	1993.59
Total energy consumption	<Not Applicable>	186869.82	1313581.67	1502451.49

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1014821.79

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0.18396

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA UK, June 2019

Comment

Fuels (excluding feedstocks)
Fuel Oil Number 1

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
109524.83

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0.28544

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA UK, June 2019

Comment

Fuels (excluding feedstocks)
Coal

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
57111.54

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0.34191

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA UK, June 2019

Comment

Fuels (excluding feedstocks)
Other, please specify (Other gas)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
20788.28

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0.20005

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA UK, June 2019

Comment

Fuels (excluding feedstocks)
Other, please specify (Renewable energy)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
2239.49

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA UK, June 2019

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1993.59	1993.59	1993.59	1993.59
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type
Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Latin America (LATAM)

MWh consumed accounted for at a zero emission factor
2803.43

Comment

Sourcing method
Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed accounted for at a zero emission factor
59065

Comment

Sourcing method
Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type
Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling
United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor
62080.64

Comment

Sourcing method
Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed accounted for at a zero emission factor
9042.97

Comment

Sourcing method
Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed accounted for at a zero emission factor
804.95

Comment

Sourcing method
Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type
Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed accounted for at a zero emission factor
38176.25

Comment

Sourcing method
Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed accounted for at a zero emission factor
2019.17

Comment

Sourcing method
Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type
Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling
New Zealand

MWh consumed accounted for at a zero emission factor
10165.38

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Universal Registration Document FY19.pdf

Page/ section reference
Page 119 of the registration document attached, section: “Statutory Auditors report”

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Universal Registration Document FY19.pdf

Page/ section reference
Page 119 of the registration document attached, section: “Statutory Auditors report”

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
In progress

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS
25.08

% of Scope 2 emissions covered by the ETS
0

Period start date
juillet 1 2018

Period end date
juin 30 2019

Allowances allocated
65806

Allowances purchased
48498

Verified Scope 1 emissions in metric tons CO2e
262378

Verified Scope 2 emissions in metric tons CO2e
35151

Details of ownership
Facilities we own and operate

Comment
Four of our distilleries are regulated by the EU ETS carbon price system

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

"A description of your strategy for complying with the systems in which you participate"

The Group's four largest distilleries are participating to the EUETS Scheme in 3 different countries.

For all of them, the strategy is:

· continuous monitoring of energy consumption;

· in-depth energy assessments, with the setting of energy-efficiency targets;

· roll-out of consumption reduction programmes requiring the management of processes and utilities, and which may involve significant investment;

· implementation of energy management systems with ISO 50 001 certification when relevant.

Last year, we committed to reduce by 30% absolute scope 1+2 CO2 emissions from 2018 to 2030 in line with SBTi requirements which will lead to set additional investment plans to reduce significant CO2 emissions of our main distilleries

"An example of how you have applied your strategy"

To date, the Nöbbelöv (Sweden), Middleton (Ireland) and Gallienne (France) distilleries and the Campo Viejo (Spain) vinification site are ISO 50001 certified.

In Sweden, the Nöbbelöv distillery has a certified energy management system (ISO 50001), reuse the heat produced during the fermentation and distillation processes. In Ireland, Irish Distillers took advantage of the extension of its Midleton distillery to optimize its processes and select the best available technologies, leading to energy savings and CO2 emissions reduction.

Therefore, this year, energy consumption per unit produced amounted to 6.1 kWh per liter of pure distilled alcohol, down -18% compared to 2009/10.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Drive low-carbon investment

GHG Scope
Scope 1

Application
An internal price is taken into consideration for all investments on production sites.

Actual price(s) used (Currency /metric ton)
50

Variance of price(s) used
Pernod Ricard uses Static pricing: a price that is constant over time.

