



Pernod Ricard

*Créateurs de convivialité*

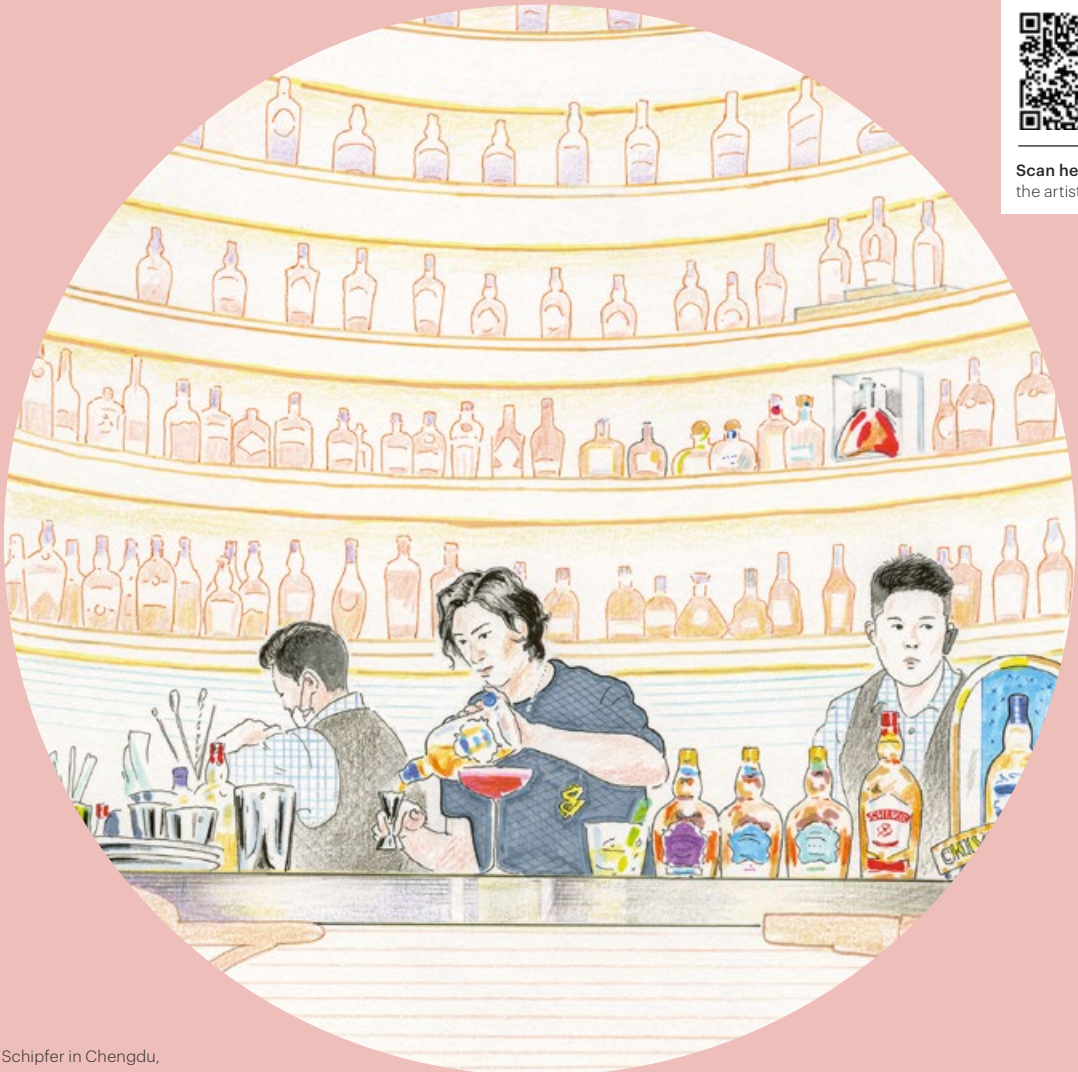
INTEGRATED ANNUAL REPORT FY23

# WORLD

## OF EXPERIENCES



Scan here for  
the artist's story



By Miyuka Schipfer in Chengdu,  
China



Pernod Ricard  
*Créateurs de convivialité*

INTEGRATED ANNUAL REPORT FY23

# WORLD

## OF EXPERIENCES



Scan here for  
the artist's story



By Louise Laborie in the **USA**,  
at TX Whiskey Ranch



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INTEGRATED ANNUAL REPORT FY23

# WORLD

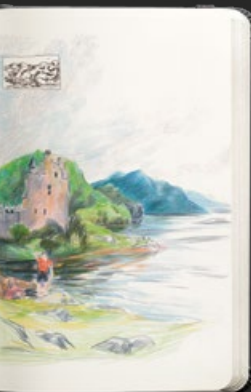
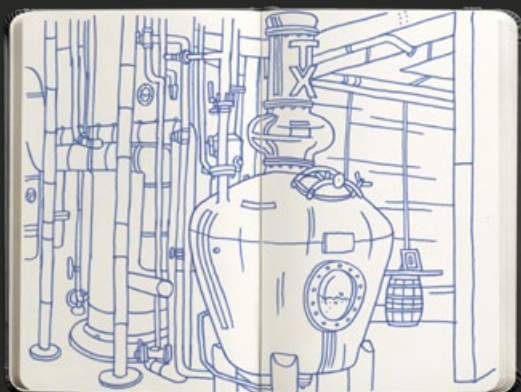
## OF EXPERIENCES

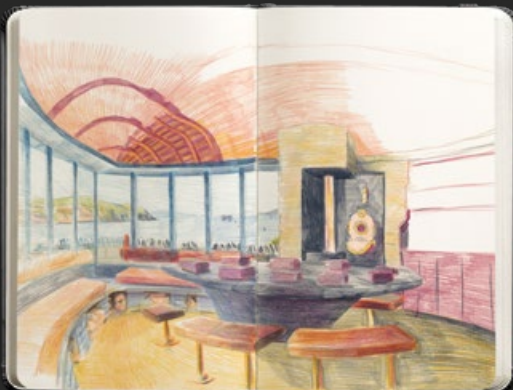


Scan here for  
the artist's story



By Clément Clause in **Scotland**,  
at the Keith Bond 2 production site





# A world of experiences

Experiences are universal. They can happen anywhere, at any time, and can last an instant, a moment or a lifetime. They might be shared or individual, different or similar across time and geographies.

Experiences are about moments of connection. Connection with places or people, cultures or the excitement of what the future might hold.

At Pernod Ricard, we believe in the power of bringing people together, and the positive impact that comes from turning occasions into memorable experiences.

We use technology to create more personalised connections with consumers, to better understand when, where and how our brands are chosen. From choosing a night at home over a night out, to a rise in no- and low-consumption, moments of conviviality are varied, ever-changing and evolving.

Responding to these moments is also about anticipating and understanding consumer trends. By staying close to our consumers analysing trends we're able to identify new opportunities and place our portfolio at the heart of consumers' moments of consumption.

Consumer trends such as 'Conscious Hedonism' and 'Real-life Social Networks'.

**Conscious Hedonism** is about creating pleasurable offerings that facilitate purposeful consumption. People increasingly want to consume with a carefree attitude without compromising either their wellbeing or their conscience.

They are moderating their consumption and looking for sustainable ways to be self-indulgent. They want holistic offerings that balance their desire for wellbeing and their respect for nature.

We're responding by bringing Good Times from a Good Place, putting sustainability and responsibility firmly at the heart of the experiences we create - including moving towards a more circular business model, actively working to preserve and regenerate natural resources. Read more about our sustainability and responsibility commitments starting on page 66.



Keith Bond 2 production facility, Scotland

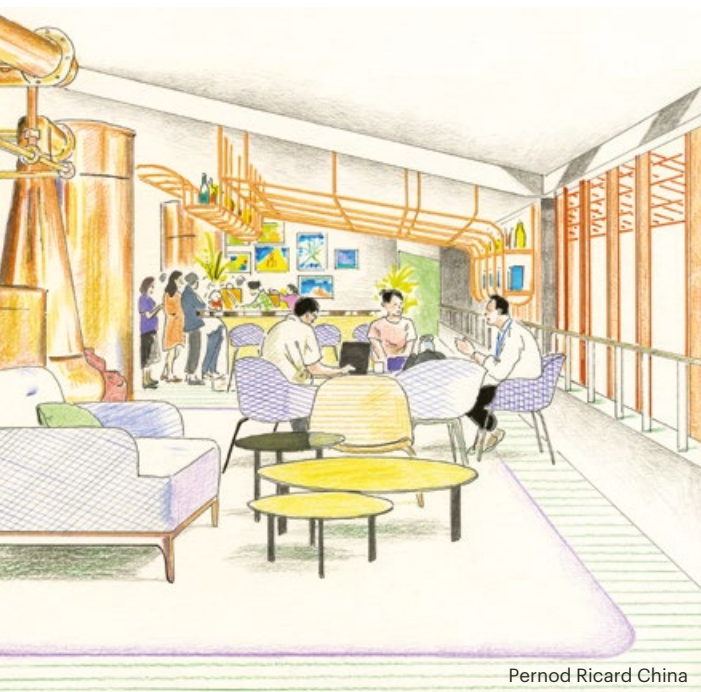
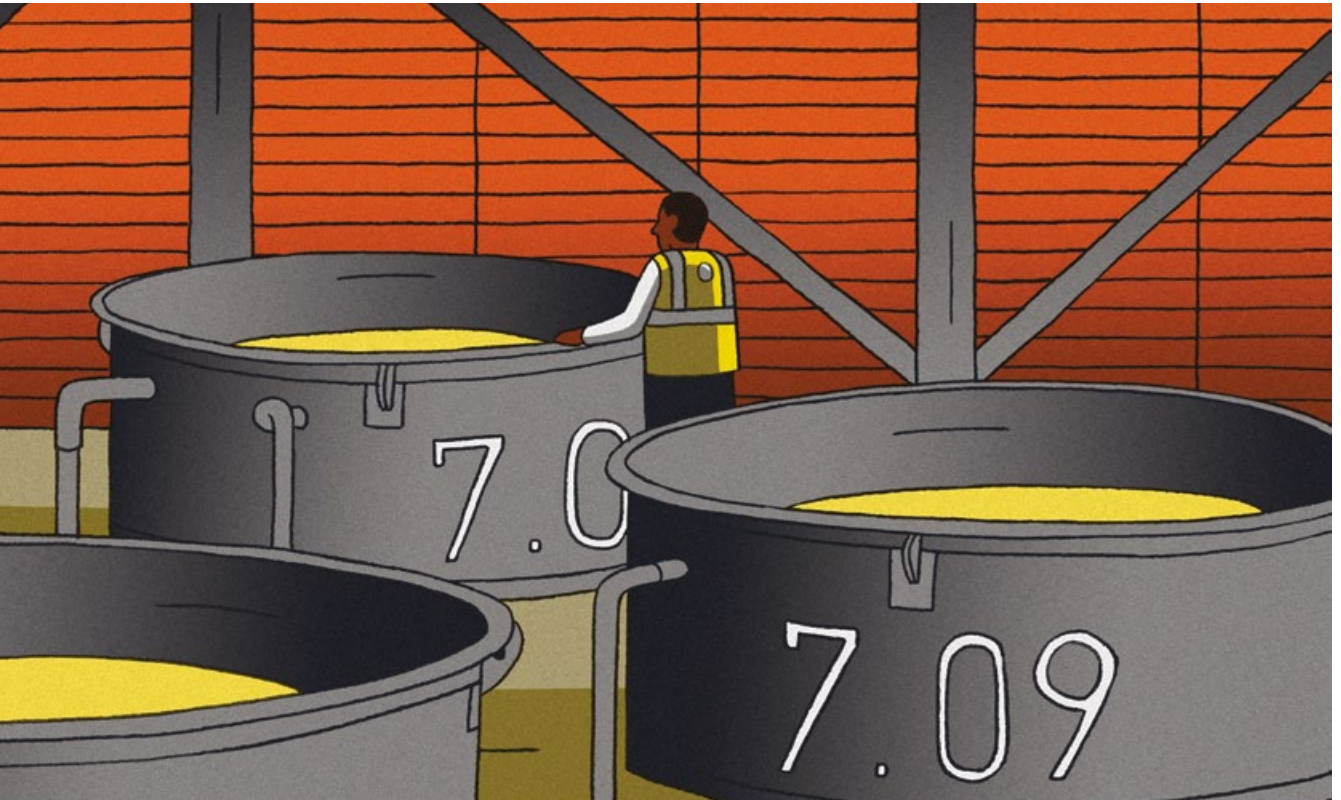
We're also supporting conscious consumption by investing in non-alcoholic brands like Ceder's and retail concepts like Boisson, and launching new spirit alternative offerings like Seagram's 0.0%. Read more about our no- and low-alcohol innovations on page 29.

**Real-life Social Networks** focuses on moments of real-life interaction, where people are able to reconnect after years of restrictions. People are searching for a world of new experiences, convivial occasions through which to connect with like-minded people.



Rabbit Hole Distillery, Louisville, Kentucky





While online social networks were an integral part of our interactions throughout the pandemic, digital fatigue is peaking and people are eager for real-world experiences. New ways of socialising and being together have emerged that go beyond traditional moments, places and rituals of interaction.

To support and harness these encounters, we bring our portfolio to life in the real world. That includes partnerships with existing events – such as Ricard’s presence at some of the biggest and most popular music festivals in France, which you can read more about on page 34 – as well as creating our own experiences at our award-winning Brand Homes across the globe, such as Mx in Marseille and the House of KI NO BI in Kyoto.

Throughout this report we’ll explore The World of Experiences in more detail, and the different ways they can be connected to our brands, our markets and our people.

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Our history



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We're investing in a new state-of-the-art distillery for our fast-growing Jefferson's Bourbon brand.

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Ambitious momentum





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The world is our market



We're close to our consumers around the world.

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Strong, diversified growth in FY23.

**A MESSAGE FROM**

Chairman and CEO  
Alexandre Ricard

Alexandre

Ricard





**In a buzzing Parisian restaurant. At a joyful Chinese wedding. As the sun rises in Seoul or sets in New York. With friends anywhere and everywhere, physically, digitally. Right now, around the world, countless encounters are happening – unique flashes of *convivialité* felt only by the people there in that very moment.**

Such moments can be shared with others or remain deeply personal. They can be life-changing or every day, joyfully positive or deeply touching, extended over a long period or over in an instant. But they all create powerful bonds – connections etched into our memories forever.

Socialising, building communities around our brands, has been at the very heart of Pernod Ricard since its inception nearly 50 years ago. We've been in the drinks business from the start, maintaining our traditions by nurturing the soul, authenticity and heritage of our brands, and building strong relationships with our consumers and customers across the world.

This deep-rooted desire to connect with one another, to forge genuine and meaningful connections is what has always driven our Group. From these strong roots, we have designed an organisation entirely focused on bringing our vision “to unlock the magic of human connection” to life. The aim of everything we do is to make more of that magic to happen.

**A business with a soul**

Conviviality sparks human connection and creates memorable experiences across the entire spectrum of Pernod Ricard. Our Group is founded on optimism, the thrill of discovering new ideas, meeting new people, and the pursuit of the extraordinary. We make and sell premium wines and spirits that mean a lot more than simply what's in the bottle.

We're a company with a unique culture and engaged teams – a business with a soul. While connected by our shared mindset, we also take pride in our individualism.

## A MESSAGE FROM

Chairman and CEO  
Alexandre Ricard  
continued

We celebrate our differences every day – our diversity of talents, perspectives, and personalities. It’s a critical ingredient in the power of conviviality.

This winning formula allows us to deal with complexity, embrace diversity, and meet the competition head on. It’s what makes Pernod Ricard unique, and it’s been instrumental in helping us evolve with the times.

Today, those times might be more daunting than ever. And while the world might be reopening up, it still faces a whole host of challenges, from inflation and conflicts to unpredictable weather systems and natural disasters that are driving home the reality of climate change.

The spirit of our people and the culture of our company are the guiding lights that once again helped us navigate market complexities in FY 2023. It was another year of very strong, balanced, profitable and responsible growth for Pernod Ricard. I am particularly pleased that our outstanding operational performances went hand in hand with solid financial results, key to sustaining the long-term growth of our brands.

Our share gains in most markets demonstrate the desirability of Pernod Ricard’s leading portfolio of premium brands as well as the relevance of our strategy and business model. Building on our sustainability and responsibility roadmap, and with the support of advanced technology and data, we are pursuing our transformation at a steady pace. The new Executive Committee recently appointed will ensure we do not deviate from our planned trajectory. As we face



“  
We’re a company with  
a unique culture and  
an engaged workforce;  
a business with a soul.  
Our people have always  
been our greatest  
assets and, through  
our collective efforts,  
we’ve built something  
very special – and  
very successful – in a  
sector full of positive  
challenges and  
exciting opportunities.”

an environment likely to remain uncertain in FY24, I remain fully confident in Pernod Ricard’s ability to deliver on our medium-term objectives.

### **Strengthening our portfolio**

We are building our portfolio of drinks carefully and deliberately, not simply to be the number one in each category or in each market. We focus on brands with unique personalities that can generate consumer engagement, either globally or in specific markets.

Together, our more than 240 brands – across spirits, wines, alcohol-free spirit alternatives and everything in between – make up the most complete brand portfolio in the industry.

Our global footprint and geographical diversity are unequalled, and give us the ability to rapidly capture and respond to evolving consumer tastes. Our direct presence in all key markets provides us with eyes and ears around the world, to better understand our consumers and customers and rapidly share insights and trends across our teams and brands to better serve our markets.

We are also deepening our understanding of consumers and drinking occasions by developing tools that allow us to supplement our craft with science – including federating the right data and using artificial intelligence to make better decisions.

### **Our vision for the future**

We are organised to take full advantage of the changing global wines and spirits

landscape. We have the right portfolio, the right route to market and distribution, and the right culture and people to succeed and create value across every part of our business.

But we can do even better.

The Group has a clear ambition for the next decade: to deliver sustainable, profitable growth that will benefit all our stakeholders. We will build even more premium brands at scale, while nurturing the rest of our portfolio, leveraging innovation in products and services, and seizing external opportunities to cover every imaginable consumer need.

To achieve this, we'll continue to activate a significantly increased number of brands across more markets and occasions, leveraging the growth model that is already in place and delivering tangible results.

Our agile operating model, empowering our teams, will support and enable our ambitions. Our continuous transformation will enable us to improve collaboration and augment our collective knowledge – we will take full advantage of all opportunities to further mutualise resources and capture synergies and economies of scale wherever they may lie.

Enhancing the best of our culture to ensure it is a sustainable source of competitive advantage, we will continue to equip our people with the expertise and skills we need to stay ahead, and challenge each other to reach excellence.

#### **Making a real difference**

The way we go about all of this matters just as much as what we want to achieve. To be successful, we will further reinforce our commitment to Sustainability and Responsibility.

Every Pernod Ricard product takes its character from the land where it is grown and the people who make it.

We manage our business for the long term – for future generations – and climate change and building a “future-fit” business are our most pressing concerns.

We are working on biodiversity projects, our carbon footprint, water usage, consumer transparency, digital labels, gender pay equity, investments in distilleries and production, encouraging responsible consumption, and much more – as you'll read about in this report. These initiatives are having quantifiable impacts: our carbon emissions for Scopes 1 and 2 are down 12% in FY23 versus 2018 in absolute value. And 94% of our markets have deployed a responsible drinking initiative in the last year aimed at changing consumer behaviour.

“

Conviviality sparks human connection and creates memorable experiences across the entire spectrum of Pernod Ricard. Our Group is founded on optimism, the thrill of discovering new ideas, and the pursuit of the extraordinary.”

Of course, none of this would be possible without our people. Our Group's evolution has been achieved with and for our people, and we have always demonstrated our ability to thrive when challenged. I can't thank them enough for their ongoing and unwavering commitment, and our success is a direct reflection of a culture rooted in authenticity, care, collective commitment, and empowerment.

We are building the future of Pernod Ricard together, creating unforgettable encounters and moments of conviviality both for ourselves and for the consumers who choose our brands.

In a world in need of conviviality, we are making a real difference and unlocking the magic of human connection.

**Alexandre Ricard**  
Chairman & CEO



Shanghai, China

In 2023 Pernod Ricard embarked on a new relationship to further its support of emerging creative talents.

Our partnership with the renowned École des Arts Décoratifs in Paris builds on our long history of supporting creativity and young artists in France.

## New partnership, new approach

This year marks an evolution in our long-standing practice of featuring artists in our Annual Report. Where past reports have focused on photography, this time we've turned to illustration to showcase our brands, places and people, through a new partnership with École des Arts Décoratifs in Paris.

A place of intellectual, creative and artistic endeavours for more than 250 years, the school's vocation is to train future artists and designers to be the creators of contemporary decor and the "transformers" of the world of tomorrow.

The illustrative work of three recent graduates from the school has brought a vibrant and fresh creativity to this year's

publication. All the artists studied in the Printed Image department and were panel-selected on the strengths of their portfolios. In the spring and summer of 2023, each undertook a two-month residency in one of our markets - China, Scotland and the United States - where they had the opportunity to observe our people and our operations at close quarters. The subjects they chose to illustrate have opened up new and exciting perspectives on the world of Pernod Ricard, and are published here for all to appreciate.

As you will see, each of the artists has a different illustrative style. The diploma project of Louise Laborie (whose residency was in the USA) was a 134-page comic book, while Clément Clause (residency in Scotland) focuses on observational drawing and the importance of texture. The work of Miyuka Schipper (residency in China) is based on live drawing in the tradition of Sempé and Hockney.

# Supporting art and young artists

**Sixty images. Sixty signs of our time created simultaneously on three continents.**

This is what three recent graduates from the École des Arts Décoratifs have contributed to this Annual Report. If our mission as a school is clear – not to train students to fit into the world but rather to reveal it to us – then we must give them the means to explore and question it. After a worldwide travel hiatus, these travelling residencies, which were developed in partnership with Pernod Ricard over two and a half months, are a promise to our young graduates, a promise to once again be able to investigate, record and visually translate the cultural and social phenomena at work in our contemporary societies. These three residencies, from the Far West to the Far East, never let the sun set on their shared vision throughout this project.