Type of internal carbon price
Shadow price

Impact & implication
Pernod Ricard has set an internal price of carbon at 50 € / t for the production sites' investment. This impacts our business because for each investment, the calculation of the return on investment considers the internal price of carbon as any other elements including the investment amount and All the savings and cash in generated by the investment. This allows us to invest in low carbon projects.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

A clear rationale for the coverage of your engagement. Pernod Ricard has sustainable relationships with its suppliers and subcontractors and relies upon them to convey its values and share its S&R commitments. A process was implemented within the Group to allow affiliates of Pernod Ricard to deploy the strategy of responsible purchasing locally. To know which suppliers and subcontractors should be assessed, a CSR Risk Mapping Tool, is implemented since 2013. The supplier or subcontractor is evaluated by the affiliate working with them directly, using a matrix of various responses (production or service company, size of the Company, presence in a country deemed to be risky, turnover, dependence of the supplier on the affiliate, annual expenditure, the critical nature of the product, the social, environmental and supply chain risks of the supplier). The next step is a S&R Assessment of suppliers and subcontractors using the EcoVadis platform, which specialises in this field. The questions are based on four major topics: the environment, social, ethics and supply chain. In addition, we work in partnership with our suppliers to reduce emissions: 1/ We have regular meeting with our main glass suppliers to discuss various actions to reduce emissions: light weighting, increasing recycled content, investing in new technologies for producing glass etc.. 2/We collaborated with our growers to change their practices and introduce cover crops in vineyards for instance, as well as developing new vines able to adapt to climate change 3/We transfer technologies we are developing to our suppliers. For instance, gas reduction consumption for distilleries to reduce our carbon footprint and our suppliers carbon footprint.

Impact of engagement, including measures of success

A company specific description of the impact of climate-related supplier engagement. Since 2011, the Responsible Procurement Policy for products and services, covering all purchases made by the entire workforce, is a key element of our supplier's policy. Therefore, in the Pernod Ricard internal training course on procurement, a selection of suppliers and partnerships is made. Moreover, we cannot work with partners that don't respect our S&R commitments. To do so, Pernod Ricard pays careful attention to the partners engaged and S&R audits of suppliers and subcontractors are made to ensure that this measure is a success. A clear description of measures of success. At the end of June 2019, 1 765 suppliers were analyzed using the CSR Risk Mapping Tool. At the end of June 2019, following the CSR risk mapping, 247 suppliers or subcontractors had been assessed using EcoVadis.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

"A company specific description of your climate-related engagement strategy with other partners in the value chain."

"A clear explanation of who 'other partners in the value chain' constitutes."

Pernod Ricard is engaged with **other partners of its value chain from the glass manufacturers to the recycling service providers**with one goal: to make glass recycling a successful industry, and an efficient, high-quality and convenient service consumer want and expect. We work together on practical and targeted solutions for returning more recycled glass back to manufacturers for new bottles.

"A case study/example of your climate-related engagement strategy with other partners in the value chain."

The USA market accounts for 98 711 tons of glass and 82 818 tCO2. It is more important to act on reducing its footprint.

This is one of the reasons that pushed Pernod Ricard USA to join the "Glass Recycling Coalition" which unites glass manufacturers, bottlers, recycling service providers, etc. We want to help build a foundation to push every consumer in the US to recycle glass by fostering efficient and economically viable recycling channels and make glass recycling a successful industry, and an efficient, high-quality and convenient service consumer want and expect.

For example, Coalition members intend to work on bringing best practices to the U.S. glass recycling supply chain to increase the availability of "cullet," the industry term for furnace-ready recycled glass that can become new bottles and jars, as well as fiberglass.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Other, please specify (Sustainable agriculture practices)

Description of management practice

There are two aspects to the Group's actions in respect of agricultural product purchases and to ensure that our suppliers use sustainable agriculture practices: - The application of the Responsible Procurement approach allows us to identify and evaluate direct suppliers at risk in terms of S&R in order to develop suitable action plans. - The identification of environmental and social risks in agricultural activities and collaboration with our suppliers to mitigate risks identified.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

We encourage implementation of agriculture practices by sharing good practices between our suppliers. For instance, In France, at Martell, regular working groups are organised with the Grapes growers to share the impact on new sustainable agriculture principles.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Product Environmental Footprint)	Support	For our cognac distillation process we have invested in a research programme aiming at developing a carbon neutral distillation adapted to the specific cognac double distillation in potstill "méthode charentaise".	We are engaging the cognac industry to obtain from the regulatory authority the right to test and develop an alternative way of conducting the double distillation with renewable energy. This is expected to replace in future the direct gas firing currently used, which relies on fossil gas.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
French Business Climate Pledge

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Since the COP21 has been ratified, Pernod Ricard went further and joined the "French Business Climate Pledge" comprising of 89 french companies, affirming the need to collectively change course, in order to limit the rise of temperatures related to the effects of climate change to 2°C. Our goal is to define actions and develop solutions, products and services that significantly reduce GHG emissions. Thus, more than 320 billion euros will be invested in funding, research and development and innovation.

How have you influenced, or are you attempting to influence their position?
We fully support all the propositions of the French Business Climate Pledge. We are promoting the actions (investments for the most part) put in place, engagements and decisions, to the public and investors through multiples channels including our website for example.

Trade association
FFS (French Federation of Spirits)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The FFS supports carbon reporting in the spirits industry

How have you influenced, or are you attempting to influence their position?
Pernod Ricard develops and finances a CO2 calculator (scope1+2+3) for all industry players including SMEs

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Trade association
Beverage Industry Environmental Roundtable (BIER)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
As an active member of the Beverage Industry Environmental Roundtable (BIER), Pernod Ricard: • Recognizes climate change as one of the greatest challenges facing the continued prosperity of society, particularly to those in emerging markets; • Commits to continuing to 'do our part' to reduce Green House Gas (GHG) Emissions not only across our own operations, but also by driving action through our supply chains; • Supports an international framework of national GHG reduction targets and commitments to invest in adaptation. BIER members recognized that climate change was not just a matter of adaptation, but one of resiliency, especially when moving beyond direct operations. To put things in perspective, climate change is not only a carbon issue, but also a water issue and is related to the sustainability of our agricultural supplies.

How have you influenced, or are you attempting to influence their position?
We fully support all the propositions of the BIER.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

As an active member of the Beverage Industry Environmental Roundtable (BIER). Pernod Ricard is supporting the joint Commitment Statement issued by BIER at the Business Climate Summit in Paris. By endorsing this statement, we:

• Recognize climate change as one of the greatest challenges facing the continued prosperity of society, particularly to those in emerging markets;

• Commit to continuing to "do our part" to reduce Green House Gas (GHG) Emissions not only across our own operations, but also by driving action through our supply chains; and

• Support an international framework of national GHG reduction targets and commitments to invest in adaptation.

BIER members recognized that climate change was not just a matter of adaptation, but one of resiliency, especially when moving beyond direct operations. To put things in perspective, climate change is not only a carbon issue, but also a water issue and is related to the sustainability of our agricultural supplies.

"There are significant opportunities for beverage companies to take a leading role and improve impacts beyond beverage sector operations." adds Tod Christenson, BIER Director. "Through our work together, BIER members accelerate change through technical collaboration. development of sustainable solutions, and a continued commitment to partnering on this global challenge."

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

All Pernod Ricard employees, including members of the Public Affairs team, are expected to apply a strong sense of ethics to their daily activities, including any lobbying initiatives they may undertake to influence policy making and decision taking that affects Pernod Ricard and/or the industry. More specifically, employees have to ensure that all lobbying initiatives:

- are consistent with the Group's CSR commitments;

- comply with the Pernod Ricard Charter;

- comply with local laws and regulations;

- comply with the Group’s Code of Business Conduct.

All lobbying efforts at Pernod Ricard are conducted openly, transparently and ethically. The Group actively participates in deliberations on legislative or administrative matters by advocating its positions to the whole industry and other stakeholders, including decision-makers and policymakers. Pernod Ricard may do this through trade associations, or directly when the issue is specific to the Group.

Pernod Ricard employees who engage in lobbying activities commit to using only reliable, verifiable and up-to-date information in support of our positions on policy matters or proposed legislation. The Group has been a member of the French chapter of Transparency International for a number of years and have signed a declaration that officially forms the basis of the Group’s lobbying practices.

The Group’s government affairs organization reflects Pernod Ricard's strong commitments to CSR: The Vice President Government Affairs is responsible for articulating the Group’s lobbying policies, ensuring at any time that lobbying practices are consistent with the Group' CSR commitments.