Choosing an artistic medium to illustrate this year's Annual Report was by no means accidental. More than 250 years following the creation of the École des Arts Décoratifs as a free art school, the time has come to breathe new life into the narrative power of drawing, which has been overshadowed by years of celebrating contemporary art. Illustration was the obvious choice given

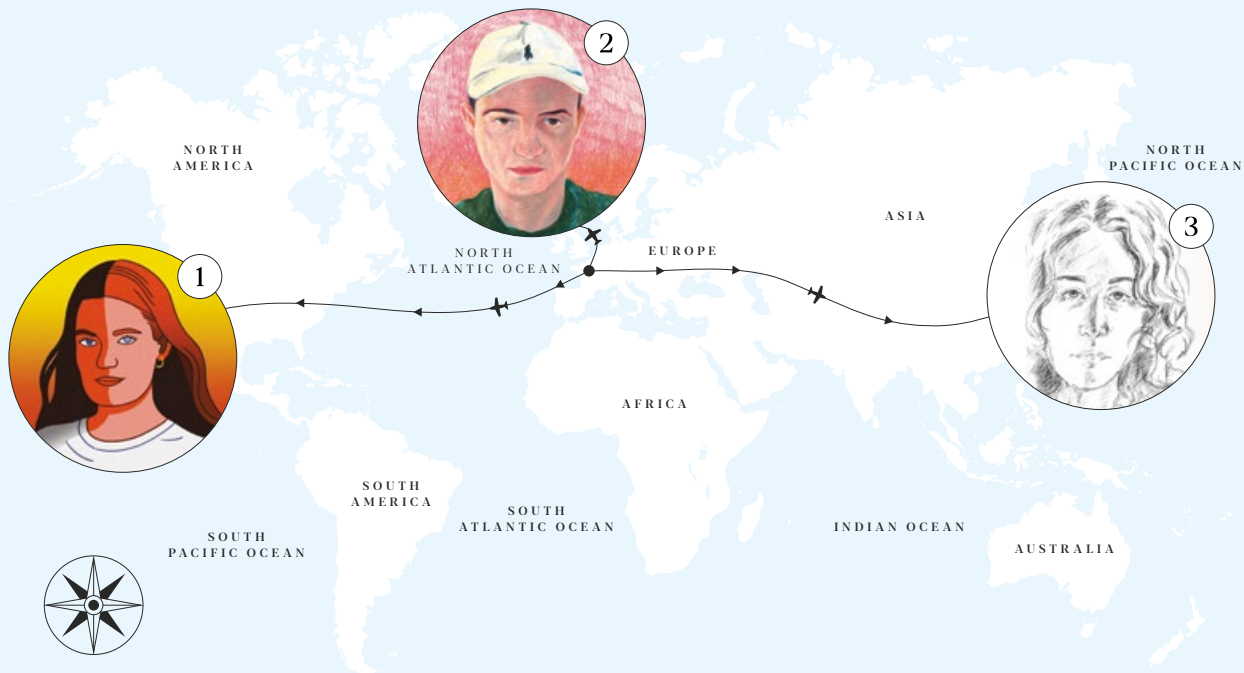
the challenge of bringing the dynamics of globalised togetherness to life. This light, agile and liberated artistic medium, so adept at capturing wandering thoughts, fleeting moments and showcasing the technical virtuosity of colour, enabled the three selected artists, all graduates of the École's Printed Image department, to trace the contours of these universes that are both familiar and distinct.

Clément Clause in Scotland, Louise Laborie in the United States and Miyuka Schipper in China have used their unique talents to capture architecture, topography, social and professional interactions, know-how, faces and products in the heart of three very different countries. Each and every one of us here strives to be a seismograph of our community of values, and always passionately committed to the world and its myriad cultural and human dimensions.

**Emmanuel Tibloux**  
Director of the École des  
Arts Décoratifs



**Emmanuel Tibloux,**  
Director, École des  
Arts Décoratifs



### 1. Louise Laborie

**Residency location:** USA

Louise studied illustration at the École des Arts Décoratifs in Paris, before discovering comics while on exchange in New York City. Her work explores reality and the imaginary through narrative and wistful images.



“During my residency I experienced three very different distilleries. These resonated with my visual expression, which is inspired by Hollywood film aesthetics, the covers of the New Yorker and American cartoonists of the 1980s. I drew a lot on-site, blending in and soaking up its daily life, and it was very rewarding to highlight the jobs and skills that often live in the shadows.”

### 2. Clément Clause

**Residency location:** Scotland

Clément is an artist and engraver whose work embraces all stages of book design and image printing, whether handmade or digital. He also leads the engraving workshop at Prep’art Paris.



“Observational drawing is the starting point for my work, whether that’s a place, an atmosphere or a person. In Scotland, I mainly concentrated on the people I was able to meet, their gestures within their workplace, the tools and machines they used as well as the places specific to the different distilleries.”

### 3. Miyuka Schipfer

**Residency location:** China

Miyuka is a French-Japanese artist based in Paris. Her work explores cultural habits and their aesthetic integration into today’s world, and is based on live drawing – inspired by capturing relatives, intimate surroundings and environments.



“My work is based on live drawing, inspired by capturing relatives, surroundings and environments. The contrast between The Chuan Distillery, in the foothills of Emeishan mountain, and the big city headquarters of Shenzhen and Shanghai showed me the architectural singularity of these sites.”

# Our



## 1975

Creation of Pernod Ricard from the merger of Pernod, founded in 1805, and Ricard, created in 1932 by Paul Ricard.



### 1988

Acquisition of leading Irish whiskey producer Irish Distillers - owner of Jameson.

### 1993

Creation of joint venture between Pernod Ricard and the Cuban rum company, Cuba Ron to market and sell Havana Club.



### 2001

Acquisition of Seagram and their whisky brands (Chivas Regal, The Glenlivet, Royal Salute) and cognac (Martell).

### 2003

Signing of the United Nations Global Compact, a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.



### 2005

Acquisition of Allied Domecq, doubling the Group's size to become the world's #2 wines and spirits company, with brands including Mumm and Perrier-Jouët champagnes, Ballantine's whisky, Kahlúa and Malibu liqueurs and Beefeater gin.

Membership in the International Alliance for Responsible Drinking (formerly ICAP<sup>(1)</sup>).

<sup>(1)</sup> International Center for Alcohol Policies

### 2007

Display of a warning for pregnant women on all bottles marketed by the Group is extended to every country in the European Union.



### 2008

Acquisition of Vin & Spirit - owner of Absolut Vodka.

### 2010

Adhesion to the United Nations CEO Water Mandate.

### 2011

Upgrade of the Group's credit rating to investment grade.  
Launch of Responsib'All Day, Pernod Ricard's annual social engagement volunteer event involving the Group's entire workforce.

### 2012

Signing of the Wine & Spirits Producers' five commitments to promote responsible drinking.

### 2015

Appointment of Alexandre Ricard as Chairman & CEO.



2016

Acquisition of the super-premium gin Monkey 47.

Signing of the United Nations Sustainable Development Goals (SDGs).

The Institut Océanographique Paul Ricard celebrates its 50th anniversary.



2017

Acquisition of a majority stake in high-end bourbon producer Smooth Ambler, and in Del Maguey Single Village, the #1 mezcal in the United States.

2018

Nomination of Pernod Ricard as a member company of Global Compact LEAD<sup>(2)</sup>.

Adhesion to the New Plastics Economy led by the Ellen MacArthur Foundation.

<sup>(2)</sup> [www.unglobalcompact.org/take-action/leadership/gc-lead](http://www.unglobalcompact.org/take-action/leadership/gc-lead)



2019

Launch of new 2030 Sustainability & Responsibility roadmap "Good Times from a Good Place."

Acquisition of the super-premium gin Malfy, and a majority stake in super-premium bourbon Rabbit Hole Whiskey, Castle Brands (Jefferson's) and Firestone & Robertson Distilling Co. (TX).

Breaking ground for the first single malt distillery in China at Emeishan (Sichuan).

2020

Introduction of a "no minors" symbol on all bottles marketed by the Group.

Inauguration of The Island, the Group's new flagship in Paris, which brings together all its Parisian offices and employees.

Acquisition of a significant stake in the ultra-premium Japanese gin Ki No Bi, and in Italicus, an Italian super-premium, bergamot-infused aperitivo.



2021

Opening of the new Pernod Ricard Corporate Foundation's space in The Island, the Group's headquarters located in Paris.

Acquisition of a majority stake in La Hechicera ultra-premium rum.

Opening of The Chuan Malt Whisky Distillery in Emeishan, China.

Acquisition of a minority stake in the Sovereign Brands and its portfolio of super-premium wines and spirits.

Acquisition of leading online spirits retailer The Whisky Exchange.

Fulfills commitment to stop using single-use plastic promotional items at its points of sale.

Announcement of our historic partnership with the International Union for Conservation of Nature (IUCN) to support their "Agriculture and Land Health" initiative.

2022

Acquisition of a majority stake in Château Sainte Marguerite, Cru Classé Côtes-de-Provence rosé wine.

10th anniversary of Responsib'All Day, Pernod Ricard's annual social engagement volunteer event.

Launch of digital labels, starting with a selection of our brands in Europe, to provide information on responsible consumption.



2023

Acquisition of a majority stake in Código 1530, an ultra-premium and prestige tequila, Skrewball, a super-premium whiskey and ACE Beverage Group, the Canadian RTD market leader.

Partnership with Casa Lumbre and Lenny Kravitz to develop Nocheluna Sotol.

Announcement of a €238 million investment in the construction of a carbon-neutral Jefferson's distillery in Kentucky.

Signing of first sustainability-linked loan for €2.1 billion euros.

# history



# Ambitious momentum

12 ——— 23

Our strategy is ambitious – we want to build even more premium brands at scale to deliver sustainable, stretched, and profitable growth that will benefit all our stakeholders.

Our shared commitments, unique culture, and thirst for innovation are the qualities that keep us moving forward.





GUANGZHOU, CHINA

Creating the conditions for the  
magic that arises from meaningful  
and authentic encounters.

## Who we are

*We are Créateurs de convivialité*



## Our vision

**We unlock the magic of human connection by bringing Good Times from a Good Place.**

Conviviality is the magic that arises from human encounters. It's a deep-rooted desire to connect with one another, forge authentic and meaningful relationships and make our life, together, more enjoyable.



## Our mission

**We create the conditions for sustainable and responsible conviviality to thrive.**

We make and sell premium spirits and wines that mean a lot more than what's in the bottle. Everything we do is designed to ensure that the spark of human connection radiates around the world. We empower all our employees around the world to be the ambassadors of our culture of authentic conviviality.

# Our vision, mission, ambition and growth strategy



## Our ambition

**We ensure the long-term development of our brands with full respect for people and the environment and seek to sustain our growth and profitability to the benefit of all our stakeholders.**

We are best positioned to harness the continued global consumer demand for premium spirit and wine brands.

# Fuelling our growth



## Consumer focus

We aspire to be the most agile, customer-focused player in the industry – building consumer engagement and reacting rapidly to new demands and new occasions. We have developed the tools to systematise our understanding of every imaginable drinking occasion and enhance our consumer knowledge.



## Brand power

We are building our portfolio of premium drinks focusing on brands with strong personalities and consumer relevance, either globally or in specific markets. We want to grow even more brands at scale, seizing opportunities to deliver a diversified and sustainable portfolio of premium spirits and wines that resonate with consumers across the globe.



## Global footprint

Our global footprint – and the geographical diversity of our management and our workforce – are unequalled. We have the most comprehensive route-to-market, giving us the ability to rapidly connect consumers with our brands wherever they are around the world. And, while we're a global organisation, we do business differently – staying true to our family roots and maintaining the convivial spirit we have always been known for.



## Multiple occasions

The lives of our consumers are marked by different moments and celebrations. We call these occasions “Moments of conviviality”. Whether during a high-energy get-together in a club, a casual drink with friends at home or a romantic dinner in a restaurant, our brands are central to the moment. We listen to our consumers, ensuring we understand all drinking occasions, and are ready to deliver the right product, service or experience, at the right time and in the right place.



## Underpinned by our commitment to S&R

Our business relies on nature where we source our natural ingredients and on people who are at the heart of everything we do. Our 2030 S&R roadmap “Good Times from a Good Place” is integrated into all our activities to deliver sustainable and responsible growth, from grain to glass.



Learn more about our S&R engagements starting on page 66

# Our value creation model

Adding value across every part of our business.

## Our assets ●

### Our people

We have a diverse, talented and highly committed workforce around the world who share the same values.

20,600+ employees<sup>(1)</sup>

### Our portfolio

We have a unique portfolio of brands encompassing every major category of spirits and wine.

240+ brands

### Our global presence

From our headquarters in Paris, we touch every corner of the globe. Our unique organisation combines our consumer-centric model to give local markets the autonomy to flex their approach to meet the needs of their local consumers.

75 countries with our own sales force<sup>(1)</sup>

### Our expertise

We rely on the know-how of our employees and partners to optimise our manufacturing and distribution processes in terms of safety, quality and efficiency.

96 operation sites<sup>(1)</sup>

### Our terroirs

We rely on finite resources and well-functioning ecosystems to produce and source quality ingredients.

350+ terroirs

<sup>(1)</sup> At 30 June 2023.

<sup>(2)</sup> International Wine & Spirit Research (IWSR) world Top 100.

<sup>(3)</sup> Organic growth.

<sup>(4)</sup> Cumulative figure since 2019.

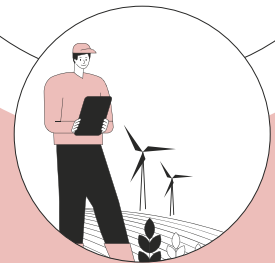
## Our actions ●

### Knowledge

We draw on our experience, our diverse talent, and data to identify current and future trends and design the *convivialité* of tomorrow, ensuring it is sustainable and responsible for people and the planet.



Creating sustainable...



### Innovation

We develop new, high-quality, sustainable products, services and experiences by leveraging data and technology, and investing in future trends through M&A and our venture arm Convivialité Ventures.

### Sourcing

In 70+ countries, we work hand in hand with farmers and suppliers to safeguard the long-term future of some 100 natural ingredients and other raw materials to make our products.

## Underpinned by:

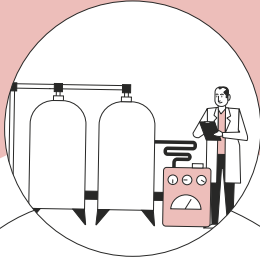
### Our growth model

Our growth model focuses on six defined growth opportunities and our existing competitive advantages with new technologies to deliver on our mission.

### Management and governance

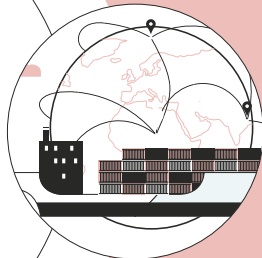
We have a new governance structure which encourages efficient engagement, direct dialogue, and faster decision-making.

# ...and responsible moments



## Production

We draw on our know-how to develop a high-quality portfolio applying circular design from manufacturing to packaging, while ensuring all health, safety and environmental standards are met.



## Distribution

We work closely with transport and distribution partners to deliver our brands to consumers in 160+ countries, constantly diversifying and optimising our channels.



## Marketing

We leverage data and new technology to market and sell our products effectively and responsibly. We aim to deliver the right experience at the right time, while raising awareness on responsible consumption and combating harmful drinking.

## Our Sustainability & Responsibility roadmap

The four pillars of our roadmap, Nurturing Terroir, Valuing People, Circular Making and Responsible Hosting, address all aspects of our business from grain to glass.

## Robust risk management

We have a robust system of internal control and risk management aimed at improving the forecasting and monitoring of financial, operational and market risks.

## The value we create

### Employees

We provide a diverse and inclusive work environment and create a culture combining conviviality and performance.

76

I Say 2022 score attributed by employees recognising Pernod Ricard as a great place to work

### Consumers & customers

We offer high-quality products, services and experiences to our consumers and customers.

18

of our brands are in Top 100 worldwide<sup>(2)</sup>

### Shareholders & investors

We create long-term value for our shareholders and investors by delivering profitable and sustainable growth.

+11%

PRO in FY23<sup>(1) (3)</sup>

### Farmers & suppliers

We support our farmers and suppliers to develop regenerative agriculture practices and sustainable packaging solutions.

10,506

farmers empowered, trained or supported<sup>(4)</sup>

### Communities & society

We support our communities, partner with our peers and work with regulators to tackle challenges together.

94%

of markets with a global or local responsible drinking initiative

### Planet

We minimise our impact on the environment by preserving our terroirs, reducing carbon emissions and water consumption, while increasing circularity.

18%

greenhouse gas emissions (Scope 3) reduction in intensity since FY18<sup>(1)</sup>

# Our competitive advantages

Despite an ever more complex environment, we are uniquely positioned, with enviable advantages – giving us every confidence that we have all the ingredients necessary to unleash our full potential.

## Competitive advantages



### The most complete portfolio

Covering all categories and consumer needs, delivering diversified growth. We craft some of the world's most iconic spirit and wine brands, rooted in heritage and complemented by an active portfolio of innovation.



### The most comprehensive global route-to-market

With our wholly owned global distribution network covering 75 markets and delivering balanced global growth, we develop our premium portfolio by shaping conviviality around the world.



### A winning culture

We've always demonstrated our ability to thrive when challenged. Our success reflects a culture rooted in openness, care, collective commitment, and empowerment – resulting in high employee attraction and engagement.





Shanghai, China

## Empowered by technology and data

Data precision at scale is driving our competitive advantages and giving our business ambitions fresh and powerful momentum. Our growth model leverages data and technology to boost our core business and expand beyond our historical sources of revenue, capturing ever more opportunities both in the short term and for the future.

Tech and data allow more personalised connections with consumers, better understanding of demand, and increased speed and precision decision-making. By analysing consumer demand as well as every aspect of our business using responsibly sourced data and ethically developed AI, we're able to respond to consumer trends and react rapidly to changes in consumer demand – offering the right products at the right price to the right consumer, for every occasion and in every market.



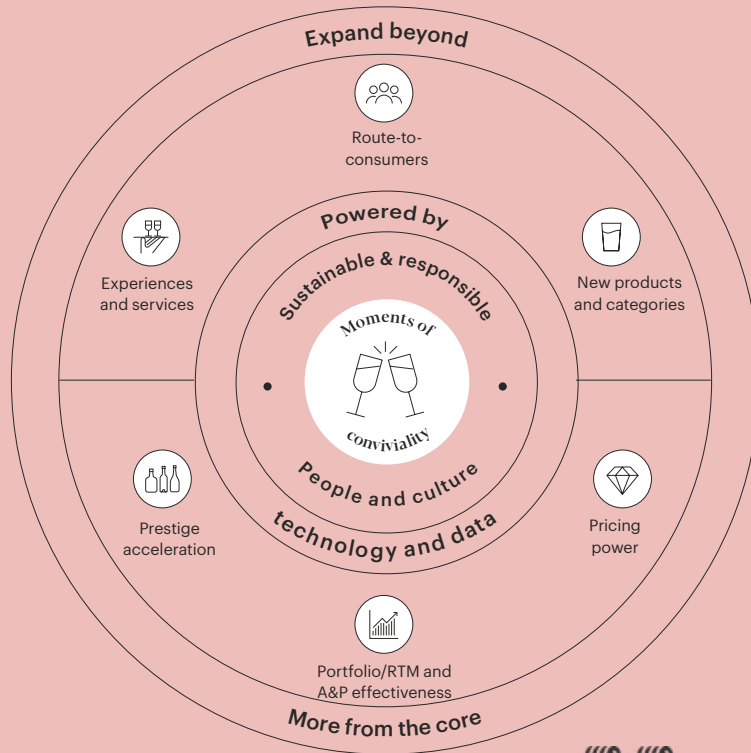
Pernod Ricard, China

# Our growth model

To reach our ambition to deliver sustainable, profitable growth that benefits all our stakeholders, in 2021 we adopted a growth model and identified six levers of growth.

Our growth model unites our existing competitive advantages with new technologies. It aims at creating more value from our core activity, and at the same time expanding into new products, categories, experiences, services and distribution models.

**D-STAR**



**matrix**





## Experiences and services

**What:** Stretch our business beyond the product itself to deliver sustainable and responsible experiences and services.

**How:** Leveraging and developing our internal assets such as Brand Homes or establishing specific partnerships.

**Our model in action:**

- Created new experiential places, including Mx in Marseille and the House of KI NO BI in Kyoto
- Launched “The Experience Distillery”, a new business unit that creates unique experiences and events related to conviviality

## Route-to-consumers

**What:** Get closer to our consumers by developing new channels and new ways of distributing our products.

**How:** Expanding omnichannel distribution, creating new touchpoints and enhancing purchasing experiences.

**Our model in action:**

- Continuous development of The Whisky Exchange, a leading B2C and niche B2B distributor of fine and rare spirits
- Further penetration of business meal occasions in China
- Expansion of Le Cercle VIP club, our platform offering a highly exclusive portfolio to connoisseurs
- Acceleration of Easy24, digitisation of our interface with wholesalers offering a one-stop shop ordering platform for trade outlets

## New products and categories

**What:** Scale innovation with new products and categories to address new consumer demands and occasions.

**How:** Addressing emerging trends through our Innovation Hubs, dedicated business units or acquisitions.

**Our model in action:**

- Launched new flavoured spirits such as Absolut wild berri
- Majority stake into Skrewball to accelerate in flavoured whiskies in the US
- Developing a no-alcohol portfolio to grow no-alcohol opportunities
- Launched Seagram 0.0% in Spain
- Majority stake into Cockorico pre-mixed cocktails



## Portfolio/Route-to-market and A&P effectiveness

**What:** Make the most of our portfolio by activating more brands in our markets and allocating our A&P more efficiently.

**How:** Advertising and promoting the right product at the right place and the right moment. Using robust, data-driven methodologies and tools, including Matrix, Maestria and D-Star.

**Our model in action:**

- Focused our investments on our most efficient touchpoints, campaigns and periods of the year
- Defined the most attractive moments of consumption for a brand to fulfill consumer needs, and adapted investment plan accordingly
- Focused our sales teams on the right channels and commercial opportunities



## Pricing power

**What:** Maximise the pricing power of our portfolio through tailored pricing and promotion strategies across categories, channels and geographies.

**How:** Leveraging tools such as Vista Rev Up. Using best-in class Revenue Growth Management tools and capabilities.

**Our model in action:**

- Detailed review and adjustment of pricing levels versus relevant benchmarks
- Monitoring of price index progress across products and geographies

## Prestige acceleration

**What:** Grow our share within the prestige market by developing a stronger position in the most attractive geographies and segments.

**How:** Leveraging our exceptional portfolio of prestige brands, our global coverage and our strong brand-building track record in key geographies.

**Our model in action:**

- Acceleration of Royal Salute in multiple markets, including the development of new Polo and Fashion editions
- Majority stake into Código, to develop our position in the Ultra Premium & Prestige tequila segment
- Wide portfolio of Rare & Collectible products, in particular in whisky and cognac

# Powering our business with data and AI

Our Key Digital Programmes (KDPs) are the driving force of our digital acceleration. Together, they bring new precision and foresights to our teams, supporting them to do what they do best: ensuring consumers can enjoy the brand they desire, at the right time, in the right place, at the right price, with the right message.

Fuelled by millions of datapoints and powered by AI, these digital initiatives have been tailored to our business. They are fully owned, scalable and coherent across geographies. And they are already delivering powerful benefits – helping us to identify new opportunities, and giving us greater precision in the distribution and management of our brands.



**Helping us activate a larger portfolio by deeply understanding moments of consumption of each brand.**

Knowing when, where, why and how a brand is selected and enjoyed is an important key to success in our industry – and Maestria is the framework that helps us get closer than ever to these “moments of consumption”.

In 2023 we piloted a new version that goes beyond socio-demographics and gets deeper into the heart of consumer choice – delivering a level of granularity that allows our teams to precisely understand where our brands can win and how to best activate them.

**One Market – One Fact**

“The new Maestria is a very comprehensive and detailed methodology to analyse consumer demand. Thanks to this data-powered version, we have been able to precisely activate an additional 25 brands within moments of consumption covering close to 80% of premium and alcoholic beverage demand. A true enabler to unlock the full breadth of our portfolio.”

**Paul Doursounian, Head of Strategic Planning, Pernod Ricard China**



Rabbit Hole tasting, Louisville, Kentucky



### Helping us identify the right promotion type and right calendar of activities.

Based on AI-powered analysis of millions of data points, Vista Rev-Up recommends a yearly promotion calendar – allowing us to identify promotions and timings that meet consumer needs while enhancing profitability.

#### One Market - One Fact

“This year, we have been able to optimise the promotion calendar for our core brands in California thanks to Vista Rev-Up insights, allowing us to drive additional impact.”

**Daniel Petersson, Senior Director, Pricing & RGM, Pernod Ricard USA**



## matrix

### Helping us make our marketing investments more precise and impactful

Matrix brings new precision to our marketing efforts, improving performance and cost-effectiveness by evaluating the impact on sales for each amount spent across various channels – allowing us to shift spending for maximum impact, and helping us focus on the most effective media channels.

#### One Market - One Fact

“Thanks to Matrix we have been able to reduce the number of touchpoints in which we were investing, while increasing spend in the ones recommended by Matrix. This resulted in an improved +30% effectiveness of our investments on our core brands.”

**Benjamin Franke, Marketing Director, Pernod Ricard Deutschland**

## D-STAR

### Helping us identify outlets with the greatest potential and boost sales execution

D-Star complements traditional sales tools such as CRM by empowering our teams with a list of outlets with the highest potential each week, based on data, and highlighting which sales actions should be prioritised during a visit.

#### One Market - One Fact

“In the state of Maharashtra, D-STAR has helped us to identify which were the outlets with a potential to introduce new packs (SKU) of Chivas 12. Thanks to the tool recommendations, our team was able to convert 46% of the identified opportunities into sales. And what is even more exciting is that 40% of outlets repeated the purchase of the recommended product format. It means it really answers a consumer demand.”

**Dinesh Bakshi, Zonal Head West, Pernod Ricard India**





# The unique world of our brands

24 ——— 41

We have brought together and nurtured some of the most iconic global spirit and wine brands.

Rooted in heritage and complemented by a portfolio of innovative up-and-coming brands, our unique portfolio covers every imaginable consumer need and has the potential to elevate any occasion, delivering diversified growth across the world.











**“Our brands travel the world.  
They are born in different  
lands and cultures, and are  
made to be shared.”**

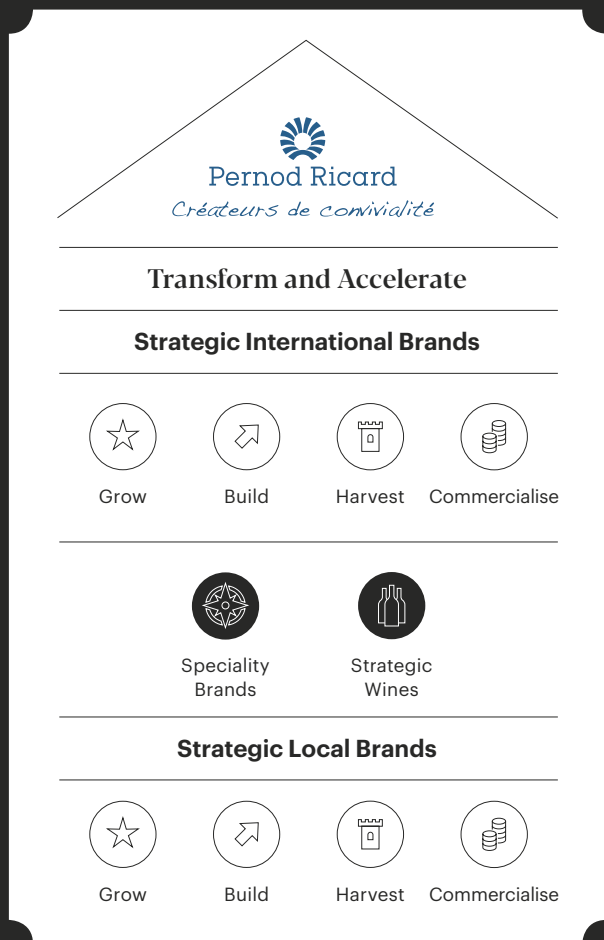
**Philippe Guettat,  
EVP, Global Brands**



# Our brand strategy

Pernod Ricard has the most comprehensive portfolio of premium brands on the market, encompassing every major category of wine and spirits and providing the Group with a clear competitive advantage.

Constantly evolving thanks to dynamic management and driven by brand acquisitions and disposals, this portfolio allows Pernod Ricard to tap into new consumer trends while investing in the most promising segments and brands.



## Our House of Brands

To ensure an optimal allocation of resources for key brands across all our markets, the Group uses its brand planning tool, the “House of Brands”, which encompasses five brand categories:

### Strategic International Brands

represent the largest part of our business with the greatest international potential. They are our worldwide top priorities and the reference brands in each category.

### Specialty Brands

meet a growing demand for smaller-scale “craft” products. These brands offer a unique and comprehensive value proposition that responds to new consumer trends and expectations.

### Strategic Local Brands

are strongly rooted in a limited number of specific markets. They benefit from very strong local consumer loyalty. This part of our portfolio greatly supports our route-to-market.

### Prestige Brands

Within each of the Brand categories you can find Prestige Brands, our portfolio of highly desirable global luxury brands which target our most affluent consumers all over the world. It is the industry’s most competitive portfolio, spanning all major luxury categories and moments of conviviality.

### Strategic Wines

cover a wide range of origins and tastes. Shared over a meal with friends or on more formal occasions, wine continues to be appreciated around the world by a growing variety of consumers.

## Prioritising our investments

Using the House of Brands and in-depth consumer insight, we define the appropriate investment strategy according to the profile of each brand:

**Grow:** our leading brands sold internationally or locally – benefit from significant investment to enable them to continue leading in different categories. These brands actively contribute to the Group’s growth.

**Build:** brands that benefit from disproportionate resources as they seek to capture various moments of conviviality in highly attractive categories. They offer a promising growth outlook in the medium and long term.

**Harvest:** brands that are mature or in very competitive sales categories. They receive sufficient investment to ensure that we protect their market share, sales and profits.

**Commercialise:** brands that are competing in undynamic or small categories with little room for expansion. They receive sufficient investment to play a tactical role in the portfolio.

The House of Brands affords us the agility to make investment choices, striking the right balance between short-, medium- and long-term goals, while continuing to build brands that excel throughout our key geographies.

# Our House of Brands

## Strategic International Brands



63%

of sales

+11%

growth compared to FY22

## Specialty Brands\*



6%

of sales

+8%

growth compared to FY22

## Strategic Wines\*



4%

of sales

-2%

growth compared to FY22

## Strategic Local Brands



18%

of sales

+10%

growth compared to FY22

\*Non-exhaustive list.

# Win-win partnerships

Our teams continuously scan the industry to identify brands with high growth potential that fit with our portfolio strategy.



Brett Berish, CEO of Sovereign Brands, with Alexandre Ricard

**Sometimes this potential is evident in the brand's personality. Sometimes it's the brand's founders that provide its special appeal. But in every instance, we build a relationship that delivers growth for both parties that turns an opportunity into a fast-growing and successful partnership.**

We have a track record of success. With Monkey 47 gin, for example, our common drive to develop the business together with its founder, has seen sales grow from 30,000 to circa. 140,000 cases since acquisition. Driven by our joint commitment to preserving the brand's identity and know-how, sales of Del Maguey mezcal have increased from 37,000 to more than 110,000 cases. And Malfy gin has grown from 120,000 to more than 400,000 cases – strengthening our position in the super-premium gin category.

Each brand that joins our Group can access our extensive distribution network in new and untapped markets, and benefit from our track record of operational excellence, know-how and brand-building expertise. For each brand it means securing its long-term development.



## Partners on the journey

**When we welcome new brands into our Group, our team develops a tailored roadmap to seamlessly integrate the brand into the Pernod Ricard ecosystem.**

When looking for brands to complete our portfolio, we make sure that we work closely together in a spirit of trust and open dialogue to get the best of our new shared adventure.

For our Group, it means reaching new consumers and growing market share, while retaining all the uniqueness and authenticity that make the brand so attractive.

For the brand's founders, it means joining a vibrant community bringing together the passionate and innovative entrepreneurs behind these brands – providing a platform for sharing experiences and insights, and incubating new ideas. Established in April 2022, this community organises regular meetings and gatherings to increase brand visibility within the Group and build valuable, supportive relationships.

## Strategy in action

We're always alive to capture emerging consumer trends, and continuously evolve our portfolio to seize new opportunities. Over the last year we've completed a number of exciting acquisitions. For example, we leveraged growing interest in flavoured whiskeys in the US by taking a majority stake in Skrewball, the first peanut butter flavoured whiskey that offers a smooth nutty taste. This comes on the back of the successful launch of Jameson Orange into the flavoured whiskey category last year. During the year we also strengthened our ambitious long-term partnership with Sovereign Brands, which will further enhance our innovation pipeline to meet consumer demand. In addition, we acquired a majority stake in Código 1530 Tequila, boosting our presence in the fast-growing agave category, and in Ace Beverage Group, the largest independent player in the Canadian RTD market.



Read more about our Agave portfolio on page 40 and US market on pages 46-47

“

We have a strong innovation pipeline within the non-alcoholic category, expanding into new opportunities and going beyond gin alternatives, which are the main option on the market today”

**Philippe Guettat,**  
EVP, Global Brands



“

This promising category will bring incremental value through new consumer opportunities”

**Guillaume Girard-Reydet,**  
CEO Southern Europe  
Management Entity



It started with key moments like Dry January and Sober October, but the switch towards alcohol-free and alcohol in moderation is now part of an established and rapidly growing trend towards conscious consumption across all our markets. With consumers looking for more options, and with moments of conviviality extending across a variety of new and different spaces, the interest in non-alcoholic spirit alternatives continues to gain momentum.

According to IWSR 2023, non-alcoholic spirits has been the most dynamic category of all beverage categories over the past five years. By 2030, the category is expected to grow into a multi-billion-dollar retail sales value business opportunity, with the shift towards moderation led by younger generations who are now actively alternating between alcoholic and non-alcoholic options.

We were early pioneers in the non-alcoholic space, since 1982 when we launched Pacific, a non-alcoholic anise drink. In 2021, we acquired Ceder's, an award-winning non-alcoholic spirit made using 15 different botanicals. Inspired by gin, Ceder's is an adult premium drink that delivers a cocktail experience, just without the alcohol. In 2022, we reinforced our leading role by taking a minority stake in Boisson, a premium retail, wholesale and distribution business dedicated solely to non-alcohol alternatives

in the US. Most recently in January 2023, we launched Seagram's 0.0% in Spain, introducing a new innovation to the country's booming gin market. In 2024, Pernod Ricard will be launching the first ever 0.0% version for one of its Strategic International Brands with Beefeater 0.0%, planned for initial launch in Spain before expanding globally.

Non-alcoholic spirit alternatives have the potential to play a key role in our in net sales. To drive this growth, in 2022 we created a new Business Unit based in Paris, dedicated to growing the non-alcoholic category with expertise in marketing, insights, operations, and business development. We're well positioned to respond to the non-alcoholic opportunity – expanding our portfolio with exciting propositions and fully leveraging our global distribution footprint to serve these new “moments of conviviality” and new routes to market.

Our innovation pipeline now extends far beyond gin alternatives, which are the main option on the market today. We've invested in new technical facilities dedicated to accelerating our expertise in non-alcoholic spirit alternatives across a wide range of categories. And our new state-of-the-art production capacity will answer the complex production requirements for this exciting new category.

# Offering an exciting alternative with non-alcoholic spirits

# Jameson

As part of its well-established 'Widen the Circle' campaign, Jameson further reinforced its commitment to responsible drinking, by unveiling a new global TV advert early in 2023. Under the brand claim 'Jameson. Easy Does It', the ad promotes responsible drinking by encouraging people toward more mindful, and moderate consumption, and reinforces the message that whether you "measure, sip, or skip", no one should feel awkward for doing so.

Irish comedian Aisling Bea co-wrote the script which brings to light the perceived societal pressures that can lead to overconsumption, inspiring people to forget about the FOMO (fear of missing out), and to embrace moderation, measurement or abstinence. The campaign's comedic tone helps to shift cultural taboos and turn the topic into one people can talk about in order to effect change. It takes the word "responsible" and makes it about a simple change in mindset. After all, no one should feel awkward for choosing whether to drink or not.



“

Jameson is committed to promoting responsible drinking among consumers. Our aim is to resonate with every kind of drinker by talking about a serious subject in a relatable, and authentic way, reflecting the attitude of the brand. We hope our message is crystal clear - you don't need to drink to enjoy yourself.”

**Brendan Buckley,**  
International Marketing  
Director, Irish Distillers

Post campaign launch in Ireland, Jameson saw

**+21%**

growth in brand association with responsible drinking

**82**

million reach through earned media coverage



# Chivas Regal

In November, Chivas brought one of the biggest names in K-Pop to the metaverse to celebrate the launch of the Chivas 18 x LISA limited edition bottle. Dubbed Regal Planet, the event was Chivas' first entry into the metaverse and boasted an immersive, virtual experience featuring LISA herself.

Starting in the 'Rise Up' welcome lobby, Chivas and LISA fans could meet other guests before moving forward to the "Hustle Area" where attendees could learn more about Chivas, through 3D bottles which revealed the perfect serves and various cocktail recipes. For guests in China and Malaysia, a virtual vending machine was available where fans could purchase select Chivas expressions through direct ecommerce links. The exclusive event ended at the "Regal Stage" where a virtual LISA appeared to host a Q&A and cocktail making session for fans. The finale saw a glittering fireworks display, while some lucky guests were even able to take a virtual selfie with LISA.

The event was initially live and ticketed for metaverse enthusiasts in China, Taiwan, Korea, Singapore and Malaysia. Fans based in other countries were able to stream the broadcast through the Chivas Regal Instagram and YouTube channels.



“

LISA and Chivas are a perfect match – and using the metaverse really resonated with a younger generation of fans eager to experience the brand's qualities for themselves.”

**Nick Blacknell,**  
Global Marketing Director,  
Chivas Regal



# Martell

In China and Southeast Asia, a new campaign has added an exciting and contemporary perspective to the elegance and sophistication of Martell Noblige cognac with the aim of recruiting new consumers. The campaign features Eddie Peng, one of Asia's most celebrated actors and hero's the new modern packaging of Noblige.

The campaign went live in December 2022 with bold media placements, which included innovative building projections and 3D outdoor installations in Shenzhen, Shanghai, Beijing and Chengdu. In the first four weeks, it delivered an outstanding 3.6 billion impressions, exceptional social performance ahead of competition and has had a significant impact on Martell's awareness and consideration equity metrics.

The campaign continued to build on the brand's tagline of "Soar Beyond the Expected" which articulates the brand's purpose:

*No matter what heights you reach in your journey, if you challenge yourself and make audacious choices to go beyond the conventional, you can surprise yourself at how high you can soar, inspiring others to do the same.*





“

Absolut has always been a brand that celebrates unique voices, fosters human connection, and addresses the issues that matter most to the people we serve. The Absolut Ally programme does this meaningfully, by creating spaces where everyone feels welcome – and safe.”

**Tad Greenough**  
Chief Creative Officer,  
The Absolut Group

## Absolut

**In 1981, Absolut became one of the first brands to engage with the LGBTQIA+ community. Today, more than ever, the community needs people and brands alike to show up with genuine support through concrete action.**

The Absolut response has been to create the Ally programme – and through FY23, two separate but connected communication strategies have reinforced the brand’s belief that every human being deserves respect, dignity and a sense of belonging.

### **Building allyship**

In the US, Absolut celebrated the power of allyship through Pride Month, while continuing to support this community throughout the year with the specific intent of helping bars and restaurants in their efforts to be strong LGBTQIA+ allies in the fight against discrimination. At the core of the programme is the Absolut Ally Initiative, which provides monetary grants to community centres, so they

can remain key support centres for the people they serve. In addition, Absolut Ally provides training and education programmes to show how anyone, LGBTQIA+ identified or otherwise, can create safe and inclusive spaces.

A similar focus in India recently saw the brand expand on its support for inclusion and diversity through a powerful digital and social media campaign to coincide with Pride celebrations, using leading voices from the community to help educate and build greater allyship. Absolut also partnered with bartending collective Mister Bartender to promote mixology, and organised workshops to raise awareness and encourage greater understanding of the issues faced by the LGBTQIA+ community.

Spanning over 33 countries globally, Absolut will also launch the Rainbow Limited Edition bottle, a global initiative in partnership with the Gilbert Baker foundation, named after the designer of the Rainbow Flag in 1978.





“

We are proud to continue pushing boundaries at The Glenlivet. Our ambition with this campaign was to bring to life a new vision of fatherhood as we look to further explore the territory of modern masculinity as part of a wider global campaign over the coming year. Watch this space.”

**Jayne Murphy,**  
Global Marketing Director, Malts



No.2

Scotch whisky in the world



## The Glenlivet

**Following on from last year’s celebration of diversity and representation with the global launch of its #BreakTheStereotype campaign, The Glenlivet continued to challenge outdated preconceptions of whisky drinkers with a new and thought-provoking campaign in the US, helping to bring to life a new vision of fatherhood.**

The brand asked artificial intelligence to write a whisky commercial for Father’s Day, which resulted in a script reflecting outdated stereotypes of how dads are typically represented. The team then created a film about the qualities of a modern-day dad by enlisting real father figures and their adult children to read and react to the scripts written by AI.

As an extension of the campaign, The Glenlivet teamed up with the Underground Overground comedy collective for a one-night-only comedic performance in New York called, “Cocktails and Comedy: A Spirited Celebration of Modern Dads” ahead of Father’s Day weekend 2023 in the US. Proceeds were donated to “Real Men Charities” – an organisation committed to positively influencing the way the world celebrates family and community, with an emphasis on supporting fathers and father figures.



## Ballantine’s

**Ballantine’s has joined forces with legendary Wu-Tang Clan frontman RZA in a new global campaign that celebrates the brand’s ethos around staying true to who you are and embracing the freedom to forge your own path.**

Rooted in a shared love of music and a belief of doing things your own way, Ballantine’s and RZA kicked off the partnership with the launch of a limited-edition Ballantine’s x RZA Crosley record player, aiming to create shared moments and unforgettable experiences over music, whisky and a celebration of individual taste. The launch culminated in a listening party in New York hosted by RZA, that brought to life the first drop with Crosley.

Over the coming months, the campaign will see the duo releasing a series of exclusive drops and unexpected partnerships, inspiring people to keep it real and champion self-expression, whether that’s through music, food, or fashion.

“

At Ballantine’s we believe that everyone is unique, original and worth celebrating. RZA is well known for doing things his own way, a mindset that reflects the spirit of Ballantine’s and our founder, George Ballantine, who was breaking the codes of whisky as far back as 1827.”

**Mathieu Deslandes,**  
Global Marketing Director,  
Ballantine’s

“

Millions of people come together every summer at France’s top music festivals, and Ricard is right there with them.

Educating people on how best to serve and drink the brand, while promoting responsible consumption are the brand’s top priorities, and experiences like this help to show that Ricard is a truly convivial brand... without excess.”

**Nathalie Parte,**  
Ricard Brand Director



## Ricard

**Ricard, the undisputed world leader in the aniseed category – with a greater market share by both value and volume than any other – went from strength to strength in 2022. Volumes in France were up by 7.8%<sup>(1)</sup> over the previous year, with worldwide volumes rising by 6.9%<sup>(1)</sup>.**

Festivals provide Ricard with huge creative spaces to bring the brand to life through unique and memorable experiences. After a significant presence at festivals in the summer of 2022, Ricard has accelerated even more in 2023. The brand was present at multiple festivals in France, including Garorock, Les Eurockéennes and Rock En Seine, solidifying its place as one of the leading spirits at these events which welcomed a total of 1.4 million attendees.

Ricard’s prominence at these events puts it at the heart of memorable moments and increases engagement with Gen Z consumers of legal drinking age. It is an opportunity for the brand to communicate on its responsible drinking strategy in order to educate festival-goers on the Ricard perfect serve: one part (e.g. 2cl) Ricard and five to seven parts (e.g. 10cl to 14cl) fresh water and ice cubes.

<sup>(1)</sup> IWSR 2022



# Malibu

**In summer 2022, Malibu launched its long-awaited and largest-ever consumer campaign under the invitation to “Do Whatever Tastes Good”.**

This message encourages consumers of legal drinking age to enjoy more of what they like, regardless of expectations. Choosing Malibu is to choose a good time over everything else. It’s proof that good times can be had anytime and shouldn’t be reserved for three short months of summer or only for when you’re on holiday. In the words of the campaign, there’s never a bad time to have a good time.

Assets including four films, social content, a dedicated website and brand activities aim to move Malibu from a primarily vacation-inspired drink to something that can be enjoyed whenever and wherever.

The campaign has already delivered impressive results in the US, with Malibu achieving a four percentage point increase in both purchase intent and brand affinity; in the UK, it saw a 12pp uplift in intent and 10pp in affinity.



“

The exciting thing about this campaign is that it reframes the traditional summer Malibu occasion from a time and place to a mindset you can find anytime. By inviting our consumers to “Do Whatever Tastes Good” we are capturing the spirit of summer and making it relevant all year round. Giving our audience permission to enjoy whatever it is that they like, whenever they like.”

**Craig van Niekerk,**  
VP Marketing, Malibu



“

As an elevated expression of our house style, Beefeater Crown Jewel is one of my favourites within the portfolio due to its full, rounded and encompassing aroma and bartenders have been banging our door down to bring it back.”

**Desmond Payne MBE,**  
Master Distiller Emeritus  
for Beefeater

7

medals across international  
spirit competitions  
2022/2023



## Beefeater

**Towards the end of 2022, Beefeater reinvented tradition and luxury within the gin category by unveiling Beefeater Crown Jewel, the pinnacle of the brand's London Dry Gin portfolio.**

Previously available as a limited edition almost 20 years ago, Beefeater Crown Jewel's liquid is treasured by bartenders worldwide, and is an elevated version of Beefeater's iconic London Dry Gin recipe with a boldly heightened 50% ABV. This strength captures the additional citrus notes from grapefruit peel, which is added to Beefeater's iconic nine botanical recipe. The new edition comes in a ruby-inspired bottle, drawing inspiration from the precious Crown Jewels housed in the Tower of London.

Beefeater Crown Jewel is an award-winning gin, scooping four international awards since relaunch in 2023 – including Gold at The Spirits Business Gin Masters.





## Havana Club

**Towards the end of 2022, Havana Club launched a new multimedia global marketing campaign, inviting everybody to switch on their “Cuban Mode” and embrace Cuba’s infectious spirit.**

Centred around the brand’s award-winning rum portfolio, the campaign captures the very essence of Cuba by combining iconic landmarks with vibrant party scenes through an unexpected journey across one Cuban home. From the moment the doors open, and we’re invited inside, each frame bursts with colour and creativity as the intergenerational cast, fully comprised of local people from Cuba, share a slice of their own version of what makes life in Cuba unique.

To date, the campaign has been rolled out in 13 markets including Germany, Benelux, the UK, Canada, Spain, Italy, Portugal, and Greece.

66

We don’t only want people to know that Havana Club is an authentically Cuban brand, we want them to understand what the Cuban culture means.”

**Ludmilla Stephkov,**  
Global Brand Director,  
Havana Club

Havana Club now available in over

# 125

markets worldwide





“

This expression marks a momentous milestone witnessed perhaps only once in a lifetime, and worthy of the greatest of tributes. It's the perfect occasion to reflect on Royal Salute's unique origin story, which continues to inspire us as we kickstart a new era for the brand.”

**Mathieu Deslandes,**  
Global Marketing Director,  
Royal Salute

## Royal Salute

**First created as a gift for Her Majesty Queen Elizabeth II on the day of her coronation in 1953, Royal Salute marked the start of a new era of contemporary British monarchy with a precious limited-edition expression – the Royal Salute Coronation of King Charles III Edition.**

Since its inception, Royal Salute has honoured the British monarchy and marked significant milestones with unique expressions that represent and embody a moment in history. As the Scotch originated as a coronation gift 70 years ago, there couldn't be a more fitting moment for Royal Salute to pay homage once again.

Only 500 Dartington crystal decanters of the Royal Salute Coronation of King Charles III Edition were created, tinted in a deep sapphire blue hue, reminiscent of

the precious stones set within the Imperial State Crown. In keeping with Royal Salute's signature style, the decanter is presented in a stunning wooden box inspired by the iconic Westminster Abbey, with details intricately chiselled into the wood, paying tribute to the historic setting of British coronation ceremonies since 1066.

To celebrate this unique moment in history, Royal Salute invited 200 VIPs, journalists, influencers, retailers and consumers from 15 different markets to an extraordinary experience at Westminster Abbey, exactly three weeks before King Charles III's coronation took place.