Pernod Ricard's environmental Strategy is driven by our Environment Policy, our 2020 Environment Roadmap and the new 2030 S&R strategy which are applicable to our direct and indirect activities. The VP S&R follows the implementation of the strategy which includes GHG objectives and measures progress through implementation and performance KPIs. This allows to ensure alignment between activities and projects, and the global strategy.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
Universal Registration Document FY19.pdf

Page/Section reference
For the Governance : page 87, section "3.1.2 A robust Governance structure" For the Strategy : page 86, section "3.1.1 A strategy centred around a vision: “Créateurs de convivialité"" For Risks & Opportunities : page 87-89 , section "3.2 The main sustainaibility risks and opportunities" For the Emissions figures, Emission targets and Other metrics : section "3.3 The four pillars of the Good Times from a Good Place roadmap", between page 90-93 and 99-109

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C13. Other land management impacts

C-AC13.1/C-FB13.1/C-PF13.1

(C-AC13.1/C-FB13.1/C-PF13.1) Do you know if any of the management practices implemented on your own land disclosed in C-AC4.4a/C-FB4.4a/C-PF4.4a have other impacts besides climate change mitigation/adaptation?
Yes

C-AC13.1a/C-FB13.1a/C-PF13.1a

(C-AC13.1a/C-FB13.1a/C-PF13.1a) Provide details on those management practices that have other impacts besides climate change mitigation/adaptation and on your management response.

Management practice reference number
MP1

Overall effect
Positive

Which of the following has been impacted?
Biodiversity
Soil
Other, please specify (Cost)

Description of impact
We use sheep instead of chemical and mechanical practices, pheromones instead of pesticides to help prevent problems with insects. In our vineyards, we also let the vegetation to grow between rows of vines. Moreover, 99% of vineyards (by hectares) are certified according to environmental standards. As a consequence, we use less chemicals and fuels improving soil conditions and we improve the biodiversity. This management practice reduces also our costs due to less chemical product usage.

Have you implemented any response(s) to these impacts?
No

Description of the response(s)
We have not implemented any response as we did not identify any negative impacts caused by this management practice.

Management practice reference number
MP2

Overall effect
Positive

Which of the following has been impacted?
Water

Description of impact
In 2017/2018, the vineyards operated by the Group used 11.4 million m3 of water, mainly for irrigation purposes. This is done using the drip irrigation technique, which is now used for 100% of the Group's irrigated vineyards, reducing the water supplied to what is strictly necessary.

Have you implemented any response(s) to these impacts?
No

Description of the response(s)
We have not implemented any response as we did not identify any negative impacts caused by this management practice.

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?
Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number
MP3

Overall effect
Positive

Which of the following has been impacted?
Yield
Other, please specify (Cost)

Description of impacts
The direct purchasing of agricultural products by affiliates results in a number of partnership initiatives being undertaken with the Group's agricultural suppliers. For example, In Sweden, 100% of the wheat bought by The Absolut Company is produced locally in line with rigorous specifications and monitored in terms of sustainable agriculture. In France, the majority of the fennel used for the production of Ricard is grown by farmers in Provence in accordance with sustainable agriculture principles. Our goal is to improve the crop yield while protecting the environment. Furthermore, it reduces the production cost of our suppliers due to less chemical product usage. Therefore, ours is also reduced.

Have any response to these impacts been implemented?
No

Description of the response(s)
We have not implemented any response as we did not identify any negative impacts caused by this management practice.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President Human Resources Sustainability & Responsibility	Board/Executive board

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	9181850000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?
No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Wal Mart de Mexico

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
433

Uncertainty (±%)
10

Major sources of emissions
Fossil fuel energy used in our production sites (Distillery, winery, Bottling and ageing sites)

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We have identified GHG sources allocated to Wal-Mart Mexico based on the percentage of the turnover (in Euros) made by Pernod Ricard with Wal-Mart Mexico. We have multiplied this percentage to our Total Scope 1 emissions to have an estimation of GHG emissions that could be allocated to Wal-Mart Mexico.

Requesting member
Wal Mart de Mexico

Scope of emissions
Scope 2

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
58

Uncertainty (±%)
10

Major sources of emissions
Electricity and other indirect energy used in our production sites (Distillery, winery, Bottling and ageing sites)

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Wal-Mart Mexico based on the percentage of the turnover (in Euros) made by Pernod Ricard with Wal-Mart Mexico. We have multiplied this percentage to our Total Scope 2 emissions to have an estimation of GHG emissions that could be allocated to Wal-Mart Mexico.