#1

the first recorded bottle of Scotch whisky to have reached the top of Mount Everest, as part of the Everest70 anniversary expedition.



# Perrier-Jouët

For over 10 years, Maison Perrier-Jouët has been acting to limit the influence of its activities on the environment and to adapt its practices to promote the regeneration of nature. The brand's key sustainability targets are to have 100% of its own vineyard in regenerative viticulture and 100% of its partners certified in sustainable viticulture by 2030. In February 2023, over 2,000 trees and shrubs were planted on land in Cramant and Mailly, in consultation with experts from Biosphères and Reforest'Action. This is part of the brand's core commitment to enhance biodiversity.

Inspired by the connections between nature and art, the House launched a powerful communications campaign to celebrate the 120th anniversary of the anemone flower, the iconic emblem of the House and the Belle Epoque collection. On this special occasion, the Austrian design duo mischer'traxler created a limited edition named the "Biodiversity Anemone".

The launch of Perrier-Jouët Belle Epoque Cocoon, a gift box combining elegance with a more sustainable approach, demonstrates the commitment of the House to limit its impact throughout the value chain. With reduced varnish, glue and ink, the Cocoon is 93% lighter than the previous giftbox and made of paper pulp from sustainably managed, FSC-certified forests and vine shoots recovered after winter pruning.



Perrier-Jouët Belle Epoque is the undisputed

# No.2

prestige cuvée in the world



With La Table des Chefs, G.H. Mumm is writing a new chapter in its history demonstrating once again its drive to innovate and its openness to time and to the world. The new concept emphasises the excellence of its savoir-faire and products and offers new tasting experiences."

**Marie de Vries,**  
Marketing Director,  
Champagne

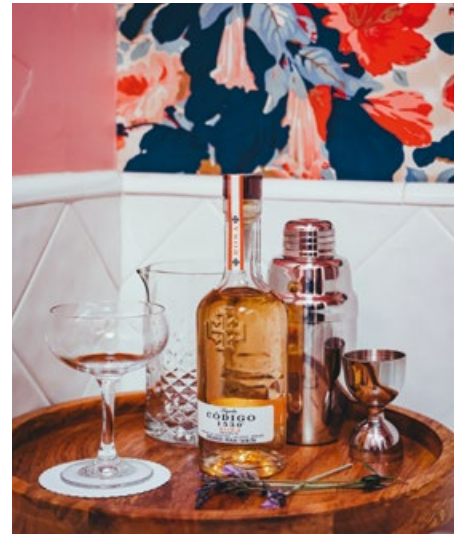


# G.H. Mumm

**Based on the model of an artist residency and located in the private mansion of the Maison Mumm, La Table des Chefs is an innovative dining concept that gives young, talented chefs the opportunity to share their culinary inspirations and creativity throughout the year.**

The restaurant welcomed its first guests in May 2023, with a menu devised by one-star Michelin chef Mallory Gabsi. In August, Mallory handed over the reins to Florian Barbarot, with one-star Michelin chef Kelly Rangama taking over in November.

G.H. Mumm champagnes have traditionally been served at the world's finest tables and have been a perfect match for gastronomy for nearly two centuries. The sommelier at La Table des Chefs – Raimonds Tomsons, voted World's Best Sommelier in 2023 – offers a wine and champagne list that complements the seasonal creations of each chef.



## Agave

“

Código’s range of exquisite tequilas reinforces our portfolio of Ultra Premium+ agave products in the US, where the category is enjoying a very strong momentum.”

**Craig Johnson,**  
SVP, American  
Whiskey Collective

**With the agave category growing rapidly, Pernod Ricard is looking to capitalise on this opportunity with a portfolio that spans everything from Premium to Ultra Prestige – providing not only an entry point, but also a trade-up option for every consumer looking to enjoy the spirit.**

This broad range was complemented during the year by our acquisition of a strategic majority stake in Código 1530 Tequila, further rounding out our agave portfolio to offer consumers quality options across all price points.

Código has a reputation for being one of the finest all-natural tequilas on the market and has uniquely positioned itself within a very competitive category, thanks to the quality proposition of its range of Ultra-Premium and Prestige products.

Código joins a portfolio of brands that already included Altos, Avion and our leading Mezcal brand, Del Maguey. A standout brand, Del Maguey has continued to outperform an already dynamic category, growing 30% in the Off Premise in the first half of FY23.

In March 2023, we announced the launch of our newest expression – Del Maguey Vida Puebla – in all major markets across the US, inviting new drinkers to our agave portfolio. Nuanced and artisanal, Del Maguey Vida Puebla is easy to drink. It is savoury and bright on the nose with notes of roasted agave softened by hints of citrus, white peach, and candied pine.





# American Whiskey

**American whiskey is an extremely vibrant spirits category. During the year we further bolstered the strong growth of our premium American whiskey portfolio by announcing plans for a new €238 million (\$250 million) distillery and visitor's centre for our fast-growing Jefferson's Bourbon brand.**

As well as the distillery, the state-of-the-art facilities will include new ageing warehouses and a visitor centre. The investment will allow us to grow our share of category sales not only in the US, but also in export markets – and to do so in the most sustainable way possible.

The distillery, which will be carbon neutral once operational, is expected to be the first distillery of its size in the US to achieve LEED certification, an internationally recognised sustainability framework for healthy, efficient, carbon and cost-saving environmentally friendly buildings. The distillery and warehouses will include low carbon technologies such as electrode boilers powered by certified renewable electricity, removing the need to use fossil fuels during bourbon production.



US whiskey sales are expected to account for a significant amount of Pernod Ricard USA's total volume growth within the next 5-10 years, and the US whiskey export business also has enormous growth potential. To achieve these ambitious performance goals, our new production facilities will be focused on pushing boundaries rather than adhering strictly to tradition.”

**Craig Johnson,**  
SVP, American Whiskey Collective



Read more about what's happening in our US market on pages 46-47.



# The world is our market

42 ——— 53

We experience first-hand how societies and consumers around the globe are changing, exploring new consumption and socialising rituals.

We're close to our consumers and distribute our premium portfolio across markets, delivering broad-based growth. Thanks to our owned distribution network, one of the most comprehensive in the industry, we don't just ship our products across oceans – we build global routes to local consumers.





GUANGZHOU, CHINA

Pernod Ricard is at the  
centre of convivial experiences  
the world over.

20,600+  
employees worldwide

4

Must-win markets:  
United States, China, India  
and Global Travel Retail

96

Production sites

75

Countries with our  
own sales force

160+

Countries in which are  
brands are distributed

**We've delayed and simplified our organisation, replacing 22 management entities with 10<sup>(1)</sup>:**

- North America
- Latin America
- Northern Europe
- Southern Europe
- Central & Eastern Europe
- Africa & Middle East
- China
- India
- Asia Pacific
- Global Travel Retail

Each Management Entity encompasses different Market Companies, including one lead Market Company. The Market Companies' role is to activate the Group's international brand strategies at the local level and manage the local and regional brands in their portfolio.

**We have six global Brand Companies:**

- Chivas Brothers
- Martell Mumm Perrier-Jouët
- The Absolut Group (including gins and tequilas)
- Irish Distillers
- Pernod Ricard Winemakers
- Havana Club International

Brand Companies are responsible for developing the overall global brand strategy for their respective brands, as well as brand assets that can be deployed at local level by the Market Companies. Brand Companies are also responsible for production and management of their industrial facilities.

# Our organisation

Pernod Ricard is best positioned to harness the continued global consumer demand for quality spirit and wine brands.

We have always demonstrated our ability to thrive when challenged. To reach our ambition to grow more premium brands at scale, we have simplified our organisation to foster mutualisation, efficiently allocate resources and share expertise while accelerating decision-making.



<sup>(1)</sup> as of 1 September, 2023.



**MOST COMPREHENSIVE  
ROUTE TO MARKET**

# USA

Deploying a comprehensive consumer-centric strategy, it's an exciting time for Pernod Ricard USA, with our core brands supported by new opportunities and growth relays.

## Rapid growth in booming categories

As we continue to take account of the demographic shifts that are driving new consumer behaviours, several brands in our wider portfolio are well positioned to catapult forward in the US.

Jameson remains in growth and gaining share in a growing North American and Irish Whiskey category. With Jameson Orange we have expanded consumption occasions and tapped into a more diverse consumer profile. With Jameson Black Barrel we continue to reinforce the quality credentials of the brand.

Martell continues to win over consumers and gain distribution. The brand increased market share, growing 4% in Off Premise sales over the year, 13pts better than the cognac category overall. Martell's consumers value Prestige brands and we're consistently engaging with them through our multicultural brand activations.

American whiskey is another area that continues to spotlight the high demand for premium spirits. Jefferson's grew ahead of the category in both Off Premise and On Premise sales during the year, while Rabbit Hole is also growing rapidly: double the category in both the Off Premise and On Premise (control states), where distribution rose by 10%.



Read more about our US whiskey portfolio developments on page 41.

## Expanding the portfolio

FY23 was a very active year in the US, with over €1 billion invested to complement our portfolio in attractive categories across the continent.

In the fast-growing tequila category, we strengthened our portfolio by taking a majority stake in Código 1530 Tequila. With Código joining Altos, Avion, and Del Maguey, we are now present across all agave price points. Early in 2023, we further boosted our presence in the category with the launch of Del Maguey Vida Puebla, which invites new drinkers to mezcal.

Spirits isn't the only area where we're making inroads into the US marketplace. In the summer of 2023, we launched two Provence rosé wines – Symphonie and Fantastique from Sainte Marguerite en Provence. Loved for their finesse and elegance, these wines were established by the Fayard family in 1977 – and we will maintain and nurture the authentic spirit of Provence as we develop the brand in the US.



Read more about our acquisition strategy and recent acquisitions on page 28.



Rabbit Hole Distillery, Louisville, Kentucky

# Innovation: the engine room of our future

For our US business, innovation is about exciting our customers today and building successful brand propositions over the long term. The innovation process starts with understanding the target consumers and meeting their needs. We put the consumer's wants and needs at the forefront of each of our innovations. Then we focus hard on delivery and launch - maximising the tools we have to help our teams sell-in to retailers and energise our consumers.

Our innovation index outperformed the competition during the year, with Jameson Orange leading the way as our #1 innovation. Our wider ranges of RTDs and ready-to-serve (RTS) products are also set to make major inroads into the US markets.



## Pioneering unforgettable experiences

In addition to our innovation pipeline, we're continuing to pioneer experiences for our brand lovers.

For example, Jameson spent 14 days in the iconic Hudson Yards area of Manhattan. More than 18,000 consumers experienced immersive education and tasting tours that delivered the full distillery experience, exceeding goals by 128%. With over 130 earned media placements, the event garnered nearly \$18 million in earned media value, and digital displays generated over one million impressions.

Also in New York, our iconic Jefferson's bourbon launched its "Waterway Whiskey Wednesday" ferry series, giving consumers a unique experience - one that mirrors a similar journey that our barrels take on the world's waters.



Across the US market we're pioneering new and captivating brand experiences, while also expanding our portfolio into areas of growing consumer interest through product innovations and thoughtful partnerships."

**Ann Mukherjee,**  
Chairwoman & CEO,  
Pernod Ricard  
North America



**MOST COMPREHENSIVE  
ROUTE TO MARKET**

# China

## Targeting the market of tomorrow

Our China business strengthened its route to market during the year with the introduction of a new way of bringing together our business partners, consumers and key stakeholders – to the ultimate benefit of all parties.

As a direct response to stakeholders' needs, we launched the Traditional Off-Trade (TOT) platform model – a set of five digital business solutions that leverage the same pool of data to create a Pernod Ricard ecosystem where our teams can interact with off-trade partners and consumers.

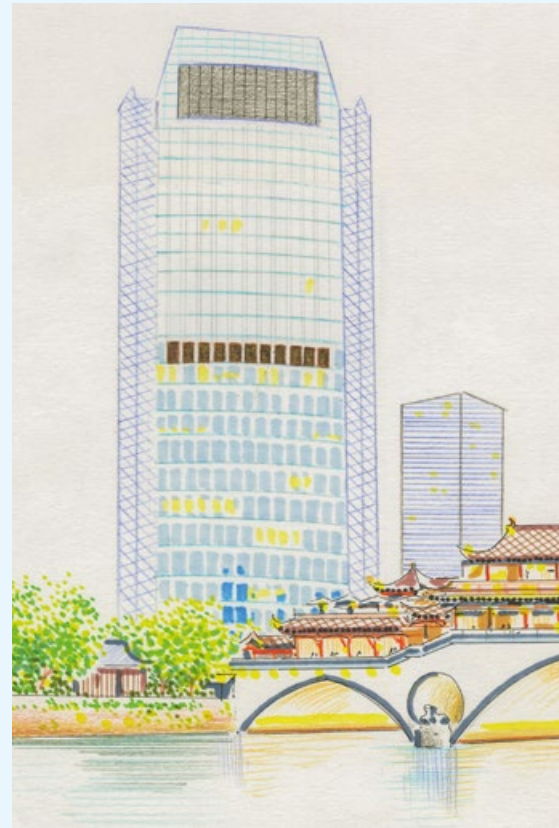
The TOT model has several strategic objectives:

- Managing the off-trade value chain
- Increasing penetration of the off-trade retail market
- Generating incremental sales for off-trade retailers
- Building consumer loyalty
- Enhancing operational efficiency



As an outlet owner, the digital solution provided by Pernod Ricard China allows me to receive information about the Chinese New Year promotions in real time and participate in specific ones, which helped with my store sales.”

**Mr Wang,**  
Guangzhou, Traditional Off-Trade outlet owner, South China



Traditional off-trade channels comprise a significant portion of our sales in China. The TOT platform model empowers our performance in this area, putting us in an excellent position to respond to market demands now and into the future. It enables us to create more value by facilitating interactions and encouraging collaboration between all the different stakeholders.

Looking ahead, our objective is to accelerate the model's deployment, which is already established in the South and East regions. We aim to further strengthen penetration in these regions while expanding the TOT platform model's footprint to the Central, West, and North regions of the country.

**From a linear model...**

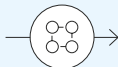
**...to our TOT platform model**

**Fewer products**



**more products**

**Disconnected data**



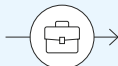
**connected data**

**Wholesaler**



**partner**

**Sales representatives**



**business advisors**

The platform aims to build consumer-centric driven culture and collaboration model





Pernod Ricard China

## Conserving mangroves, protecting biodiversity

Back in 2021, Martell announced a sustainability and responsibility project in China, with a long-term commitment to conserve mangrove forests and protect biodiversity including the swift, which is a core design element of the brand's logo.

In the first stage of the project, Martell joined forces with Conservation International to restore and nurture around 18,000 mangrove trees on Hailing Island in Yangjiang, Guangdong Province.

The field work, which involves controlling invasive species, habitat restoration, mangrove planting and biodiversity monitoring, recorded 63 species of bird, 35 of macrobenthos (organisms living on or in the bottom of bodies of water) and nine of mangrove.

In the second phase of the project, we worked increasingly closely with Conservation International as well as scientific research institutions and other community partners. In addition to the almost two hectares of wetland area that have already benefited from the team's efforts, an area of similar size was added to the project's scope; another conservation area in Tielugang Mangrove Reserve in Sanya, Hainan Province. In March 2023, we invited partners, employees, media and consumers to take part in an ecological exploration tour on Hailing Island where they could see our progress at first hand.

As the project continues, we're leveraging the high awareness of Martell and using new technology to encourage consumers to become more ecologically aware.



Read more about our other S&R commitments starting on page 66

**MOST COMPREHENSIVE  
ROUTE TO MARKET**

# India

This year, Pernod Ricard India celebrated its 30-year anniversary, undertaking a series of strategic, manufacturing, and sustainability projects to reinforce our commitment to staying ahead of the curve and embracing future challenges and opportunities.



## Celebrating milestones

Various brands in the portfolio celebrated remarkable achievements during the year, such as Blenders Pride reaching nine million cases, 100 Pipers scotch reaching 1.5 million cases and the Royal Stag Family surpassing 28 million cases worldwide, making it the second largest whisky brand in India.

The Bottled In Origin (BIO) segment has been growing at an impressive CAGR (compound annual growth rate) of 30% over the last four years. From our BIO portfolio, Ballantine's and Chivas have achieved 0.6 million and 0.3 million cases respectively. Jameson has reached 0.4 million, solidifying its position as a preferred brand in the Asian market. These accomplishments reflect the strong brand equity we have built and the unwavering trust consumers place in our products.

In line with our rich legacy, history, and culture, we introduced Longitude 77, our first "Most Premium Luxury Indian Single Malt." This extraordinary creation pays homage to our heritage, capturing the essence of our traditions and offering a truly unique experience to whisky enthusiasts. Furthermore, our Indian brands sold across the world have crossed two million cases, showcasing the global appeal of our portfolio.

## Building capabilities. Ensuring sustainability

**New distillery and bottling plant in Kanpur:**

Our state-of-the-art distillery and bottling plant in Kanpur, Uttar Pradesh, a joint venture with our strategic partner, started operations. This facility incorporates cutting-edge technology and processes, enhancing efficiency and product quality while minimising our environmental impact. By investing in this new plant, we have expanded our manufacturing capabilities and demonstrated our dedication to sustainable operations, with an annual capacity of one million cases (bottling and distillery).

**Innovation Centre in Nashik:** We established an Innovation Centre in Nashik, serving as a hub for cutting-edge research, incubation, and innovation in product development, packaging, and processes. The centre enables us to deliver products that exceed consumer expectations while adhering to sustainable practices.

**#OneForOurPlanet campaign:** Our industry-first initiative, #OneForOurPlanet, aims to remove 500 million pieces of permanent mono-cartons annually across our brand portfolio. With this initiative, we aim to reduce cumulative packaging emissions by over 75,000 tonnes by 2030, save 2.5 lakhs of trees every year, and reduce carbon emissions annually by 7,310 tonnes.

**Towards a sustainable future:** We are actively working towards increasing recycled content in glass to 50% and reducing virgin plastic by 5% by 2025 (vs.FY20). We have also eliminated single-use plastic point-of-sale items and PET miniatures. This is in line with our commitment to have 100% recyclable, compostable or reusable packaging and 100% certified cardboard and paper.

## Bringing Good Times from a Good Place

Our pioneering Lifecycle Analysis Tool (LCA) was recognised by Frontier and DFNI, winning the inaugural People & Planet award. The tool has enabled us to reduce the carbon footprint of all our retail activations by 48%.

At the Tax-Free World Association (TFWA) in Cannes we leveraged our LCA tool to design our new exhibition stand as well as hosting the first Pernod Ricard “Good Spirits” panel, bringing together prominent industry voices and key travel trade media.



## Brand impact through retail excellence and product innovation

As travel rebounded, we adapted quickly to evolving market conditions with a prolific innovation pipeline of more than 40 new products supported by impactful and immersive activations such as our Royal Salute pop-up over six months in Singapore Changi Airport.

We launched UP&UP, an industry leading digital-first education training platform for our global network of brand consultants with insights-based content to create impactful engagement with travellers.

We were recognised for our execution of a new Martell boutique - which incorporated AI technology and a robotic bartender - at the Mova Mall in Hainan, winning the “Best New Shop Opening” category at the prestigious Frontier Awards in association with trade media organisation, DFNI.

# Global Travel Retail

## Connecting our brands to the world

In FY23 our Global Travel Retail (GTR) affiliate experienced a positive rebound. All countries relaxed travel restrictions and as the world opened up, we focused on nurturing our traveller-centric approach and reconnecting with 200m+ international passengers and nine key priority nationalities across the world.

## Connecting with impact

In FY23 we proved, once again that GTR is the retail channel with a global footprint to engage international travellers and build brands at scale, supported by our world-class strategy and insights.

Our new shopper segmentation framework is intricately linking our brands to demand spaces in the travel retail environment, preserving the relevance of our portfolio, innovations and all our future activations.

The Jameson “Arrive Like a Local” campaign was successfully launched exclusively in GTR through an integrated omnichannel approach - activated at 35 airports- reaching 24 million consumers globally and included partnerships with Expedia and TripAdvisor.

We were also able to take engagement to another level with the pilot launch of the Jameson Travel Wallet, leveraging innovative NFT and blockchain platforms to offer unique and exciting value to the consumer while connecting the full traveller journey.

This campaign showed the ability to create synergy across multiple stakeholders within the travel ecosystem including travel platforms, retail partners, domestic markets and Brand Homes.



Our ability to connect with travellers at scale makes GTR a powerful channel for brand building. We benefited from our retail expertise and new traveller engagement strategies ... all underpinned by our desire to get closer than ever to consumers worldwide.”

**Liya Zhang,**

VP Marketing, Pernod Ricard  
Global Travel Retail.



## Real-life convivial moments

With our long-standing On Trade relationships and agile resource allocation, Pernod Ricard enjoyed strong growth from the rebound of “in real life” conviviality, with consumers catching up on the social occasions they had missed. In the UK, the On Trade bounced back faster than many expected, surpassing pre-Covid levels. We quickly gained share through sustained investment in On Trade activations and AI assisted field sales activity to reach the #2 position.

## Effective local marketing strategies

Jameson’s “Widen the Circle” campaign supported the real-life socialising boom and was a key part of the brand surpassing four million nine-litre cases sold in the EMEA region. The brand’s partnership with Aisling Bea continues Jameson’s long history of challenging whiskey conventions and stereotypes. Our AI powered marketing effectiveness tool helped drive success by selecting highly efficient marketing touchpoints. In South Africa, a focused TV commercial investment helped deliver 20% top-line growth, and accelerated our market share growth in the whiskey segment.



Read more about the Widen the Circle campaign on page 30

## On trend with daytime occasions

The longer-term trend towards lighter, fresher drinks consumed during daytime occasions continued in Europe. Lillet, our French aperitif with lighter alcohol at 17% ABV and served as a refreshing long drink, continued with very strong growth approaching one million nine-litre cases sold in Germany. In March the brand launched Lillet RTDs, the most successful innovation in the German drinks market<sup>(1)</sup>.

# Europe and other markets



Europe, the Middle East and Africa were powered by the broad-based growth of both markets and brands, manifesting Pernod Ricard’s depth of portfolio and reach in route to market. Sustained A&P investment combined with AI-powered marketing effectiveness delivered brand equity gains across almost all markets.”

**Gilles Bogaert,**  
EVP, Global Markets

## The return of vodka

The popularity of vodka made its return, driven by the cocktail trend which really caught on as people experimented with making drinks at home. Absolut’s “Born to Mix” campaign, which spanned a range of markets from Brazil to the UK to South Africa, celebrated Absolut’s unrivalled flavour range and mixability resulting in double-digit top-line growth. In January, Absolut launched Smoky Piña in Mexico, a new brand innovation inspired by classic Mexican flavours, to connect with Gen Z consumers of legal drinking age, and Absolut Sensations in Germany with a lower ABV, extending the brand’s versatility even further.

<sup>(1)</sup> Nielsen IQ/Market: LEH+DM+C&C - Product Innovations - Measure: Value Sales in K€ - Period: MAT June 23

# Direct to consumer



New York, USA

In recent years, we've been investing strategically in Direct-to-Consumer, both internally and through acquisitions – most recently the acquisition of The Whisky Exchange, one of the most successful players in the industry. In 2022, we further bolstered our strengths in this area by creating a new Direct-to-Consumer (D2C) business unit.

We sat down with Nicolas Oudinot, our Direct-to-Consumer CEO, to explore the thinking behind this Business Unit which is focused on delivering premium products and experiences directly to final consumers.

**Q: What makes this business unit distinctive within the Group?**

A: The starting point is Direct-to-Consumer, but it is also digital native, focused on fine and rare spirits, and fully multibrand, going beyond the boundaries of the Group.

**Q: What's your ambition for this new business unit?**

A: We're going to create a global leader of Direct-to-Consumer and niche B2B distribution of rare and fine spirits. Our aim is to anchor our positioning as a true destination for connoisseurs, a preferred partner for fine spirits producers, and an industry authority.



We have an exceptional team, with unbeatable knowledge and passion for discovering extraordinary products and sharing them with amateurs.”



**Nicolas Oudinot,**  
Direct-to-Consumer CEO

As of FY24, we'll start scaling up The Whisky Exchange across all the dimensions of its business model – online, stores, auctions, specialty B2B distribution and events – while reinforcing its unparalleled capacity to source exceptional whiskies and spirits around the world and from outside the Group, and sell them to the most demanding spirits experts.

As a clear leader in Spain, Bodeboca will continue sharpening its competitive edge through its ability to select and sell fine wines and Super Premium+ spirits to a community of loyal wine and spirits lovers. We'll also keep developing our Drinks&Co flagship in Paris, building innovative and exciting drinking experiences around a curated selection of niche and exclusive spirits.

**Q: What's different about The Whisky Exchange?**

A: It's a unique and multifaceted ecosystem, comprised of a world-class website with 10,000 spirits in catalogue, three shops in London, four tradeshows, a leading specialty wholesaler supplying all the best hotels, bars, and restaurants in London, an auction website, London Cocktail Week...and more!

**Q: How are you going to succeed?**

A: We will leverage the robust foundations and winning business model laid by The Whisky Exchange in particular, and combine it with the investment power and global market experts provided by the Group.

Ultimately, this comes down to our people. We have an exceptional team, with unbeatable knowledge and passion for discovering extraordinary products and sharing them with spirit enthusiasts and connoisseurs.

**Q: What are the main opportunities for growth?**

A: We have three strategic growth pillars. First, growing our omnichannel D2C business, by combining best in class websites, client services and physical stores in selected locations. Secondly, targeting high net worth individuals and collectors globally, through our unique ecosystem of high value-added services and experiences. Finally, we'll keep developing our niche B2B route to market, which complements D2C, as already shown by The Whisky Exchange in the UK, and explore opportunities in other markets.



# A winning culture

54 ——— 63

*We are Créateurs de convivialité.*

Born from a proud history and nurtured by an optimistic outlook, our unique culture is a key ingredient to unlocking the magic of human connection and bringing Good Times from a Good Place. We are open, caring, collectively committed and empowered. Together, we revel in our differences, thrive in the pursuit of the extraordinary and unite to create special moments for a world in need of conviviality.





THE GLENLIVET DISTILLERY, SCOTLAND

Our unique culture of  
conviviality is what makes us  
different – and what unites us.

IN CONVERSATION WITH CÉDRIC RAMAT

# Nurturing a winning culture

Pernod Ricard is founded on optimism, the thrill of discovering new ideas, and the pursuit of the extraordinary. The diversity of our teams – in background, experience and perspective – is central to how our Group operates and grows. Together, our teams create the foundation for convivial experiences.

We sat down with Cédric Ramat, our Executive Vice President of Human Resources, to talk about how the people of Pernod Ricard bring our unique culture of conviviality to life.



**Cédric Ramat,**  
EVP, Human Resources



TX Whiskey Ranch, Fort Worth, Texas





We want to create an environment where everybody can be their true selves – where they can come to work each day feeling at ease and confident to share who they are with the people they work alongside.”

**Q: Why is culture so important to Pernod Ricard?**

A: One of the great strengths of this Group is our unique culture of conviviality. It unites us so that even in challenging times, our team of exceptional individuals always seem to emerge together, stronger. You need only look at the Group’s performance over the past few years to see what an asset this is, and why we place such emphasis on nurturing it.

**Q: What does conviviality mean at work?**

A: As a Group, we are “Créateurs de convivialité” – and that extends to our internal culture, too. We’re committed to creating an environment where everybody can be their true selves – where they can come to work each day feeling at ease and confident to share who they are with the people they work alongside. Everybody deserves to work with people who acknowledge them and the value they bring to their team, and to succeed not only through their efforts but because of the support they’re given by others. We also want to give people new opportunities and we want them to feel empowered to perform at their very best.

This is the spirit of conviviality.

**Q: What makes Pernod Ricard unique?**

A: We are a team of 20,000 passionate people, driven by our shared passion for our brands, our teammates, our consumers and our society. We are more than just a business; we are a business with a soul, united around our vision to unlock the magic of human connection. Knowing that we serve a greater goal keeps us focused – always ensuring our actions are stepping-stones towards enabling more of that magic.

I’m particularly proud of our ability as a Group to respect and nurture the origins of our brands and our people. We can boldly say that we bring together brands with unique personalities – inspired by the people who shape them and crafted for the people who enjoy them. Our Group evolves with society and takes the responsibilities that come with our purpose seriously. We are committed to creating a positive impact for future generations and inspiring our consumers and communities.

**Q: How do the people of Pernod Ricard drive the culture?**

A: I find constant inspiration from the unique individuals within the Group, yet the things we have in common always shine more brightly than our differences. It’s our shared interest in authenticity that will continue to serve us in attracting and retaining people who bring the same passion and attitude towards collective progress. As we like to say in France, “c’est l’union qui fait la force” – there’s strength in unity.

Pernod Ricard is driven by teams that are diverse by design and connected by a common pursuit. If there’s one thing I’m more certain of than ever, it’s that the magic of human connection is always worthwhile and in good hands.

**Q: What do you see for the future?**

A: Culture isn’t a static concept: it’s always evolving. That’s why it’s important for us to continue to grow, making sure that the shared stories and rituals that set us apart from others continue to bring us together as a Group.



# Our D&I journey

Our D&I commitments gained fresh momentum during the year, with the launch of the Group's global Diversity & Inclusion Framework.

This comprehensive new approach enables our affiliates to share a common D&I ambition and global objectives, while providing the necessary flexibility to respect local contexts and employee needs. Ultimately, all together we want our people to feel heard, valued and safe in order to thrive at Pernod Ricard.

## Our global D&I framework



### Diversity

at Pernod Ricard means the differences - whether visible or not - that make everyone unique, that constitute our collective strength.



### Inclusion

is at the heart of conviviality - at Pernod Ricard it means being open and allowing our differences to connect us, and creating an environment that fosters this, in order to unlock the magic of human connection.

## Global D&I objectives

### Equitable talent processes

**Fair and transparent talent processes** (talent attraction, management, development) to ensure equal opportunities to attract and grow talent

### Convivial culture

**Culture and behaviours that create an inclusive, flexible and safe environment;** where everyone feels they belong and inspired to perform their best

### Innovation and growth

Supporting business growth and **innovation through the inclusion of all perspectives and ideas**

### Enhanced reputation

**Promote progress in our industry and society** by leveraging our voice and platforms

## Business performance

## Structured and focused strategy and goals

The new framework further endorses our commitment to D&I by making it an essential part of our ways of being. It includes detailed KPIs to guide and measure our progress towards one global ambition supported by four priorities that translate directly into improved business performance. While the framework marks a significant step-change in our approach to D&I, it also builds on the excellent work that affiliates have already carried out to establish local D&I agendas and plans.

As part of the acceleration in our D&I journey, we've developed two additional initiatives to support this framework: a new Inclusion Index and a D&I Maturity Self-Assessment.

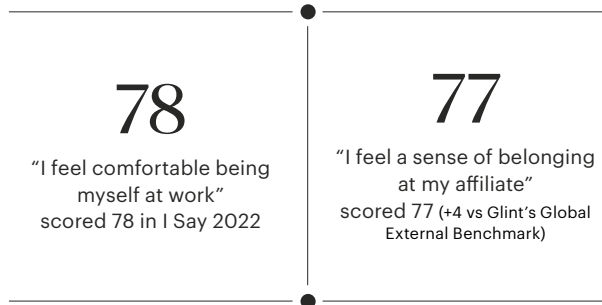
The Inclusion Index was incorporated into the latest I Say, our annual employee feedback survey, and has already provided valuable insight into how our D&I efforts are resonating with our teams.

Launched in December 2022 with an independent recognised provider, the D&I Maturity Self-Assessment gave affiliates a methodology to identify their current D&I Maturity levels, together with their strengths and areas of opportunity that could be used to enrich their local and global roadmaps and action plans.

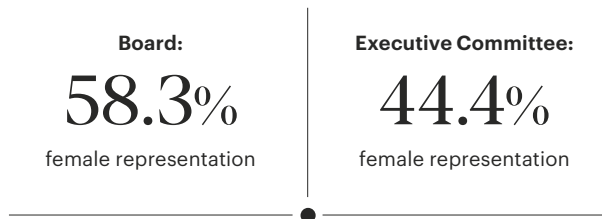
With a 95% response rate, affiliates were able to access insights and resources to improve their D&I practices. Affiliates also have the opportunity to further leverage these insights through quarterly D&I consulting and best practice sharing sessions alongside other affiliates at similar levels of maturity.

# A year of global progress in our D&I agenda

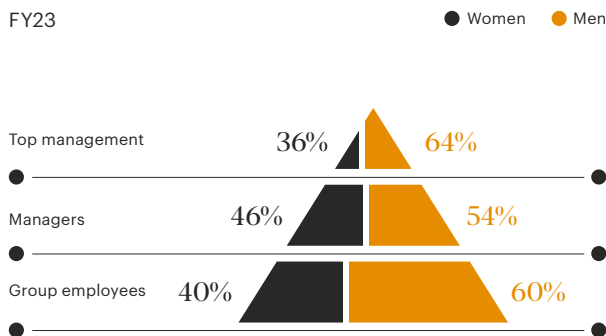
Pernod Ricard continues to work on gender diversity across the Company, designing and implementing internal programmes and processes to accelerate the development of diverse talents globally. Progress made on the number of women in top management positions is reflective of these efforts.



## Balanced gender diversity at Board and Executive Committee levels:



## Progress of female representation at Pernod Ricard in FY23:



Here are some of our recent highlights.

### Employee Resource Groups (ERGs)

Led by employees and for employees, ERGs are open forums that help to foster a diverse, inclusive workplace, and enable employees to share experiences, break stereotypes and celebrate differences. We currently have more than 15 ERGs in affiliates, and new ERGs will continue to be created according to employee and business needs.

### Supporting returners

In India, we launched the back2spirit campaign to support the professional growth and development of women returning to work after a career break.

### Women's Leadership programme

In Sub-Saharan Africa, we've launched a comprehensive programme to help shift the culture towards greater inclusivity and create a work environment where women feel more empowered and have the right supports to grow and become strong leaders.

### Supplier diversity requirements in North America

In addition to supporting employees with active listening sessions across the year to create a safe space to share their voice, Pernod Ricard North America introduced Diversity, Equity and Inclusion requirements for their agency partners to better reflect our consumers.

### Leadership workshops

We held introspective workshops with managers at The Absolut Group to reflect on behaviours that align with the D&I Ambition, Values and Leadership Attributes. We continue working on awareness of unconscious bias, and conducted a full day of training on Inclusive Leadership.

### Workplace flexibility

In Australia and New Zealand, we've increased our focus on flexible working and parental leave to encourage shared responsibilities across families, including on male adoption. We've seen a 25% increase in males taking parental leave in the last two years.

### Equal opportunities in France

We kicked off a partnership between our recruitment teams in French affiliates and Mozaik RH, a foundation which supports equal opportunities for all, especially those from priority neighbourhoods. In addition, we developed a manager training programme including modules on inclusive leadership and integrated a module to reduce bias in recruiting.

### #IAmRemarkable

At our Asia HQ, we held a workshop to celebrate the remarkable achievements of women and under-represented groups in the workplace and beyond.

# Looking out for our people

Going home safe at the end of a working day is everybody's right. But health and safety are more than a set of rules. To have a truly safe workplace, health, safety and wellbeing must be woven into the culture of the organisation. Accidents and incidents can happen, so keeping our people safe and healthy is a continuous challenge that requires commitment from all employees regardless of seniority. Together, we believe we can build a safe, responsible and mindful working environment.

## Zero

working towards zero lost time accidents by 2025.

“

A safe and healthy workplace is the sum of all the small decisions and regular actions we take. It's about caring and looking out for yourself and each other. We all have a role to play and it starts with adopting a constant mindset and commitment to be the one.”

**Maria Pia De Caro,**  
EVP, Operations



## Be the one

At Pernod Ricard, our employees are at the heart and soul of our business. They are the driving force behind all our successes, and their health, safety and wellbeing are our top priority. This means not only ensuring a safe workplace but also focusing on our individual mental health. That's why in April 2023 – to coincide with the UN World Day for Safety and Health at Work – we launched our new “Be the one” campaign, which emphasises our shared responsibility toward the safety and wellbeing of our more than 20,000 employees.

“Be the one” is the campaign's simple, key message, encouraging our teams to “Be the one... to flag it... to notice it... to change it... to share it... to be kind to yourself”. The campaign focuses on how the small details – noticing a wet floor, or taking a break, for example – can prevent accidents and lead to big and positive outcomes for us all.

The campaign aim is to raise awareness and empower our people to take responsibility for their own and their colleagues' safety and wellbeing at work – from vineyards and bottling plants to offices and distilleries. Wellbeing and safety are not the responsibility of a select few but of every single one of us.

# A new framework for an improved employee experience

With the drive to attract and retain talented individuals becoming increasingly competitive, during the year we started working on a new talent marketplace project that will redefine our career framework when it's launched officially early next year.

Creating a meaningful, customised, transparent and high-performing employee experience – one which empowers our people through a truly employee-centric approach – sits right at the heart of this project. It brings together an artificial intelligence platform and the deep experiences of our people management organisation to match employees' professional and personal skills with career and development opportunities.

Diversity and inclusivity is hard-wired into all our employee initiatives – and the talent marketplace project ensures that no biases are in play at any time, and that everyone has equal opportunities to progress.

# Building rewarding careers

Making sure we have the right people in the right positions at the right time is a key challenge for every organisation – and Pernod Ricard is no different. But where we are different is in the ways we support the upskilling, training and development of our teams.



Our culture of conviviality is our competitive advantage.

Investing in that culture – and in our people – is how our business continues to thrive.”

**Cédric Ramat,**  
EVP, Human Resources

# Good for our people, good for our business

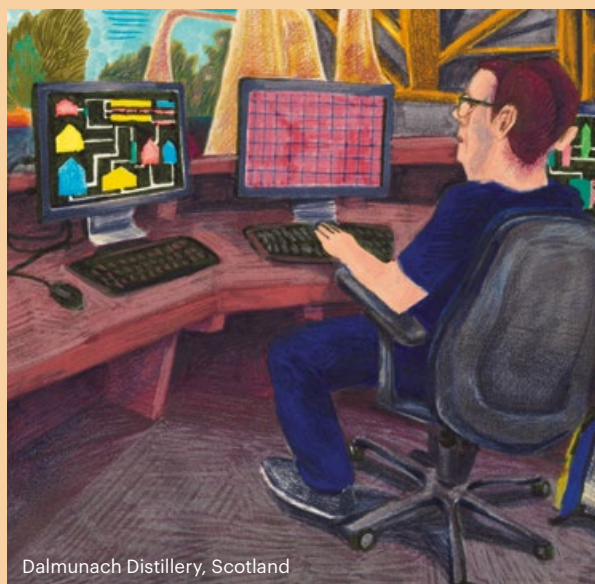
The new system will deliver benefits to both our business and our employees.

For our **people**, it will:

- Broaden their professional horizons
- Gain visibility of their full set of skills – both personal and professional – and previous experience
- Identify different opportunities for career and development paths based on their experience, skills and aspirations
- Provide greater objectivity and transparency

For our **business**, it will:

- Enhance our career and development offer, leading to greater employee engagement and increased talent retention
- Transform our understanding of the skills that exist across the business
- Improve efficiency in shortlisting for roles and projects
- Support our managers to have more meaningful and concrete career development conversations, encouraging different types of job moves, skill development and experiences
- Ensure that we're always up to date with the latest market skills trends



Dalmunach Distillery, Scotland

# Supporting the arts and culture

Just as our brands bring people together, so too does art. Sharing an exhibition, going to a concert or talking about a painting are all moments of inspiration and human connection.

Our founder Paul Ricard's love of creativity and art drove his philanthropy and we carry on that mission today by supporting artists and artistic creation. From our earliest days, we have been motivated by the same conviction: that art is only meaningful if it is shared.



## Pernod Ricard Foundation

Over the years there have been many collaborations between Pernod Ricard and the world of art. For example, The Island, our flagship headquarters in central Paris, hosts the Pernod Ricard Foundation, a multidisciplinary art space open to all and free of charge. Since it began over 20 years ago, the foundation has featured more than 1,000 artists, invited by 250 curators as part of 150 exhibitions. Not having its own collection, its identity is shaped by those who bring it to life on a daily basis – artists, curators, authors, intellectuals, and the general public. It's one of generosity and an openness to art and the changing sensibilities that guide our present.

During the year the foundation was home to exhibitions such as *Horizons*, which showcased the work of seven artists brought together by curator and art critic Clément Dirié. They included the winner of the 2022 Pernod Ricard Prize, Elsa Werth, whose award comprised the purchase of four of her works, which were donated to the Centre Pompidou Modern Art Museum. The award also allows her to benefit from support for a personal project abroad.

Another highlight was renowned sculptor Katinka Bock's *Der Sonnenstich* exhibition. The first to focus on her photographic work – and mainly featuring black and white images never previously exhibited – the arrangement was designed to complement the foundation's own architecture.

## Inspiring our own teams

Every two years, our Paris-based employees vote for an artist to decorate a huge 17x13 metre wall facing the entrance of The Island. For 2023, they selected Carlotta Bailly-Borg, with her work "Cloudy" succeeding that of Emmanuelle Lainé, which was installed in 2021.

## Promoting free live music in France

Music is an area where our involvement can make a real difference. The Société Pernod Ricard France Live Music project has been running for 35 years, providing free concerts for the public while supporting developing artists. Awarded in May 2023, the prize-winner for 2023 was Maddy Street, who explores gender issues and fights for greater recognition for people from the LGBTQIA+ community in the music industry. Maddy Street's pop, rap and queer music is perfectly tuned for live performance. Maddy toured festivals through the summer of 2023, sharing her music and promoting her unique perspective.

The Société Pernod Ricard France Live Music project has been running for

# 35

years, providing free concerts for the public while supporting developing artists

## Martell Corporate Foundation

The Fondation d'entreprise Martell is a research and experimentation platform for designers, artists, and researchers, as well as a public space for raising awareness and learning – with a focus on living things.

Its programme of exhibitions, residencies, conferences, and workshops is intended to support, first and foremost, the emergence of innovative projects with a regenerative dimension. Aimed at paving new tangible ways to build a future that is resilient and sustainable, the foundation's projects encourage people to think about the Cognac region and the local resources and to explore the vernacular expertise – in a collective intelligence dynamic.

## Investing in creative tech

Since 2016, The Absolut Company Creation has been supporting innovative trends in electronic culture and raising awareness by sharing the extraordinary with a wide audience.

All our projects are the fruit of in-depth research and development phases before being presented at France's biggest electronic festivals. This is how The Absolut Company Creation manages to position itself as a truly avant-garde player in both numerical and musical creation.

The programme centred around three projects over the last 12 months. OX and Physis are both light installations that map and move to the rhythm of the music; while BPM (Brain Performance Mix) was designed in collaboration with DJ Molécule to enable people to mix music using their brain waves. At selected events, members of the public are invited to try out the experience for themselves.





# Good Times from a Good Place

64 ——— 85

We believe that there can be no  
convivialité with excess and strive to be  
sustainable and responsible at every  
step, from grain to glass.

True to our founding spirit, we've been bringing  
people together, inviting them to share authentic  
experiences and make new friends every day through  
our world-class portfolio of premium wines and spirits.







GLENTAUCHERS DISTILLERY, SCOTLAND

Putting sustainability and  
responsibility firmly at the heart  
of all that we do.

# Passionate hosts and respectful guests



The Pernod Ricard vision to “unlock the magic of human connection by bringing Good Times from a Good Place” puts sustainability and responsibility firmly at the heart of everything we do.



Kilmalid bottling facility, Scotland

We’re passionate hosts who promote responsible drinking and create a better way to live and work together. We’re also respectful guests who care for the environment by partnering with local farmers and communities to benefit our planet, customers and business.

Our 2030 Sustainability & Responsibility (S&R) roadmap “Good Times from a Good Place” has ambitious targets that underpin the resilience of our business, driving innovation, brand differentiation and talent attraction. It is built on four key pillars: Nurturing Terroir, Valuing People, Circular Making and Responsible Hosting, addressing the material risks of the business. It also directly supports the United Nations Sustainable Development Goals (SDGs) and is aligned to its 2030 plan.

## IN CONVERSATION WITH VANESSA WRIGHT

Our Chief Sustainability Officer leads the sustainable transformation of the business, building on the Group's proud legacy, collaborating with experts to implement the 2030 S&R strategy "Good Times from a Good Place" and ensuring the business adapts to social and environmental challenges while leveraging new opportunities.

**Q: Let's start at the beginning, Vanessa. Why does S&R matter to Pernod Ricard?**

A: As a business we are all about people and unlocking the magic of human connection - it is therefore crucial for us to create an environment in which everyone can thrive. Our business is also inextricably linked to nature. We source over 120 ingredients to produce our brands and these are increasingly affected by climate change. Our commitment to S&R is about ensuring the long-term sustainability of our communities and the natural ecosystems we rely on.

**Q: And what progress have you made over the last 12 months?**

A: Since we launched our S&R strategy in 2019, we've made great progress across our four pillars, and this year has shown even greater momentum.

We announced significant investments to help decarbonise our business, including heat recovery technology in our Scottish and Irish distilleries and are building new carbon-neutral distilleries in Ireland and the US. We are also making good progress to reduce our downstream impact through innovation with suppliers - such as the experimental Absolut Paper bottle.

We built new partnerships and strengthened existing ones. In Mexico, Kahlúa reached an important milestone in its "Coffee for Good" programme, enabling Mexican coffee farmers to develop climate resistant varieties which help improve yields while also enhancing biodiversity and livelihoods. In Ireland, Jameson launched a partnership with Heineken to help malting barley farmers adopt new regenerative agricultural practices - minimising soil disturbance, increasing crop diversity and soil cover.

In a drive to promote a responsible drinking culture, we continued to roll out our digital labels on bottles to better inform consumers about our products and responsible drinking, and our leading brands such as Jameson, Martell and Ballantine's

“

Our business is inextricably linked to nature - it is crucial for us to reduce our environmental impact and address the challenges of climate change.”



**Vanessa Wright,**  
Chief Sustainability Officer

Launched two sustainability-linked bonds and a

€2.1bn

sustainability-linked loan

have been leveraging their influence to drive responsible drinking behaviours.

We have also laid the foundations of a more holistic approach to employees' wellbeing, ensuring our Diversity & Inclusion and Health & Safety agendas are joined up. We've introduced a wellbeing pulse survey to better understand what our employees are feeling and we made wellbeing the focus of this year's Responsib'All Day.

**Q: You've mentioned farmers and suppliers, what other stakeholders have been key on this S&R journey?**

A: We built our S&R strategy with different groups of stakeholders from across our value chain and we continue to engage with them to strengthen what we do collectively.

Consumers are increasingly aware - and concerned - about many issues including climate change, pollution, health... There is a real opportunity to leverage the power of our iconic brands to share strong messages and drive action. We have a role to play in ensuring we communicate clearly to make sure that people understand what we're doing and how they can play a part.

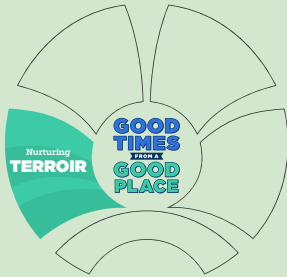
We are also seeing the increasing influence of bartenders. That's why in 2020 we set out to train bartenders on sustainable and responsible bartending practices with our programme The Bar World of Tomorrow. This year, we surpassed our 2030 objective empowering over 12,000 bartenders with new knowledge and skills to help drive change.

And of course, our investors - their support is critical and we keep them informed of everything we do to mitigate risks and ensure a resilient business.

**Q: What do you see as a key priority for the years to come?**

A: Our employees are passionate about driving change and it is important that they have the right skills and opportunities to make a difference. It's about encouraging employees to pause and reflect on whether they could do things differently. Is there a better, more sustainable way? It all comes down to challenging ourselves and our ways of thinking. Small acts, big impact.

# Nurturing Terroir



Terroir in French refers to more than just the land. It's a geographical area defined by its soil, biodiversity, climate and, just as importantly, its community. Healthy ecosystems are a fine balance of all these elements, and a change to any of these will have an impact on the others."

**Morgane Yvergniaux,**  
Head of  
Sustainable Terroirs



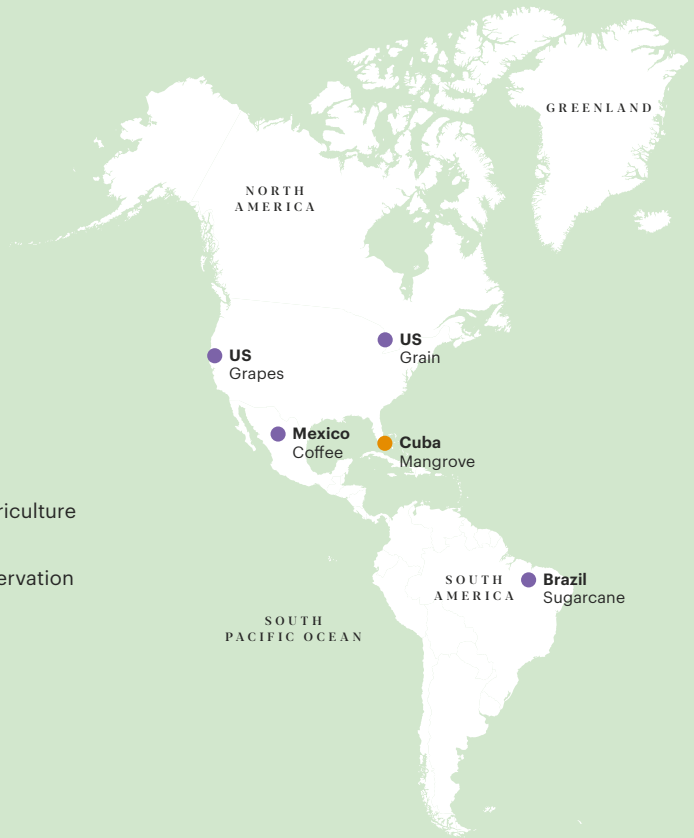
## Key:



Regenerative agriculture programmes



Ecosystem conservation programmes



**Our products take their character from the land where they were grown. We nurture every terroir and its biodiversity and respond to the challenges of climate change to ensure quality ingredients now and for generations to come.**

Our terroirs are at the heart of environmental and social issues. We work hand in hand with our farmers, suppliers and communities to transform agricultural practices through actions that will help mitigate climate change, protect life on land, restore the soil and improve livelihoods throughout the world. Sourcing our 120 ingredients sustainably, through certification and mitigation processes and regenerating nature to create a positive impact, are at the core of our Nurturing Terroir pillar.

Read about some of our Brand S&R projects:



**Martell conserving mangrove forests in China on page 49**



**Perrier-Jouët and their approach to viticulture, as well as sustainable packaging on page 39**

## Regenerative agriculture

At Pernod Ricard we believe in taking a regenerative agriculture approach, a system of farming principles and practices that promote biodiversity, enrich the soil, improve water quality, capture carbon in the soil and strengthen its ecological functions. Over the long term, it leads to an increase in yields, better resilience to climate change and improved living standards for farming communities.



“

We've been working with Pernod Ricard for some years now to reintroduce the cultivation of fennel in the south of France. It's a precious partnership - we're very proud to be working for such a renowned brand as Ricard and this kind of rotational crop has great benefits for the quality of our soil and our economic stability.”

**Denis Vernet,**  
Farmer

**10,500**

farmers empowered, trained or supported since FY19

**19**

regenerative agriculture initiatives including seven in our own vineyards

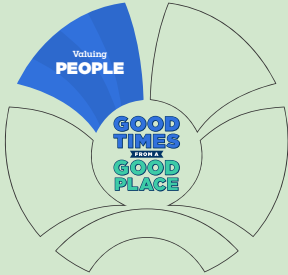
**34%**

of our key raw materials covered by sustainable certifications

**82%**

of our affiliates have implemented a regenerative agriculture or biodiversity programme

# Valuing People



36%

of our top management team are women, and we aim to achieve gender balance by 2030.

-50%

lost time accident frequency since FY20, working towards zero lost time accidents by 2025.






**Convivialité** is about sharing warmth, care and respect for people everywhere. We increase diversity and fairness for all our people and empower people across our supply chain.

To create shared value for all our stakeholders, we aim to procure all goods and services responsibly, protect human rights, foster diversity and inclusion, and create a healthy and safe environment.

Outside our organisation, we are committed to sharing our knowledge and to working with our partners to create shared values in our supply chain, ensuring our activities are safe, respectful and responsible. From grain to glass, we nurture long-standing and valuable relationships.

Read about our Group level S&R initiatives:

-  **Launch of Group level global Diversity & Inclusion Framework** with four objectives set around talent management, workplace culture, innovation and reputation on pages 58–59
-  **Group level Health & Safety paradigm** is laying the foundations for a more holistic approach in supporting and protecting its employees and stakeholders. Read about our “Be The One” campaign on page 60
-  **Absolut North America’s Ally and Pride programmes** on page 32



“

We value all the people around us – our employees, contractors, suppliers and communities – and are strongly committed to taking care of each other to ensure everyone goes home safely at the end of the day”.

**Carole Smets,**  
Group Health &  
Safety Director

## Responsib’All Day

Launched in 2011, Responsib’All Day reflects our long-term commitment to engaging with our communities and having a positive and meaningful impact on the people and nature around us. Each year, in every affiliate across the world, our employees stop work for a day to dedicate themselves completely to one of the four pillars of our S&R roadmap.

“

Responsib’All Day this year was all about wellbeing – a day for our employees to support our communities and take away something for themselves and their own wellbeing.”

**Gwyneth Weller,**  
Head of S&R Engagement



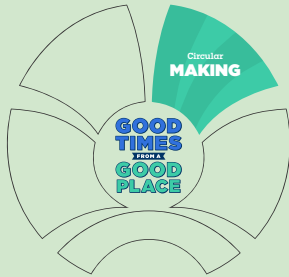
## 2022 Forbes Best Employer

We were recognised by Forbes as one of the World’s Best Employers, as well as one of the Top Female-Friendly Companies

## 2022

Signed the UN Women’s Empowerment Principles

# Circular Making



We have strong plans in place to deliver carbon neutral distillation at a number of distilleries across the Group - Ireland, Scotland, the United States and Sweden - and we continue to challenge ourselves to go further in line with international guidance.”

**Aude Charbonneau,**  
Head of Climate and Environment

**We share a world of finite resources, under huge pressure. We minimise waste at every step by imagining, producing and distributing our products and experiences in ways that optimise and help preserve natural resources.**

In moving towards a more circular business model, we're actively working to preserve and regenerate our natural resources at every stage in our value chain - from how we source raw materials to how our products are produced and manufactured and then ultimately reused or recycled.

We're consistently working on reducing our carbon emissions and adapting our business to ensure resilience in the face of climate-related risks. In our own operations, we are improving energy efficiency, implementing new technologies and alternative energies, and procuring renewable electricity for our sites and offices. We are also working closely with our supply chain to help reduce our carbon footprint linked to packaging and agricultural materials, as well as logistics.

Read about some of our Brand S&R initiatives:



**#OneForOurPlanet project in our India market on page 50**



**Read about our EcoSpirits initiative on page 84**



**-12%**

Reduction in absolute Scope 1 & 2 CO<sub>2</sub> emissions since FY18.

**-18%**

Reduction in the intensity of our Scope 3 carbon footprint since FY18.

**98%**

of our packaging is reusable, recyclable or compostable.





## Pernod Ricard partnerships for water conservation

**Pernod Ricard is strongly committed to protecting water resources. By 2030, we aim to reduce water use in intensity by 20%, achieve water balance in all high-risk watersheds and replenish 100% of water consumption from production sites in these areas.**

Pernod Ricard has been a member of the UN CEO Water Mandate since September 2010, reaffirming its commitment to protecting water resources. This year, as part of the UN 2023 Water Conference, Pernod Ricard contributed with UNITAR and industry peers to the launch of the “Water Academy”, which is focused on delivering innovative training and building human capacities on pressing water-related issues at a large scale.

In India, Pernod Ricard India Foundation’s flagship programme WAL (Water, Agriculture, Livelihoods) aims to foster water resilience and promote sustainable and regenerative resource management, while securing the livelihoods of disadvantaged communities such as smallholder farmers, women and young people.

“

We want consumers and partners to join our journey towards a more sustainable future. Together we can develop packaging solutions that people want and the world needs. That’s why bold partnerships are going to be evermore crucial on our net zero journey.”

**Elin Furelid,**  
Director of Future Packaging,  
Absolut

## Maison Lillet

**Maison Lillet worked with leading glass bottle manufacturer O-I to increase recycled glass content to 35%, as well as making its bottle 110g lighter - reducing carbon emissions linked to packaging and transportation.**

Lillet’s front label is now smaller and biobased, they have removed the hot stamping on their back label, and their shipping boxes are made from brown cardboard, 100% recycled and certified FSC.

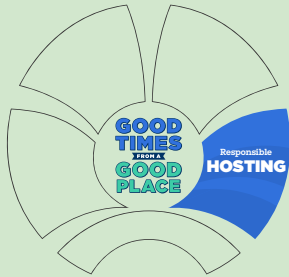
The new packaging won the Millésime Eco-Design award, run by the non-profit eco-organisation Adelphi which recognises organisations in our industry for their commitments to improving the environmental impact of their packaging.

## Zero

Gift boxes across selected portfolio brands by 2025, to reduce packaging and waste.



# Responsible Hosting



We continuously engage with stakeholders to improve awareness of alcohol misuse and encourage others to take a stronger stance on drinking responsibly. By leveraging the power of our brands we are promoting wellbeing and driving meaningful consumer change.”

**Conor McQuaid,**  
EVP, Corporate  
Communication, S&R  
and Public Affairs

**Our products bring people together and serve a valuable role in society. We fight alcohol misuse in society by taking action on harmful drinking and engaging with our stakeholders for real change.**

We focus on marketing and selling our products in ways that help consumers enjoy responsible experiences. As part of this, we have introduced digital labels on our bottles designed to better inform consumers about the products they purchase and enable them to make well-informed and responsible choices. We also want to leverage the power of our strategic brands and have rolled out four campaigns in the last year.

We encourage all our markets to contribute to at least one initiative to fight alcohol misuse by 2025.

Read about some of our Brand S&R initiatives:



**Spotlight on two initiatives for Responsible Hosting – The Bar World of Tomorrow and Drink More Water on pages 80–81**

## Autosobriety

We believe in educating drivers about alcohol and the risks of drinking and driving, because no-one should lose their life through drink-driving. That’s why we’ve launched the Autosobriety educational programme through a partnership with UNITAR – the UN’s Institute for Training and Research. Autosobriety is already educating drivers in eight countries – South Africa, Dominican Republic, Mexico, Ecuador, Poland, Cambodia, China and Vietnam – about the risks of drinking and driving, and aims to reduce alcohol-related traffic fatalities and injuries.

## Industry partnerships for responsible marketing

Pernod Ricard is a founding member of the International Alliance for Responsible Drinking (IARD), the world’s leading beer, wine, and spirits producers group. We support the IARD’s commitments on digital marketing, commercial practices and a series of measures to combat underage drinking. Since 2022, we have maintained a 95% compliance with IARD Digital Guiding Principles, in line with our target.

94%

of our affiliates have contributed to a local or global responsible drinking programme

## Responsible Host accreditation

Partnering with the Sustainable Restaurant Association, we are implementing a “Responsible Host” accreditation scheme to ensure best in class responsible drinking practices in all our Brand Homes worldwide. We aim to have 100% of our Brand Homes certified by 2025 and for 10 million visitors to be made aware of the importance of responsible drinking by 2030.



Strathisla Distillery, Scotland

“

From distilleries and visitor centres to cellars and beautiful Maisons, our Brand Homes welcome visitors keen to learn more about some of the world’s most iconic brands, how they are sustainably made and how to enjoy them responsibly.”

**Laura Sileo Pavat,**  
Head of Global  
Brand Homes

41%

of our bottles now have a digital label with information on health and responsible drinking

# Our progress

At 30 June 2023



## Nurturing Terroir

# 34%

**FY22: 31%**

Produce or source 100% of all key raw materials in line with sustainability standards, by 2030.

# 10,500

 since FY19

**FY22: 9,933**

Empower, train or support 5,000 farmers through regenerative agriculture and biodiversity programmes by 2030.

# 82%

**FY22: 73%**

of our affiliates have implemented a regenerative agriculture or biodiversity programme.

## Valuing People

# 1.3%

**FY22: 0.9%**

Ensure gender pay equity (<1%) across the business by 2022.

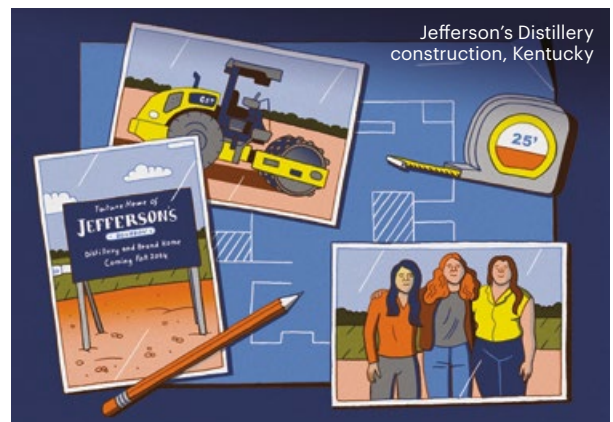
# 36%

**FY22: 35%**

Achieve a gender balanced (40-60%) top management by 2030.

# -50%

Lost time accident frequency since FY20, working towards zero lost time accidents by 2025.



# Circular Making

## -12%

**FY22: +1%**

Reduce Scopes 1 and 2 GHG emissions by 54% in absolute value vs FY18 by 2030.

## -18%

**FY22: -8%**

Reduce intensity of Scope 3 GHG emissions by 50% vs FY18 by 2030.

## 98%

Ensure all packaging (100%) is recyclable, reusable, or compostable by 2025.



# Responsible Hosting

## 12,300 since FY20

**FY22: 6,383**

Train 10,000 bartenders on sustainable and responsible bartending practices by 2030.

## 95.5%

**FY22: 95%**

Comply (95%) with the International Alliance for Responsible Drinking (IARD) Digital Guiding Principles (DGPs) by 2024.

## 94%

**FY22: 93%**

All affiliates to contribute to at least one global or local responsible drinking initiative to fight alcohol misuse in all Group markets by 2025.



For a full report of our progress against our S&R roadmap see pages 90-91 of our latest Universal Registration Document



## Regenerating agriculture

To ensure the resilience of our business, we need terroirs that can provide ingredients for generations to come. Conventional agricultural practices can't support a sustainable future. Regenerative agriculture is a resilient alternative that addresses climate change, promotes biodiversity, and provides the long-term yields that enable sustainable communities and businesses.



The transition to regenerative agriculture is as much about bringing people on board as it is about respecting the land. We work closely with our growing partners and our industry peers to help the whole terroir transition to sustainable and regenerative practices.”

**Pierre Helwi,**  
Head of Sustainable  
Viticulture, Martell



## Leading the way

Martell Mumm and Perrier-Jouët vineyards are leading the transition to regenerative agriculture. The brands are working with winegrowers and partners to develop new ways of working. Now in its third year, a pilot programme developed with renowned agroecologist Sébastien Roumegous is taking a holistic approach to the vineyard ecosystem to improve its functionality and resilience: researching resistant grape varieties, experimenting with biomass and floral plant covers, vitiforestry, green corridors as well as bio alternative treatments.



Sustainability means changing, improving and investing now for the benefit of a greater and more secure future. It not only protects our brands for years to come, it's also the right thing to do for the people we work with and the planet we rely on."

**Lynne Millar,**  
 Director of Purchasing,  
 Kahlúa & Malibu

## Working together

**In Mexico, Kahlúa has been partnering with coffee-farming communities since 2016 to help them increase yields while protecting biodiversity and improving living and working conditions. The first stage was to address basic needs such as access to fresh water and sanitation. We then worked together to replace old and less productive coffee trees with new plants that are disease-resistant and more resilient to climate change.**

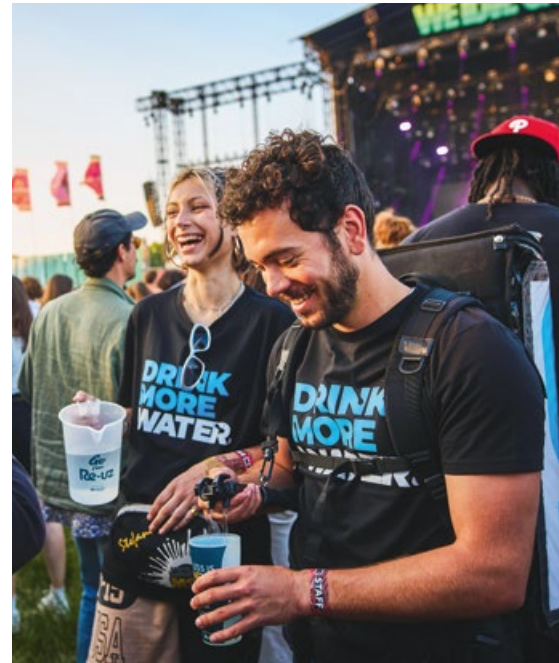
Today, the communities can supply Kahlúa with all its coffee needs – and they're also developing their own coffee brands to sell to others.

# Supporting communities, biodiversity and business



Orkney Islands, Scotland

# Changing behaviours



## Raising the bar

**It all started as an initiative to train bar owners and bartenders across the world on sustainable and responsible practices. The Bar World of Tomorrow was launched in 2020 as an online training course using relevant and practical focus – from fresh ingredient sourcing and waste management to saving water and staff wellbeing – to inspire bartenders to contribute towards a greener, more sustainable bar culture.**

Today, more than 12,300 bartenders have been trained – surpassing our initial target of 10,000, seven years ahead of schedule – and the programme is becoming a reference point for the industry. The latest collaboration is the creation of a Bar World of Tomorrow award at the Time Out Food & Drinks awards, first in Hong Kong, this year in Paris, Madrid and Barcelona, and more cities to come.



The Bar World of Tomorrow expresses our commitment to a better, more responsible bar culture. It's about convening a community and connecting people, sharing knowledge, ideas, and experience to create momentum for change.”

**Noémie Bauer,**  
Sustainable Business  
Director







## Drinking more water

Now in its 13th year, our well-established partnership with Erasmus Student Network has continued to promote responsible drinking. Responsible Party is a non-branded preventive programme that aims to tackle alcohol misuse among young adults by reducing alcohol-related harm during events and raising awareness.

Empowerment is one of the programme's key focuses. We support young adults of legal drinking age to make the right decisions for themselves and for their peers – by drinking more water, for example, which has always been one of the core Responsible Party messages. To date, our Drink More Water digital campaign has reached more than 400 million people online in 60 countries and a further nine million in person – at festivals, in bars and at events.



Bold, true, using GenZ language... this is how we describe our Drink More Water campaign which targets young adults to fight against binge drinking. With a clear and universal call to “Drink More Water”, we truly believe that empowering young adults to make the right choices for themselves is the way to move forward.”

**Géraldine Dichamp,**  
Initiatives Deployment  
Director

# Reducing carbon

## Reducing our impact...

We're committed to reducing our environmental impact and following a net zero trajectory by 2050. During the year, we continued to invest in reducing carbon emissions in our distilleries in line with our S&R roadmap and our ambition to reduce our Scope 1 and 2 emissions in absolute value by 54% by 2030.

## ...at Irish Distillers

We're making our existing Midleton distillery carbon neutral by implementing new boilers and MVR technology – and we're building Ireland's first and largest carbon neutral distillery. Scheduled for completion by 2026, the new Midleton Distillery will use breakthrough emissions technology and is the largest-ever investment by an Irish distillery in pursuit of a carbon-neutral ambition.

## ...at Jefferson's Bourbon

We're building a state-of-the-art, carbon neutral distillery for Jefferson's Bourbon in the US. This will be the first of its size in the country to achieve LEED certification – an internationally recognised sustainability framework for healthy, efficient, carbon- and cost-saving environmentally friendly buildings.



“

The future clearly relies on us making changes today to protect the world of tomorrow – and it is essential that we come together and put collaboration ahead of competition. I firmly believe that distillers can and should work together to help create a sustainable future.”

**Jean-Etienne Gourgues,**  
CEO, Chivas Brothers

## ...at Chivas Brothers

We're deploying ground-breaking distillation technology at Chivas Brothers where we aim to achieve carbon-neutral distillation by 2026. As well as transforming the distillation process through highly efficient technology such as Mechanical Vapour Recompression (MVR), the team at Chivas Brothers is making big progress across its value chain – eliminating waste and reducing carbon emissions in the growing of natural ingredients, packaging and transportation.



## ...at The Absolut Company

Absolut Vodka already boasts one of the most energy-efficient distilleries in the world and will eliminate all fossil fuels by 2025. Reducing the carbon footprint of glass packaging is another key step in Absolut's drive to become completely carbon neutral by 2030. The brand is co-investing alongside glass manufacturer Ardagh Group to benefit from the global spirits industry's first-ever hydrogen-fired glass furnace.

## ...at Havana Club

Havana Club's San José distillery is working to eliminate its use of fossil fuels – installing 2,280 solar panels to generate, by the end of autumn 2023, 50% of its on-site electricity, and introducing a fleet of electric vehicles. The long-term aim is for solar panels to reduce HCl footprint by saving 1.8KT CO<sub>2</sub> and to meet 100% of the distillery's electricity-powered operations (production, bottling) by 2024 and to redistribute excess energy to local communities free of charge to support Cubans nationwide amid the island's energy crisis.

# Leveraging technology



Through this first-of-its-kind partnership with a global brand portfolio, we hope to inspire more industry leaders and players to make the transition to the circular economy.”

**Paul Gabie,**  
CEO, EcoSpirits



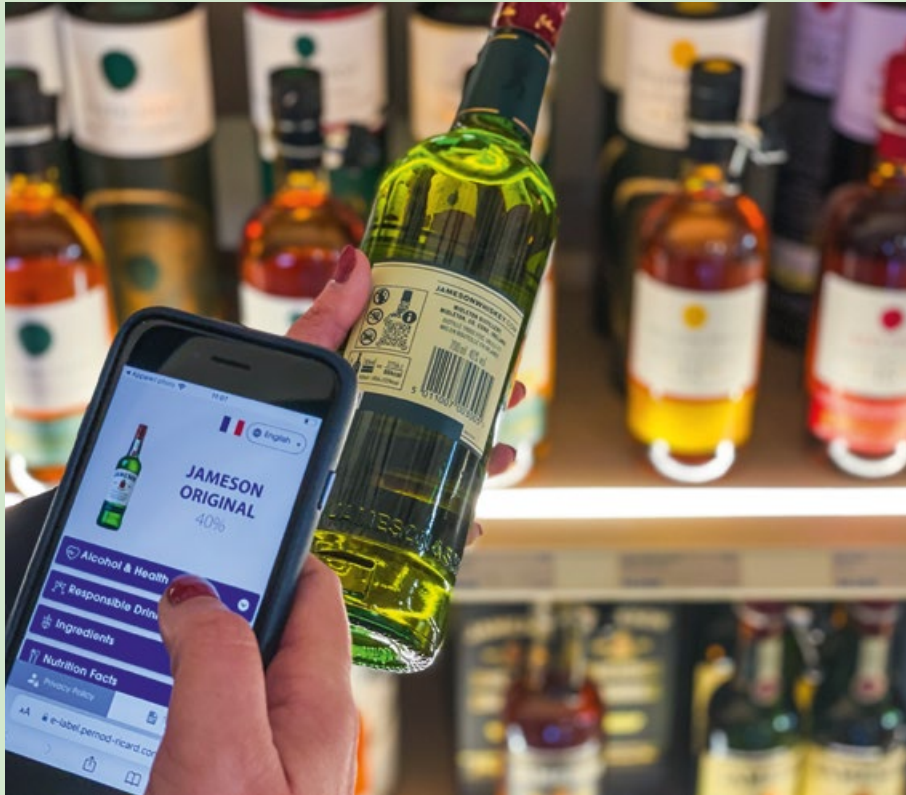
This investment marks a significant step towards a more sustainable future. Packaging accounts for a huge percentage of our carbon emissions, so we need to find new solutions. Piloting circular distribution models like EcoSpirits is a key part of our strategy.”

**David Deka,**  
Global Circularity Manager

## Closing the loop

Following a successful initial pilot in Singapore with Absolut, Beefeater, and Havana Club, we’re accelerating the global implementation of a closed-loop packaging concept designed by EcoSpirits and investing in the start-up through our venture arm Convivialité Ventures. The company’s EcoTote system is a reuseable glass container that holds 4.5 litres inside a branded outer shell. This cuts packaging waste and the carbon emissions associated with packaging and transportation by providing on-premise locations with branded refillable containers.





“

We have always been a consumer-centric company committed to responsible drinking, and digital labels strive to meet our customers' evolving desire for more information about the products they are consuming. Through this proactive initiative we are continuing our efforts to be an industry pioneer and encouraging others to join us.”

**Nodjame Fouad,**  
Chairwoman and CEO,  
Irish Distillers

## Providing greater transparency

With consumers continuing to seek out healthier lifestyles, we've launched new digital labels to provide the information people need to make responsible choices about our products. By the end of 2024, we aim for every product to feature a digital label – which means one billion bottles in 39 languages across 173 countries.

Easy to scan and access, the labels comprise geolocated QR codes – so all the information is relevant to the country where the label is scanned and in the local language. This includes national drinking guidelines, nutritional facts, ingredients, and instructions on how to measure a standard drink. And we're working to constantly enhance the information provided.





# Transparent and ethical governance

86 ——— 95

We're creating sustainable, long-term value for all our stakeholders.

Led by our Board of Directors and Executive Committee, our governance and management structure enables us to achieve our ambitions, mitigate risks, and find success both now and in the future.





PERNOD RICARD USA, NEW YORK

A transparent and ethical approach  
to how we do business.

# Our governance and management structure



Our simplified management structure provides a clear framework of responsibilities to empower our teams, ensuring balanced and direct dialogue and faster decision-making.”

**Anne-Marie Poliquin,**  
EVP, Legal and Compliance

To achieve our ambitions over the next decade and to sustain shared value with our stakeholders, we have put in place a new operating model. This is reflected in a new governance structure.



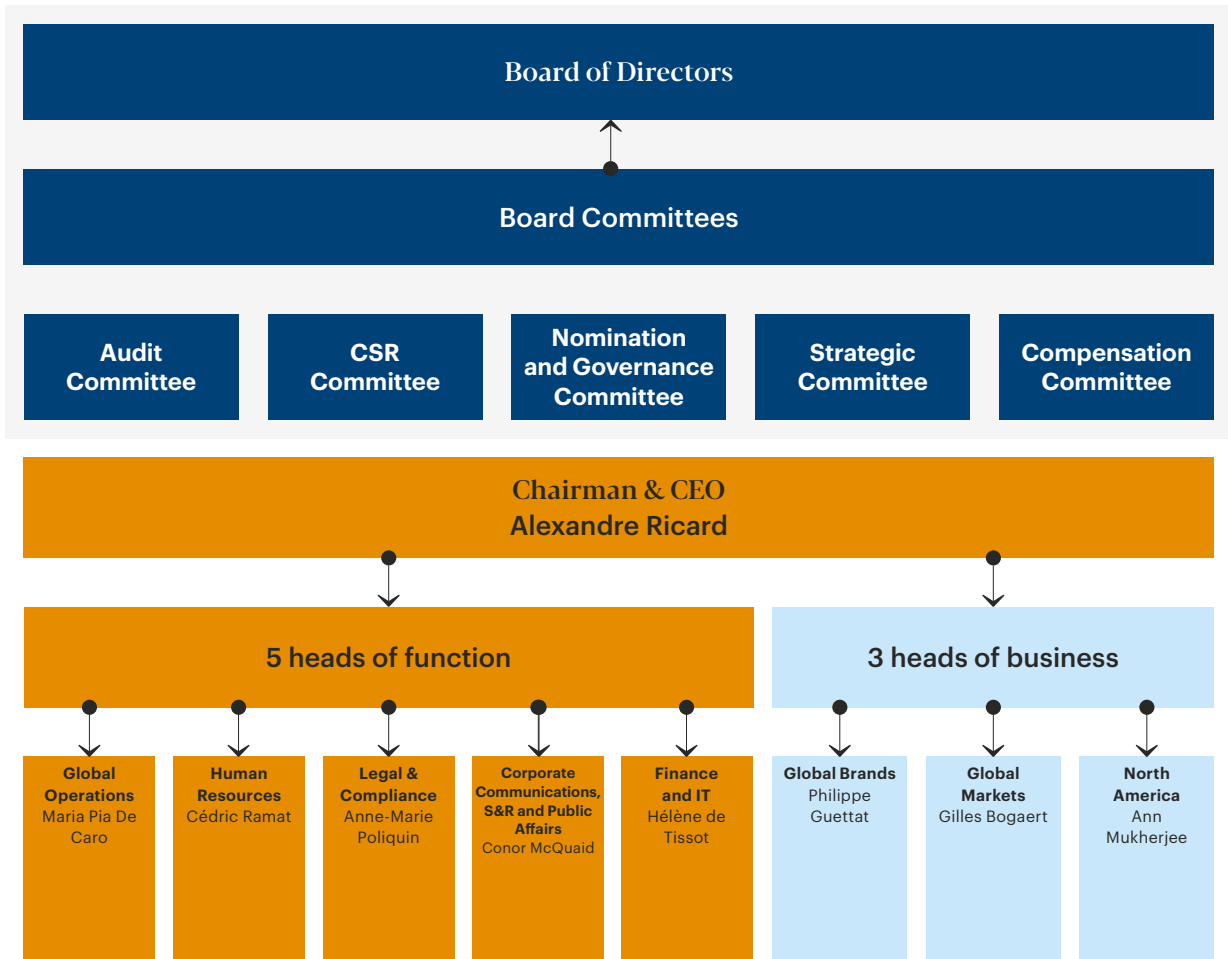
Guangzhou, China

Pernod Ricard’s new management structure has been designed to enable faster decision-making and arbitration by facilitating more efficient engagement and direct and balanced dialogue between the Group Headquarters, Global Brands and Management entities. The new structure includes:

- A newly formed **Executive Committee**, comprised of the Chairman and Chief Executive Officer, function and business leaders
- A newly formed **Executive Leadership Team** comprised of the Executive Committee and 21 leaders representing key Group functions, the 10 management entities covering all markets, and key global brands.

The structure, which came into effect on 1 September 2023, ensures fewer but more strategic interactions with affiliates. It optimises ways of working, reinforces mutualisation of expertise and promotes empowerment.





# Our Board of Directors



**Alexandre Ricard**  
Chairman & CEO  
Executive Corporate Officer  
Strategic Committee Chairman



**Anne Lange**  
Independent Director  
Strategic Committee Member  
Nominations and Governance  
Committee Member



**Philippe Petitcolin**  
Independent Director  
Audit Committee Chairman  
Strategic Committee Member



**Patricia Ricard Giron**  
Permanent Representative of  
Société Paul Ricard, Director  
Strategic Committee Member



**Virginie Fauvel**  
Independent Director  
Strategic Committee Member



**Ian Gallienne**  
Independent Director  
Strategic Committee Member  
Compensation  
Committee Member



**Kory Sorenson**  
Independent Director  
Compensation  
Committee Chairwoman  
Audit Committee Member



**Veronica Vargas**  
Director  
CSR Committee Member

**The Board of Directors oversees the governance of Pernod Ricard in an ethical and transparent manner while ensuring that the business is managed in the best interests of its stakeholders. Composed of 14 members bringing complementary skills and experience, the Board ensures that the Group pursues its business strategy, with the primary goal of increasing the value of the Company.**

## Organisation

In accordance with the AFEP-MEDEF Code of Corporate Governance for listed companies, Pernod Ricard respects the independence criteria established in the Code. The Board is comprised of 14 members, seven of whom are independent and two of whom represent Group employees. Following the recommendation of the Nominations and Governance Committee as of 23 January 2019, the Board appointed a Lead Independent Director.

The Internal Regulations stipulate that the Board members must meet at least six times per year for meetings that are presided by the Chairman of the Board, who is also Pernod Ricard's Chief Executive Officer. The Chairman reports on

the Board's progress at the Annual Shareholders' Meeting. The Chairman is tasked with ensuring that the Group's bodies run smoothly, which includes providing the Directors with the information and resources they need to fulfil their duties. The role of the Lead Independent Director is notably to convene and chair the meetings of the Board of Directors in the absence of the Chairman & CEO; conduct the annual assessment of the functioning of the Board of Directors on the basis of individual interviews with each Director; prevent the occurrence of conflict of interest situations; ensure compliance with the rules of the AFEP-MEDEF Code and the Board's Internal Rules and Regulations; convene and chair the Executive Session; review shareholder requests for corporate governance and ensure that they are answered; and meet with the Company's investors. In order to further root its work in the Group's daily business operations, the Board holds one meeting per year in an operating affiliate.



**Namita Shah**  
Independent Director  
CSR Committee Member



**César Giron**  
Director  
Nominations and Governance  
Committee Member



**Patricia Barbizet**  
Lead Independent Director  
Nominations and Governance  
Committee Chairwoman  
CSR Committee Chairwoman  
Compensation  
Committee Member



**Wolfgang Colberg**  
Director  
Audit Committee Member



**Carla Machado Leite**  
Director representing  
employees



**Brice Thommen**  
Director representing  
employees  
Compensation  
Committee Member

**58.3%**  
Independent Directors

**58.3%**  
female Directors

**42.8%**  
non-French Directors

**99.21%**  
attendance rate

### FY23 activity

Over the course of FY23, the Board met nine times, with an attendance rate of 99.21%. The average length of the meetings was approximately three hours and fifteen minutes. Their main activities were to:

- approve the half-year and annual financial statements;
- review the budget;
- oversee the preparations for the Annual Shareholders' Meeting;
- review and approve the work of the Committees;
- review presentations of the activities of the functional departments and affiliates;
- review its own functioning and that of its Committees.

### Committees of the Board of Directors

The Board of Directors is assisted in its work by five specialised Committees which provide advice and recommendations for the Board's discussions. The Strategic Committee – created and headed by Alexandre Ricard since 2015 – reviews key subjects for the Group and issues recommendations on acquisitions, divestitures and

partnership projects. It studies all strategic matters of interest to the Group. The Audit Committee reviews the half-year and annual draft financial statements and monitors the Group's cash flow and debt situation. It also assesses the Group's risk management and internal control systems. The Nominations and Governance Committee proposes new Directors and reviews the composition and operation of the Board, as well as the Group's performance and talent management policy. The CSR Committee examines, reviews and implements the Group's CSR strategy, notably regarding decarbonisation. It monitors any relevant regulatory evolution and assesses the risks and opportunities in terms of social, societal and environmental performance. Lastly, the Compensation Committee defines the remuneration policy for the Group's Executive Directors, proposes a general long-term remuneration policy and implements an annual plan for the allocation of options and performance shares.

# Our Executive Committee

(on 1 September 2023)



**Alexandre Ricard**  
Chairman & CEO



**H el ene de Tissot**  
EVP, Finance & IT



**Philippe Guettat**  
EVP, Global Brands



**Gilles Bogaert**  
EVP, Global Markets



**Ann Mukherjee**  
Chairwoman & Chief  
Executive Officer, Pernod  
Ricard North America



**Maria Pia De Caro**  
EVP, Operations



**C edric Ramat**  
EVP, Human Resources



**Anne-Marie Poliquin**  
EVP, Legal and Compliance



**Conor McQuaid**  
EVP, Corporate  
Communication,  
S&R and Public Affairs



The Island, Paris, France



### Executive Committee

Refers to the permanent body responsible for coordinating and leading the Group, in cooperation with the Chairman & CEO, whom it assists with his responsibilities. The Executive Committee reviews all decisions related to Group affairs and submits various matters to the Board of Directors when approval is required. It sets the Group performance trajectory, steering and framing the Group's transformation projects and priorities.

The Executive Committee's seven key responsibilities include:

- **External Dynamics:** Identify and action external impacts, opportunities and any potential disruption.
- **Delivery of Business Targets:** Set annual quantitative and qualitative objectives and optimise resources driving simplification, mutualisation and prioritisation.
- **Strategic Priorities & Transformation:** Identifies, defines, and actions the key strategic priorities.
- **Portfolio & Brand Strategy:** Reviews key initiatives and strategic inflections including portfolio innovation.
- **Culture & Ways of Working:** Fosters the positive Pernod Ricard culture, values and ensures efficient ways of working across the organisation.
- **Talent Management:** Group-wide talent identification, development, and management.
- **Corporate Governance & Compliance:** Ensure exemplary corporate governance and compliance standards are achieved across all functions.

The Committee is responsible for overseeing the Group's business activities and ensuring that its main policies are applied. More specifically, the Committee analyses the performance of the Group's business in relation to its market plan (budget and strategic plan); actively participates in setting financial and operational objectives (financial results, debt and qualitative objectives); periodically reviews the brand and market strategies; analyses performance and evaluates changes in the organisation as needed; and approves and ensures compliance with the Group's main policies.

# Managing our risks

Faced with a range of both internal and external risks that could prevent the Group from reaching its objectives, Pernod Ricard has implemented a system of internal control and risk management aimed at improving the forecasting and monitoring of these risks. Each function and affiliate contributes on a continual basis to the deployment and improvement of this disciplined approach.

## Methodology:

In 2021, the Group carried out an in-depth review of its risk map, a risk management tool. Top management actively participated and all Pernod Ricard functions and affiliates were involved. This map visualises the issues at stake, without replacing the explanations provided in chapter 4 of our FY23 Universal Registration Document. This map is reviewed annually to take into account the major changes in the risk environment to which the Pernod Ricard Group is exposed.



1

**Loss of major industrial site/strategic inventory**

Resulting in significant business disruption and unavailability of certain key brands in Pernod Ricard markets.

**Toxic contamination**

Resulting in major consequences for consumers and commercial and reputational risk for the brands.

2

**Geopolitical and macroeconomic instability**

Risk of a broad geopolitical disturbance or the resurgence of a macroeconomic crisis.

**Pressure on prices and margins**

Risk of margin erosion due to intensified pressure from retailers, fierce competition and potential increase in terms of cost of goods sold and logistics expenses.

**Supply chain disruptions**

Major unpredictable event complexifying the access to markets; key supplier failure; unavailability of raw material.

**Talent management**

Inability to attract, develop and retain talent.

**Climate change and environmental damage**

Global warming impact on our activities and environmental damage caused by our activities.

**Regulatory risks**

Triggering price increases and/or higher costs for the Company or even administrative and criminal penalties.

**Anti-alcohol environment and regulations**

Strengthening of legislation resulting in new restrictions or constraints regarding advertising and distribution of alcoholic beverages.

3

**Major cyberattack**

Cyber intrusion compromising systems, websites and data integrity.

4

**Fast-changing consumer behaviours**

Consumer behaviours changing at a fast pace in terms of expectations and trends (product categories, distribution channels, consumer experiences).

**Negative media coverage**

Impacting the image of the Group and/or its key brands.

**Financial risks (FX, interest rates, credit)**

Unfavourable evolution of exchange and interest rates or the failure of customers leading to non-collection of receivables.

5

**Risks related to S&R challenges**

Good Times from a Good Place, 2030 S&R roadmap made up of four pillars for which qualitative and quantitative objectives have been identified. All of these commitments represent real challenges that the Group is intent upon tackling.

**Product quality issues**

Leading to customer discontent and brand image deterioration.

**Health & Safety**

Severe accident involving an employee or contractor as a result of a criminal or industrial incident.

6

**Counterfeiting/IP rights**

Counterfeit and look-alike products damaging brand image and impacting sales.

7

**Fraud**

Resulting in financial losses or the leakage of sensitive information.

**Major litigation**

Against Pernod Ricard, its affiliates, its brands or its management.

8

**Pensions**

Unanticipated increase of pension fund's deficits and/or cash contributions.



# Exploring our shared performance

96 ——— 111

Across markets and brands, FY23 was a year of very strong, diversified performance for the Group.

Building on our strengths and our growth model, and enhanced by technology and data, our leading premium portfolio delivered broad-based growth across regions and categories. We gained market share, sustained gross margin and expanded operating margin.







THE ISLAND, PARIS, FRANCE

Delivering broad-based growth  
across our brand portfolio.

# Hélène

## A DISCUSSION WITH

Hélène de Tissot  
EVP, Finance & IT

Pernod Ricard's very strong performance in FY23 is reflected in our excellent full year financial delivery. Our Net Sales, Profit from Recurring Operations and Group Share of Net Profit recorded double-digit growth and our strong balance sheet supported a dynamic financial policy including increasing investments for long-term sustainable and stretched profitable growth.

# de Tissot



Rabbit Hole Distillery, Louisville, Kentucky



### **How do you describe Pernod Ricard's FY23 performance?**

We achieved a very strong and diversified performance, leveraging our premium portfolio to deliver broad-based growth across regions and categories, sustaining Gross Margins and expanding Operating Margin. We invested in sustainable growth and desirability of our brands, with record levels of investments in A&P, CAPEX and Strategic Inventory and with active portfolio management focused on Premium+ brands. We maintained momentum in our transformation, progressing toward our 2030 Sustainability and Responsibility targets and continuing the deployment of our Key Digital Programmes. This translated into long-term shareholder value with superior total shareholder returns in FY23 of +18%.

### **Why is broad-based growth important?**

Over the years Pernod Ricard has built two unique advantages that drive our success. First, we have the widest and most comprehensive portfolio of premium, western style spirits and second, a global scale, with direct presence in over 70 markets worldwide and with a strong presence in both mature and emerging spirits markets. We are not overly dependent on any particular spirits category or market. So in FY23 we see growth across all regions, with strong pricing execution and resilient volumes, gaining share in most markets, while also enjoying growth across multiple spirits categories with c.85% of growth coming from six categories. Premiumisation continues as Premium+ brands are contributing to c.80% of our growth and our Prestige portfolio grew ahead of the total portfolio at +15%.

### **What other ingredients of your success can you highlight?**

As well as the strengths I highlighted of our unique portfolio and market presence, our performance builds on our growth model, centred around our consumers. This fuels innovation and our marketing investments. The long-term success of our brands requires consistent investment to build brand equity, and our overall ratio of A&P to Net Sales remains constant at c.16%. Our growth model is further enhanced by tech and data. With the deployment of our Key Digital Programmes we are improving portfolio effectiveness, marketing effectiveness, price promotion effectiveness and sales team effectiveness. Collectively these programmes allow our teams in each market to actively manage more brands and to improve the return on investments. Successfully sustaining our gross margins is a key highlight of our performance this year with continuous improvement in operational efficiencies, building on our

“  
We achieved a very strong and diversified performance, leveraging our premium portfolio to deliver broad-based growth across regions and categories.”

culture of excellence. And most importantly, our success is the result of the hard work and commitment of our 20,000 employees, who bring to life our culture of conviviality.

### **Why is Pernod Ricard accelerating its investments?**

We aim to deliver long-term, sustainable value creation, and this requires dynamic, top-line growth and strong cash generation. We are investing in production capital and strategic inventories to support that future growth in the very exciting, aged spirits category. We explain that you can expect to see elevated investments for the next two years, as we sustainably invest into production capacity notably in Ireland, Scotland and the USA with €610m invested in FY23 and a guidance for c.€800m to €1bn in FY24 and while also investing in strategic inventories, at levels similar to the c.€500m invested in FY23. As well as building production capacity, these investments reflect our belief that Sustainability and Responsibility amplify performance and strengthen business resilience. Our new distillery builds are expected to be carbon neutral and we are also investing to retrofit existing distilleries with exciting new technologies to assist towards achieving ambitious carbon emission goals.

Alongside production capacity and ageing inventories we have also actively managed our portfolio of brands. FY23 was the most active year in a decade with over €1bn invested to complement our portfolio with attractive, fast-growing, Premium+ brands in North America. During FY23 we welcomed to our portfolio such exciting new brands as Código Tequilas and Skrewball flavoured whiskey, as well as having reinforced our partnerships with Sovereign Brands.

### **What are the challenges and the perspectives for FY24?**

The global trading environment remains challenging as we begin the new fiscal year and we anticipate broad-based and diversified Net Sales growth for FY24. We will adapt to the easing of inflationary pressures, continue to focus on Revenue Growth Management and operational efficiencies. We will continue to invest in our brands' desirability and future growth through A&P, CAPEX and strategic inventories.

Building on our very strong FY23 performance, we confidently reiterate our FY23 to FY25 mid-term financial framework of aiming for the upper end of +4% to +7% Net Sales growth and +50/+60 bps operating margin. Our confidence is fuelled by the strength of our model and, more importantly, by our winning culture and the commitment of our people.

# United States

Jameson enjoys good depletions value growth



Very strong double-digit growth on RTD portfolio



FY23 performance

## Stable

### Sales

Stable sales within a normalising environment with underlying consumer resilience

Strong performance of Malibu and Kahlúa



Successful integration of Código and Skrewball



TX Whiskey Ranch, Fort Worth, Texas



Chengdu, China

# China

**Martell driving overall growth in China and maintains strong value leadership**



FY23 Performance

**+6%**

**Strong momentum for Absolut and Jameson**



**Evolving consumer interest in western style cocktails**



**Sales**

Strong performance in a contrasted year. A very good Mid Autumn Festival gave way to a more challenging environment with soft Chinese New Year, followed by a strong rebound in Q4 with the resumption of consumer activity



# India

FY23 Performance

**+13%**

## Sales

Excellent growth with continued premiumisation momentum

Launch of Longitude 77 in the dynamic Indian Single Malt category



Premiumisation within the Seagram's whisky portfolio, with strong growth particularly on Blender's Pride and Royal Stag



Very strong momentum from the Scotch portfolio, Jameson and Absolut



# Global Travel Retail

FY23 Performance

**+40%**

## Sales

Strong rebound as  
passenger traffic resumed,  
including Asia

Strong performance from Scotch  
portfolio, Martell and Absolut



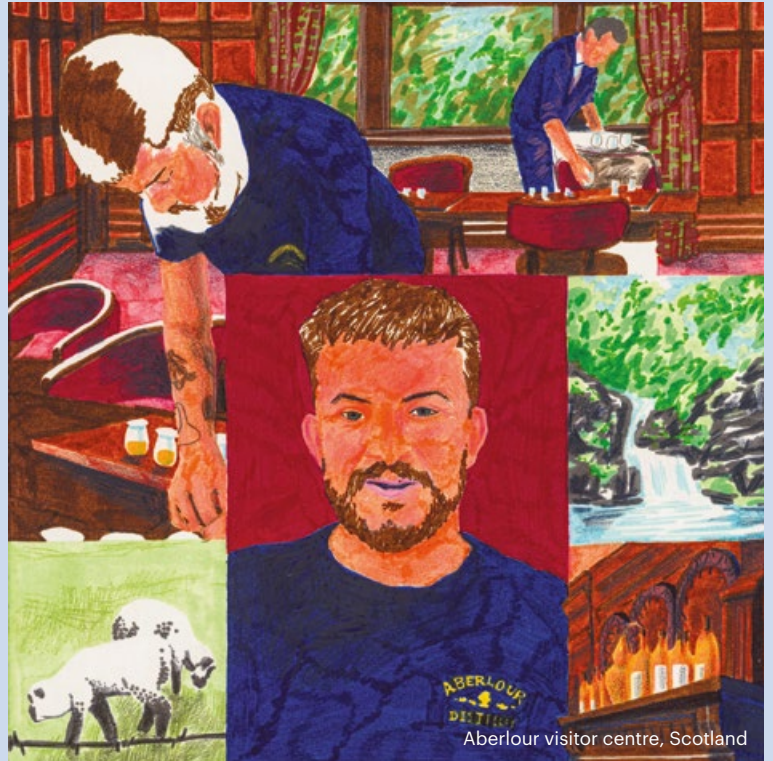
Passenger numbers  
at 90% of pre-Covid  
levels



Atelier Martell, Guangzhou, China



# Europe



Aberlour visitor centre, Scotland

## France



Modest growth of Ricard within a challenging environment

## Germany



+8%  
performance driven by Lillet, RTDs and Jameson

FY23 Performance

+8%

## Spain



Double-digit growth driven by gin portfolio, Ballantine's and Absolut

## Sales

Resilient volumes across the region

## United Kingdom



+2%  
Dynamic double-digit sales from Jameson, Absolut, Malibu and Kahlúa



# Other markets



## Mexico



+12%

Growth driven by Absolut and Chivas Regal

## Korea



+19%

very dynamic growth of Ballantine's, Royal Salute and Jameson



## Japan



+21%

dynamic performance of Champagne and Scotch portfolio

## Africa



+15%

very dynamic performance in South Africa, Nigeria and Kenya with Jameson, Chivas Regal and Martell

# Delivering sustainable and stretched profitable growth

## Leadership positions

**No.1**

World no.1 for premium spirits<sup>(1)</sup>

**No.2**

World no.2 in wine & spirits industry<sup>(1)</sup>

**18**

brands amongst the world's top 100<sup>(1)</sup>

**€3.3bn**

profit from recurring operations

## Financial metrics FY23

### Net sales



**€3,481m**

Americas

**€3,465m**

Europe

**€5,191m**

Asia/Rest of the world

€12,137m  
Net sales

€3,348m  
Profit from recurring operations

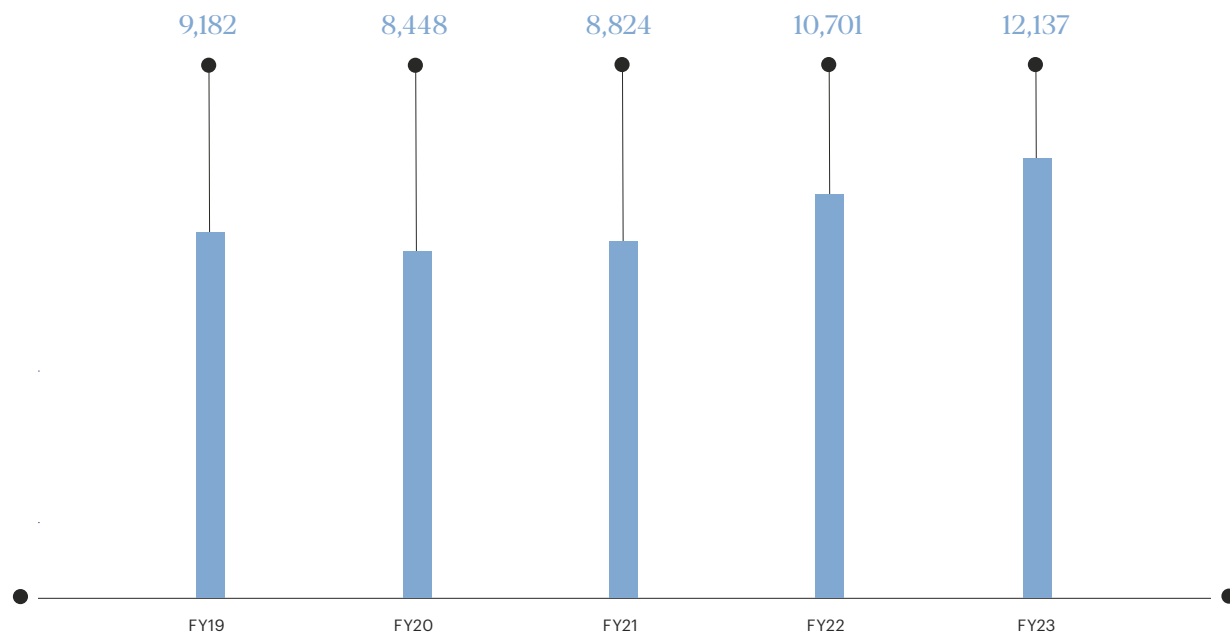
€2,262m  
Net profit (Group share)

(1) The Pernod Ricard Market View based on IWSR 2022 volume data.

# FY23 Indicators: Our performance

## Net sales FY19 to FY23

(Millions of euros)



**€12,137m**

Net sales in FY23

**€3,348m**

Profit from recurring operations in FY23

**+10%**

Organic sales growth in FY23

**+11%**

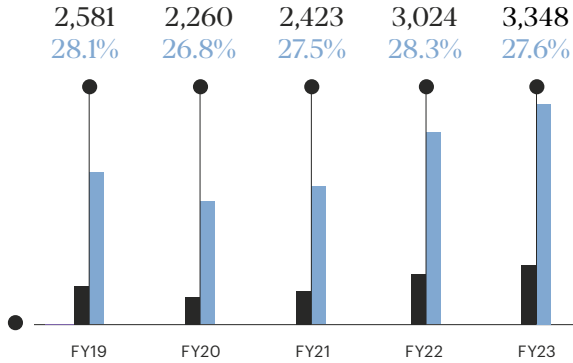
Profit from recurring operations  
organic growth in FY23

# FY23 Indicators: Our performance

## Profit from Recurring Operations Operating margin

(millions of Euros and as % of net sales)

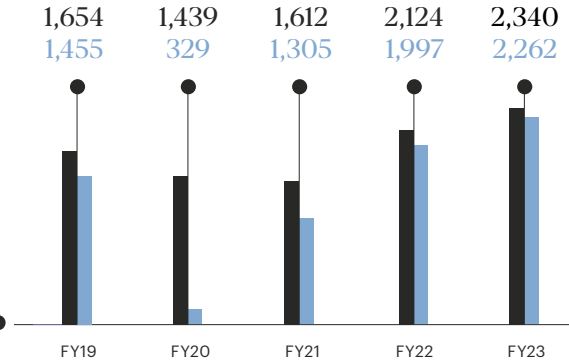
- Profit from Recurring Operations
- Operating margin



## Group net Profit from Recurring Operations Group net profit

(Millions of euros)

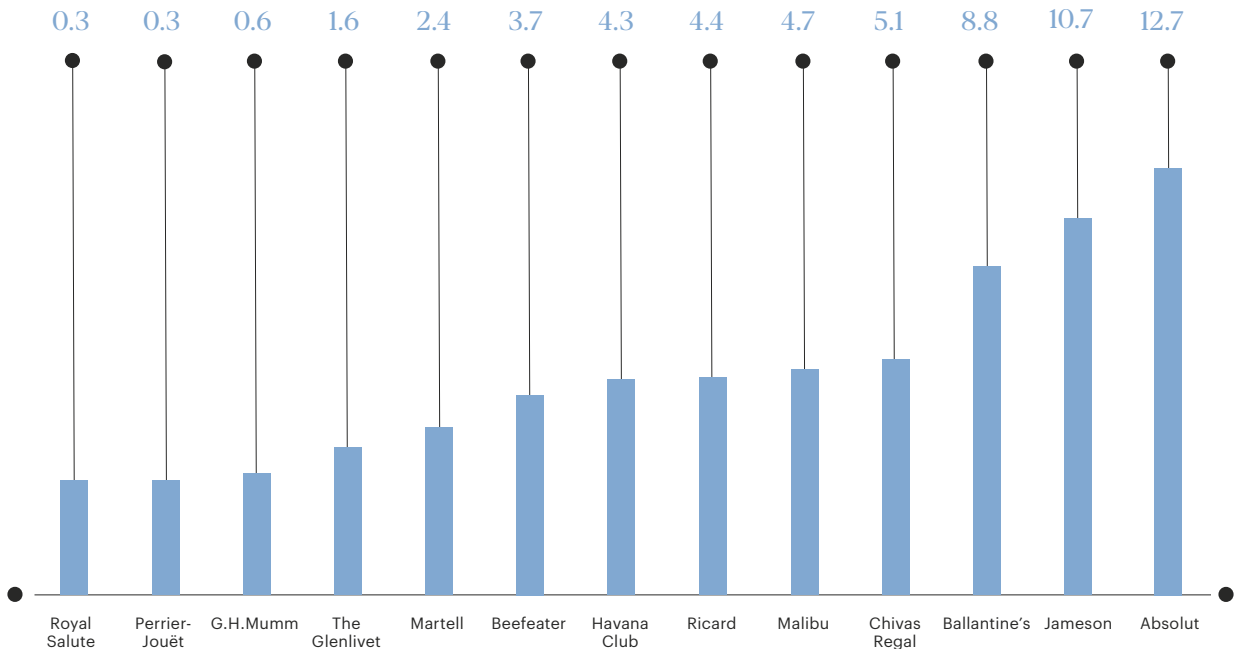
- Group net Profit from Recurring Operations
- Group net profit



## Strategic International Brands

# 59.5m

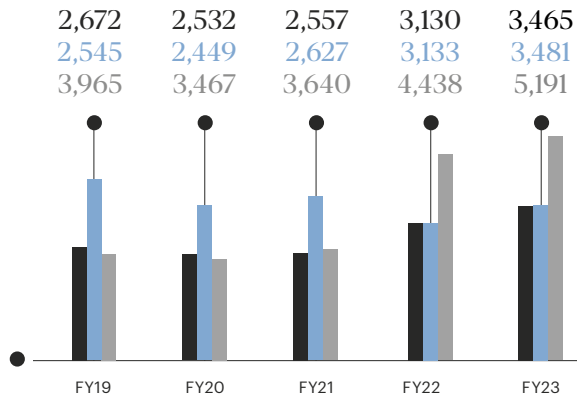
9-litre cases sold



### Sales by region

(Millions of euros)

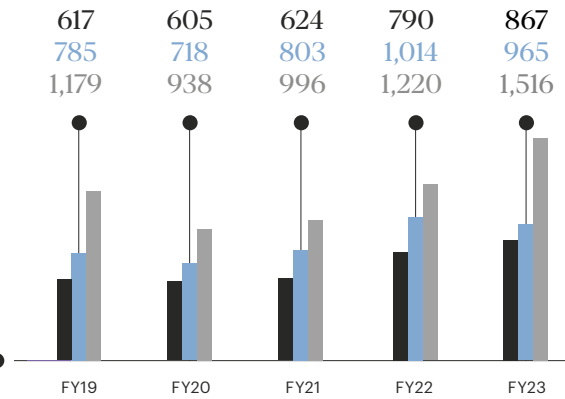
- Europe
- Americas
- Asia/Rest of the World



### Profit from recurring operations by region

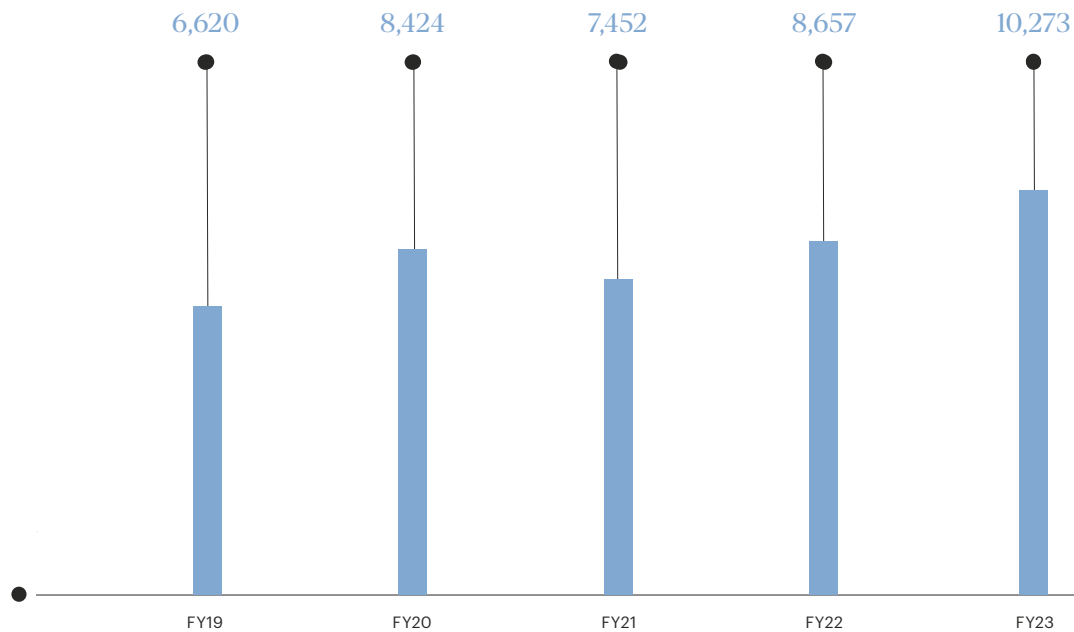
(Millions of euros)

- Europe
- Americas
- Asia/Rest of the World



### Net debt

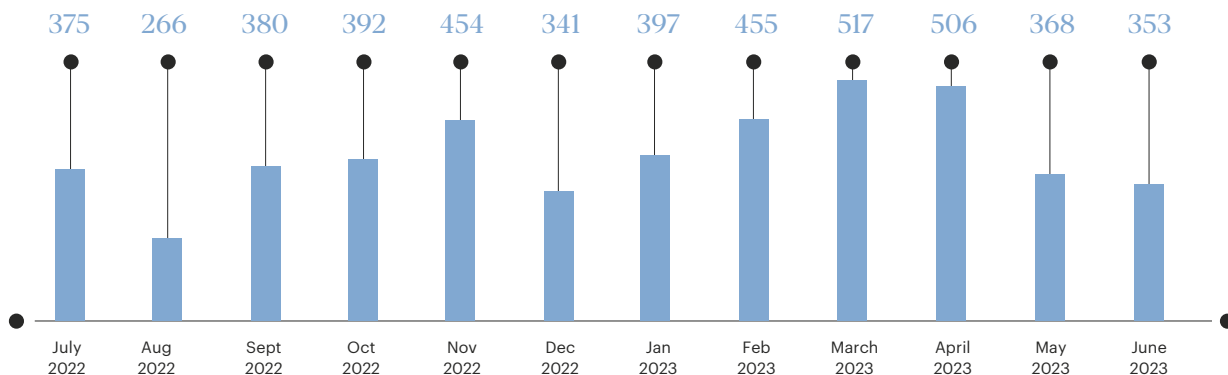
(Millions of euros)



# FY23 Indicators: Financial market

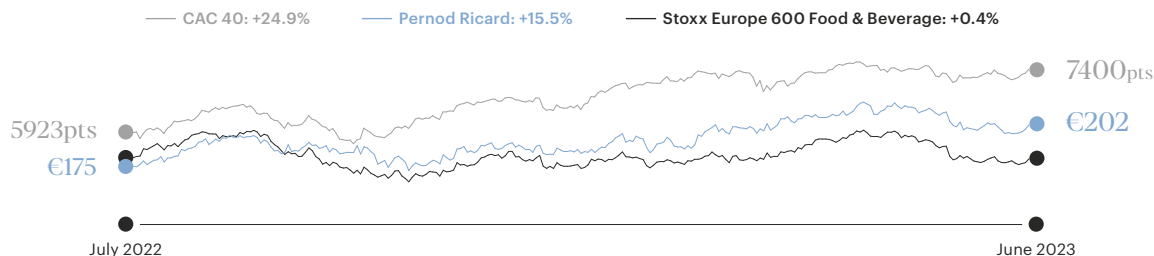
## Average daily volume of transactions on Euronext

(Number of shares in thousands)



## One year share price performance

Compared to CAC 40 results



## Pernod Ricard stock market data

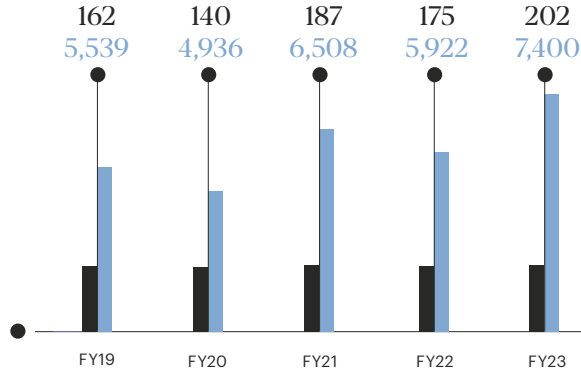
	FY21	FY22	FY23
Number of listed shares at 30 June	261,876,560	257,947,355	255,631,733
Average number of shares (except treasury shares) diluted	261,513,905	259,719,441	256,878,253
Stock market capitalisation at 30 June (€m)	49,023	45,907	51,740 <sup>(1)</sup>
Group net profit per share diluted (€)	6.16	8.18	9.11
Dividend per share (€)	3.12	4.12	4.70 <sup>(2)</sup>
Average monthly volume of trades (thousand shares)	10,015	8,588	8,535
Highest share price (€)	188.65	217.20	218.00
Lowest share price (€)	132.35	166.60	170.85
Average share price (€)	156.98	191.93	193.15
Share price at 30 June (€)	187.20	175.30	202.40

<sup>(1)</sup> Sources: EURM and Bloomberg.

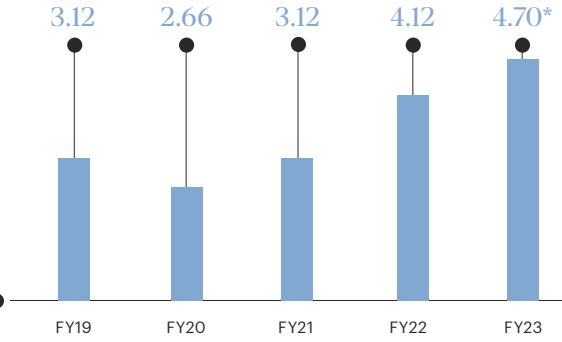
<sup>(2)</sup> A dividend of €4.70 per share for FY23 will be submitted for vote at the General Meeting on 10 November 2023.

## Share price of Pernod Ricard and CAC 40 over five years

(at end June 2023)



## Dividend



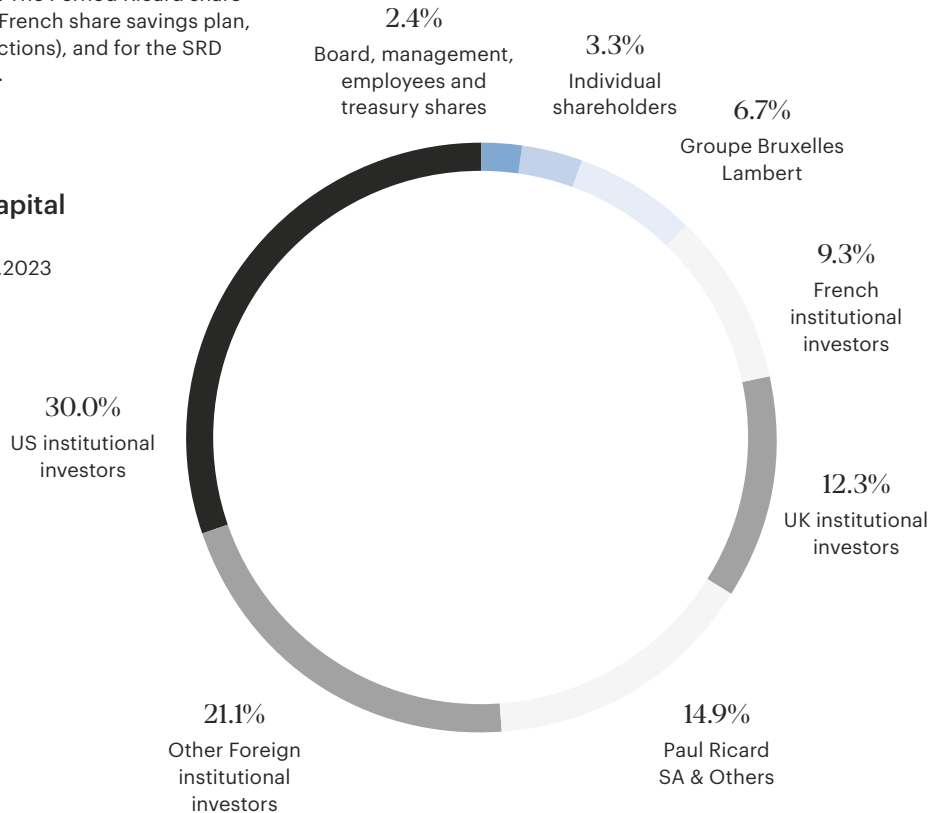
\*A dividend of €4.70 per share for FY23 will be submitted for vote at the General Meeting on 10 November 2023.

## Pernod Ricard CAC 40

Pernod Ricard is traded on the Paris stock exchange on NYSE Euronext SA Paris Eurolist (compartment A) SRD (deferred settlement service). The Pernod Ricard share is eligible for inclusion in the French share savings plan, the PEA (Plan d'Epargne en Actions), and for the SRD (deferred settlement service).

## Breakdown of share capital

(Company analysis using shareholder analysis at 31.03.2023 and nominative data)



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Discover the success stories of our brands and employees across the globe in FY23.

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Dive into an in-depth legal, economic, financial and accounting analysis of the FY23 financial year.

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*Director of Publication:* Charlotte Judet.

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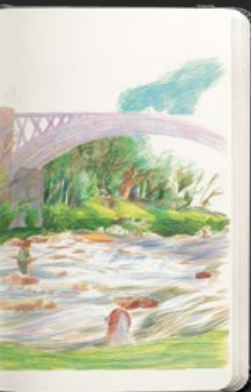
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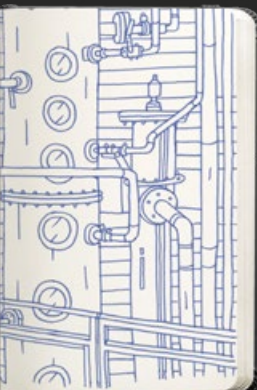
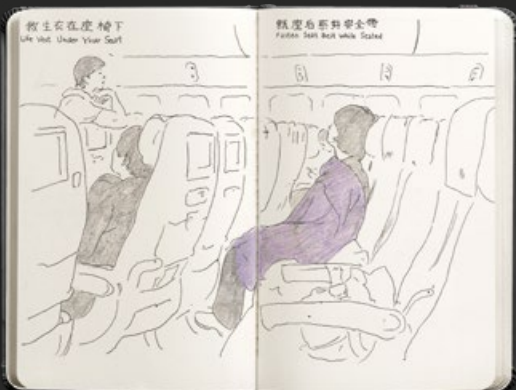
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Pernod Ricard

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