Requesting member
Metro AG

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
6167

Uncertainty (±%)
10

Major sources of emissions
Fossil fuel energy used in our production sites (Distillery, winery, Bottling and ageing sites)

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Metro AG based on the percentage of the turnover (in Euros) made by Pernod Ricard with Metro AG. We have multiplied this percentage to our Total Scope 1 emissions to have an estimation of GHG emissions that could be allocated to Metro AG.

Requesting member
Metro AG

Scope of emissions
Scope 2

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
826

Uncertainty (±%)
10

Major sources of emissions
Electricity and other indirect energy used in our production sites (Distillery, winery, Bottling and ageing sites)

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Metro AG based on the percentage of the turnover (in Euros) made by Pernod Ricard with Metro AG. We have multiplied this percentage to our Total Scope 2 emissions to have an estimation of GHG emissions that could be allocated to Metro AG.

Requesting member
Wal Mart de Mexico

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
4535

Uncertainty (±%)
30

Major sources of emissions
Indirect emissions generated through the purchase of our agricultural raw materials, packaging and services (transport, etc.)

Verified
No

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Wal-Mart Mexico based on the percentage of the turnover (in Euros) made by Pernod Ricard with Wal-Mart Mexico. We have multiplied this percentage to our Total Scope 3 emissions to have an estimation of GHG emissions that could be allocated to Wal-Mart Mexico.

Requesting member
Metro AG

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
64545

Uncertainty (±%)
30

Major sources of emissions
Indirect emissions generated through the purchase of our agricultural raw materials, packaging and services (transport, etc.)

Verified
No

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Metro AG based on the percentage of the turnover (in Euros) made by Pernod Ricard with Metro AG. We have multiplied this percentage to our Total Scope 3 emissions to have an estimation of GHG emissions that could be allocated to Metro AG.

Requesting member
Walmart, Inc.

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
2706

Uncertainty (±%)
10

Major sources of emissions
Fossil fuel energy used in our production sites (Distillery, winery, Bottling and ageing sites)

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Wal-Mart based on the percentage of the turnover (in Euros) made by Pernod Ricard with Wal-Mart. We have multiplied this percentage to our Total Scope 1 emissions to have an estimation of GHG emissions that could be allocated to Wal-Mart.

Requesting member
Walmart, Inc.

Scope of emissions
Scope 2

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
363

Uncertainty (±%)
10

Major sources of emissions
Electricity and other indirect energy used in our production sites (Distillery, winery, Bottling and ageing sites)

Verified
Yes

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Wal-Mart based on the percentage of the turnover (in Euros) made by Pernod Ricard with Wal-Mart. We have multiplied this percentage to our Total Scope 2 emissions to have an estimation of GHG emissions that could be allocated to Wal-Mart.

Requesting member
Walmart, Inc.

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
28319

Uncertainty (±%)
30

Major sources of emissions
Indirect emissions generated through the purchase of our agricultural raw materials, packaging and services (transport, etc.)

Verified
No

Allocation method
Allocation based on the number of units purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We have identified GHG sources allocated to Wal-Mart based on the percentage of the turnover (in Euros) made by Pernod Ricard with Wal-Mart. We have multiplied this percentage to our Total Scope 3 emissions to have an estimation of GHG emissions that could be allocated to Wal-Mart.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

The data we used for scope 1 , 2 and 3 emissions are publically available in our reference document available on our website

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

We have a too large and diverse customer base to accurately track emissions to the Customer Level Additionally, diversity of product lines which makes accurately accounting for each product / product line cost ineffective. Consequently, we do not plan to develop capabilities to allocate emissions to our customers as it would require too much resources (human and Financial).

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member
Wal Mart de Mexico

Group type of project
Reduce Logistics Emissions

Type of project
Route optimization

Emissions targeted
Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized
3-5 years

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
We could suggest to work in partnership with our affiliates to reduce the GHG emissions associated with the transportation and delivery of our products (Choice of transport type, route and load optimisation, etc..) to your warehouses/stores.

Requesting member
Metro AG

Group type of project
Reduce Logistics Emissions

Type of project
Route optimization

Emissions targeted
Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized
3-5 years

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
We could suggest to work in partnership with our affiliates to reduce the GHG emissions associated with the transportation and delivery of our products (Choice of transport type, route and load optimisation, etc..) to your warehouses/stores.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms