

Universal registration document

Including the annual financial report

2024



Pernod Ricard

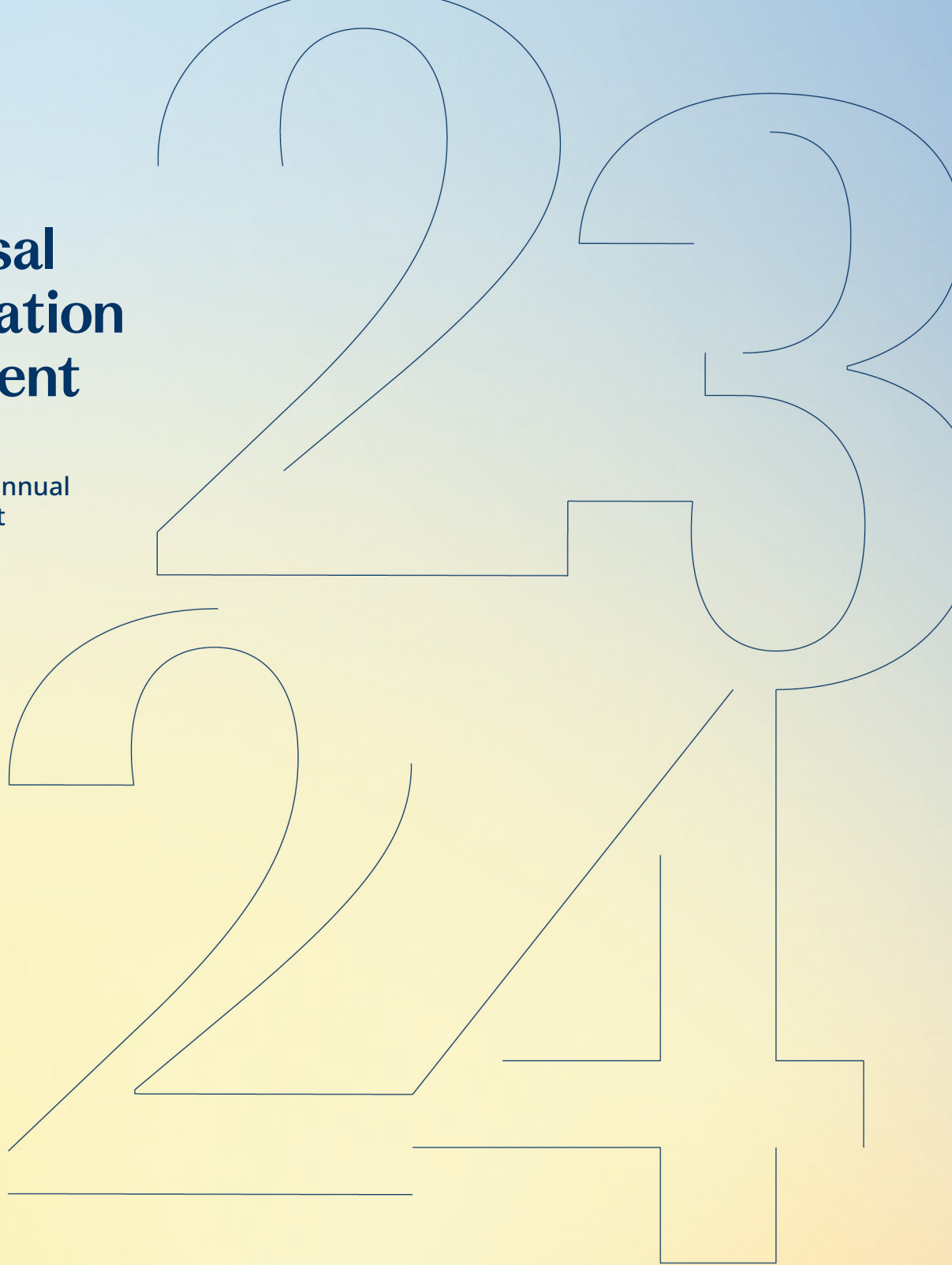
Créateurs de convivialité

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The French language version of this Universal Registration Document was filed on 18 September 2024 with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF), the competent authority under Regulation (EU) No. 2017/1129, without prior approval pursuant to Article 9 of the Regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market together with any amendments, if applicable, and a securities note and summary approved by the AMF in accordance with Regulation (EU) 2017/1129. This is a translation into English of the 2023-2024 Universal Registration Document, including the annual financial report, of the Company issued in French. The official version of the 2023-2024 Universal Registration Document in French was prepared in European Single Electronic Format (ESEF) and filed with the AMF. It is available on the Company and AMF websites.

A message from **Alexandre Ricard**

Chairman & CEO

Our brands mean a lot more than just the liquid that's in the millions of bottles we produce and distribute each year. Around the world, day after day, consumers engage with Pernod Ricard's premium brands, creating and maintaining rituals that carry cultural or social weight beyond the mere act of consumption.

An apéritif shared with friends and relatives on a terrace in France to mark the end of the working day; a shared party to celebrate a birthday, a graduation or Diwali in an Indian home; a family gathering in an outdoor Mexican park. In the three countries that we have chosen to highlight throughout this annual report, as well as in all the markets around the world where our products are sold, the drinks we craft, the brands we build, and the following they generate are essential ingredients to celebrate the art of togetherness.

We nurture brands that embody a sense of community

As the global drinks business returns to a steadier pace following three years of post-pandemic revenue conviviality, and in a context of economic, social and political instability, our ability to nurture brands that embody a sense of community makes a real difference. In this less buoyant environment, the global reach of our distribution network and the diversified nature of our portfolio across all key drinks categories enable us to mitigate the impact of weaker trends in some of our highest-contributing markets.

Pernod Ricard's business model demonstrated firm resilience last year, as we built on our strengths and intensified our focus on the most dynamic segments of a historically growth-driving industry. We continued to leverage the power of tech and data to uncover new trends and deepen our understanding of what matters most to consumers the world over. This enables us to make more informed and agile decisions, boosting innovation, time to market, and cooperation across regions.



“ At Pernod Ricard, we are fundamentally brand builders—our top priority is to increase the power of our brands and continually strengthen their equity.

Our top priority is to increase the power of our brands

At Pernod Ricard, we are fundamentally brand builders — our top priority is to increase the power of our brands and continually strengthen their equity. It's the lesson we learned from Paul Ricard and the many founders behind the brands that are now part of our family. Their unique stories, traditions, heritage, and terroirs create connections, and bring an inimitable spirit to our brands.

Some of our brands are centuries old, others only a few years or decades, yet they all command devoted followings because they tell stories that speak to today's audiences. Last December, for example, we launched The Chuan, the first prestige malt whisky made in China. Blending the natural and cultural beauty of the Emei Mountain region with our renowned whisky-making craftsmanship, The Chuan comes to life, creating a new legacy for tomorrow. It's this savoir-faire and passion that help us tell the stories that resonate with consumers, enabling our brands to reach the audience they merit.

We're also constantly innovating our diverse portfolio of international premium spirits brands, regularly introducing innovative offerings to meet emerging trends and consumer demands. In 2024, Absolut and Ocean Spray teamed up to launch a new Vodka Cranberry RTD range, supporting the continuing growth of the ready-to-drink category with one of America's favourite cocktails. While in Spain, Beefeater launched a 0.0% alcohol alternative to their legendary dry gin, capturing the brand's timeless energy and taste for those who choose not to drink but still want to be part of the occasion.

We are a business with a soul

Sustainability and responsibility are embedded in everything we do. We firmly believe in making sure our brands are consumed in a responsible way, while fostering an environment where everyone feels safe, heard, and looked after.

We are grounded in the real—the natural ingredients used to make our products come from the earth and often require years of ageing. Their specific characteristics guide our long-term approach to sustainable growth and are at the root of our culture.

In the past two years, we have significantly stepped up our investments in our spirits inventories in need of maturation; these are key to our growth and continued premiumisation for decades to come. We have also strengthened our production capacity, while upholding traditional crafts, even as we take new steps to reduce our carbon footprint in line with our 2030 sustainability and responsibility roadmap.

“ Sustainability and responsibility are embedded in everything we do. We firmly believe in making sure our brands are consumed in a responsible way, while fostering an environment where everyone feels safe, heard, and looked after. ”

Our passion is shared by all our people. We are a business with a soul. Our diversity of talents, perspectives and personalities is central to the growth of our Group. Our unique culture, which is founded on optimism and the pursuit of the extraordinary, is brought to life through human interactions and authentic moments of togetherness. These are the traits that make us Pernod Ricard. They bring us together – and make us stand out. They are the clear competitive advantages that will enable us to continue to succeed.

Make Pernod Ricard the preferred house of premium brands and experiences

Now more than ever, in a world rife with political and economic challenges, in a world where what drives us apart seems to take precedence over what brings us together, there is a real need for shared rituals, shared pleasures, shared experiences. As *Créateurs de convivialité*, we bring people together around our brands and provide the spark that ignites unforgettable encounters. We are committed to cultivating these authentic moments where sharing uplifts our spirits.

I am convinced that we are well positioned to face upcoming economic, environmental, and societal challenges thanks to our agility, innovative ways of thinking and, above all, the enthusiasm and determination of all our people across the globe. I am utterly confident that, together, we have the ability to make Pernod Ricard the preferred house of premium brands and experiences.

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Presentation of the Group

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Key takeaways

“Pernod Ricard achieved robust results for the fiscal year ending June 2024 within an environment of economic and geopolitical uncertainty and spirits market normalisation after two years of exceptional post-pandemic growth. Our global scale, our agility and our portfolio of brands, the most extensive in the industry, combined with our capacity to understand and to invest behind our consumers’ desires and aspirations put us in a very strong position to navigate these challenges. I’d like to thank our teams for their responsiveness and relentless commitment to drive Pernod Ricard’s long-term sustainable and profitable growth roadmap.” **Alexandre Ricard**

FINANCIAL PERFORMANCE

Strong full-year financial delivery

€11,598m

Net sales

Organic **-1%** ↓

Reported **-4%** ↓

€1,476m

Group share of net profit⁽¹⁾

-35% ↓

3.1x

Net debt/ EBITDA

+0.3x ↑

€3,116m

PRO

Organic **+1.5%** ↑

Reported **-7%** ↓

€7.90

EPS

-13% ↓

€963m

Free cash flow

-33% ↓

NON-FINANCIAL PERFORMANCE

Sustainability & Responsibility amplifying performance and strengthening business resilience

94%

of markets having implemented at least one global or local responsible drinking initiative⁽²⁾

38%

of women in Top Management⁽³⁾

37

regenerative agriculture or biodiversity programmes started since 2020

99%

of recyclable, compostable or reusable packaging⁽²⁾

-30%

in GHG emissions Scopes 1 and 2 (absolute value)⁽⁴⁾ at our production sites

-12%

in intensity of water consumption⁽³⁾

No. 1 worldwide

In Premium spirits⁽⁵⁾

19,557 employees

Our brands distributed in

160+ countries

Americas

€3,340m
Net sales

29%
of sales

-5%⁽⁶⁾
sales growth

Europe

€3,285m
Net sales

28%
of sales

-5%⁽⁶⁾⁽⁷⁾
sales growth

Asia/Rest of the World

€4,973m
Net sales

43%
of sales

+3%⁽⁶⁾
sales growth

(1) Group share of net profit from recurring operations. (2) FY 2024 – for the period from 1 July 2023 to 30 June 2024. (3) Internal definition: Band C and above. (4) Reduction between FY 2018 (the baseline year) and FY 2024. (5) Source: The Pernod Ricard Market View based on 2023 IWSR data (volumes). (6) Organic growth. (7) Sales growth of 2% excluding Russia.

1.1 The world's leading international premium spirits company

1.1.1 Corporate profile

Pernod Ricard is the world's leading international premium spirits company⁽¹⁾. Created by the merger of Pernod and Ricard in 1975, the Group boasts unrivalled expertise in product manufacturing, brand development and global distribution. Pernod Ricard generated consolidated net sales of €11,598 million in FY 2024.

The Group's leadership is underpinned by one of the industry's most comprehensive portfolios, with over 240 brands distributed in more than 160 countries. Each of these brands has its own history and character, offering consumers a wide range of unique convivial experiences.

Since its creation, Pernod Ricard has been a stakeholder-oriented company, with exceptional teams and a strong corporate culture centred around the concept of "conviviality". This upbeat mindset is one of the Group's greatest strengths, securing its lasting success while enabling it to adapt constantly to changing markets for almost 50 years now, accelerate its development and help bring about a more convivial, sustainable and responsible world. The Group's mission is to drive long-term growth for its brands – without compromising its commitment to people and the environment – while empowering its employees worldwide to be ambassadors of its purposeful, inclusive and responsible culture of conviviality.



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 ambition

We ensure the long-term development of our brands with full respect for people and the environment and seek to sustain our success, 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.

1.1.2 Our competitive advantages

A unique portfolio of wine & spirits brands

Pernod Ricard has the broadest and most diversified portfolio in the industry, comprising over 240 wine and spirits brands. Each brand has its own unique identity, but all are driven by a commitment to delighting consumers, both on a global scale and in specific markets. The Group swiftly and efficiently responds to changing consumer behaviours by actively managing its portfolio, be it through acquisitions, disposals or investments in the most buoyant segments.

A diversified geographical footprint and an in-depth understanding of our distribution network

We have acquired and developed an unrivalled distribution network, with a presence in more than 160 countries, including 60 where an affiliate and our own sales force are present. Our network spans both off-trade markets (supermarkets, specialist shops) and on-trade channels (bars, restaurants, wine merchants, etc.), as well as direct-to-consumer sales (e-commerce and concept stores). Our ability to control our global distribution network is a powerful driver of agility, helping us to stay tightly aligned with consumer needs.




A strong corporate culture and shared values

Our some 19,557 employees around the world are driven by the same culture of conviviality. This inclusive and purposeful ethos is both what makes us stand out and how we attract and retain talent. It is based on four key guiding principles: staying grounded, being proudly authentic, bridging borders together and relishing a challenge.

⁽¹⁾ Source: The Pernod Ricard Market View based on 2023 IWSR data (volumes).

1.1.3 Our value creation chain

RESOURCES	OUR TERROIRS We rely on finite resources and well-functioning ecosystems to produce and source quality ingredients.	OUR PEOPLE We have a diverse, talented and highly committed workforce around the world who share the same values.
	350+ terroirs	19,550+ employees ⁽¹⁾

VALUE CHAIN	<p>Sourcing</p> <p>We work hand-in-hand with farmers and suppliers in 60+ countries to safeguard the long-term future of more than 350 terroirs producing some 100 natural ingredients that we use to make our products.</p>  <p>39% of our natural ingredients are certified⁽¹⁾</p>	<p>Production</p> <p>We draw on our unique know-how to develop high-quality products and apply circular design from manufacturing to packaging, while ensuring all health, safety and environmental standards are met.</p>  <p>-13% in water consumption in our distilleries since FY 2018⁽²⁾</p>	<p>Distribution</p> <p>We work closely with transport and distribution partners to deliver our brands to consumers via channels that we are constantly diversifying and optimising.</p>  <p>160+ countries distribute our brands</p>
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VALUE CREATION	<p>EMPLOYEES</p> <p>We provide a diverse and inclusive work environment and create a culture combining conviviality and performance.</p> <hr/> <p>78</p> <p>I Say 2023 score attributed by employees recognising Pernod Ricard as a place where they can be themselves.</p>	<p>CONSUMERS & CUSTOMERS</p> <p>We offer high-quality products, services and experiences to our consumers and customers.</p> <hr/> <p>18</p> <p>of our brands are in the Top 100 worldwide⁽⁴⁾</p>	<p>SHAREHOLDERS</p> <p>We create long-term value for our shareholders and investors by delivering solid, sustainable performance.</p> <hr/> <p>€11,598m</p> <p>in net sales⁽²⁾</p>
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(1) At 30 June 2024. (2) During FY 2024. (3) For the most frequented platforms (Facebook, Instagram, Twitter and YouTube) and our websites. (4) World top 100 in international premium spirits (Pernod Ricard figures based on 2023 IWSR data, by volume).

OUR KNOWLEDGE

We rely on the expertise of our employees and partners to optimise the safety, quality and efficiency of our manufacturing and distribution processes.

94

production sites⁽¹⁾

OUR PORTFOLIO

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

240+

brands

OUR GLOBAL PRESENCE

Our global presence and our organisation provide us with the agility we need to respond to fast-changing markets while deploying our resources efficiently and sharing our expertise. This means that we are consumer-centric and provide our customers with unique experiences, wherever they are in the world.

60

countries where our affiliates are present⁽¹⁾

Marketing & sales

We leverage data and new technologies to market and sell our products effectively and responsibly. We aim to offer our consumers a memorable experience, while raising awareness about responsible consumption and combating harmful drinking.



98.6%

compliance with the Digital Guiding Principles of the International Alliance for Responsible Drinking (IARD) in FY 2024⁽²⁾⁽³⁾

Moments of conviviality

We unlock the magic of human connection by bringing good times from a good place. We want to create sustainable, responsible connections that respect people and the planet.



18,000

bartenders trained on all aspects of S&R through the Group's 'Bar World of Tomorrow' programme⁽¹⁾

End-of-life

We aim to reduce waste and reuse our products throughout their lifecycle so that the value created is not lost. We do this, for example, by transforming by-products from the distillation process or through developing recycling infrastructure.



4

markets with a poor recycling rate where we are rolling out initiatives to promote recycling and infrastructure⁽¹⁾

FARMERS AND SUPPLIERS

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

11,200

farmers empowered, trained or supported⁽¹⁾

COMMUNITIES & SOCIETY

We support our communities, partner with our peers and work with regulators to create a positive impact.

94%

of markets with a global or local responsible drinking initiative⁽¹⁾

PLANET

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

30%

reduction in greenhouse gas emissions (Scopes 1 and 2) across our production sites since FY 2018⁽²⁾

1.2 Our history

1.2.1 From 1975 to 2024

Since its creation in 1975 following the merger of the Pernod and Ricard companies, the Pernod Ricard Group has worked to expand its brand portfolio and geographical reach, making acquisitions while pursuing organic growth. Today, Pernod Ricard is the world's leading international premium spirits company.

1975

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

2005

Acquisition of Allied Domecq, doubling the Group's size to make it the world's No. 2 wine 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 (IARD, formerly ICAP⁽¹⁾).

2003

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

2001

Acquisition of Seagram and its well known whiskies (Chivas Regal, The Glenlivet, Royal Salute) and cognac (Martell).

1993

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

1988

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

2007

Roll-out of a warning for pregnant women on all bottles marketed by the Group in 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, an annual social engagement volunteer event involving the Group's entire workforce.

2012

Signing of the wine and spirits industry's five commitments to promote responsible drinking.

2019

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

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

Beginning of construction on the first single malt distillery in mainland China at Emeishan (Sichuan).

2018

Nomination of Pernod Ricard as a member company of Global Compact LEAD.

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

2017

Acquisition of a majority stake in high-end bourbon producer Smooth Ambler and in Del Maguey Single Village, the No. 1 mezcal in the United States.

2016

Acquisition of the super premium gin Monkey 47.

Signing of the UN⁽²⁾ Sustainable Development Goals (SDGs).

Fiftieth anniversary of the Institut Océanographique Paul Ricard.

2015

Appointment of Alexandre Ricard as Chairman & CEO.

2020

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

Inauguration of The Island, the Group's flagship in Paris, which brings together all its Paris-based affiliates, representing over 900 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 space at The Island, the Group's global headquarters in central Paris.

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

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

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

Acquisition of leading online spirits retailer The Whisky Exchange.

Confirmation of the Group's commitment to stop using single-use plastic promotional items at its points of sale.

Announcement of a landmark partnership with the International Union for Conservation of Nature (IUCN) to support its Agriculture and Land Health initiative.

2022

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

Launch of digital labels on a selection of brands in Europe to raise awareness of responsible drinking.

Launch of an inaugural €750 million sustainability-linked bond issue.

2023

Acquisition of majority stakes in Código 1530 ultra premium and prestige tequila, Skrewball super premium flavoured whiskey, and Ace Beverage Group, the Canadian leader in ready-to-drink alcoholic beverages.

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

Announcement of a significant investment to build a state-of-the-art, carbon-neutral distillery for Jefferson's in Kentucky.

Increase of the minority stake in Sovereign Brands' portfolio of super premium wines and spirits.

2024

Sale of the Clan Campbell blended Scotch whisky brand to Stock Spirits.

Launch of the Absolut Vodka & Sprite ready-to-drink cocktail by The Coca-Cola Company and Pernod Ricard.

Inauguration of The Chuan, the first prestige malt whisky produced in China.

Sale of Czech bitter Becherovka to Maspex Group.

Launch of Beefeater 0.0%, the alcohol-free version of one of the Group's most prestigious brands.

Signing of an agreement to acquire Terres de Ravel, doubling Sainte Marguerite's winegrowing capacity.

(1) International Center for Alcohol Policies.

(2) United Nations.

1.2.2 Significant events in FY 2024



5 September 2023

Pernod Ricard sold its Clan Campbell blended Scotch whisky brand to Stock Spirits Group. This transaction is part of Pernod Ricard's active portfolio management strategy, aimed at adapting to the needs of consumers and providing greater opportunities for premiumisation.



16 October 2023

The Coca-Cola Company and Pernod Ricard announced the launch of the Absolut Vodka & Sprite ready-to-drink cocktail. Absolut & Sprite will be made with the iconic Swedish premium vodka and the world's most popular lemon-lime sparkling soft drink. The cans will feature the logos of two of the most iconic and recognisable global brands.



12 December 2023

Pernod Ricard introduced The Chuan: China's first prestige Malt Whisky

Leading the way in a new category, this first-ever product of The Chuan celebrates Pernod Ricard's vision to create a prestige malt whisky made in China. In addition to introducing The Chuan pure malt whisky to the market, Pernod Ricard also announced the opening of the The Chuan Malt Whisky Distillery Experience Centre, on the grounds of the Emeishan distillery, which will provide visitors with a holistic tour experience, including an immersive introduction, a detailed demonstration of The Chuan whisky craftsmanship, tasting, gift shopping, and fine dining, featuring Sichuan fusion cuisine and local ingredients that complement the sophistication of the whisky.



21 December 2023

Pernod Ricard announced the sale of Becherovka iconic Czech bitter to Maspex Group

An agreement was signed to sell the Becherovka brand and related assets (including the production and logistics facilities in Karlovy Vary) to Maspex Group. The transaction, which was subject to customary conditions, closed in April 2024.



22 April 2024

Sainte Marguerite en Provence signed an agreement to acquire Terres de Ravel, doubling its winegrowing capacity

Owned by the Fayard family and Pernod Ricard, Château Sainte Marguerite will now extend over more than 500 of the finest hectares in the AOC Côtes-de-Provence and will notably continue developing its Super Premium and Ultra Premium vintages – *Symphonie*, *Fantastique* and *Marguerite en Provence*. This planned acquisition includes the sale of 20 hectares to several young local winegrowers as part of a support programme implemented by the land use and rural settlement organisation SAFER (*Société d'Aménagement Foncier et d'Établissement Rural*).

17 January 2024



Pernod Ricard announced the launch of Beefeater 0.0%, a significant addition to its alcohol-free portfolio with one of its most prestigious brands.

Inspired by the original Beefeater London Dry Gin, Beefeater 0.0% maintains the brand's iconic citric and juniper-forward profile but without the alcohol, creating a perfectly balanced and refreshing drinking experience. Produced by adding the essence of Beefeater London Dry Gin's classic recipe to the base, the botanical profile is achieved by using exclusively natural flavours, retaining the experience and attitude consumers have come to know and love about Beefeater.

1.3 Our business

1.3.1 Our brand portfolio

Pernod Ricard's unique portfolio of brands encompasses every major category of wine and spirits. To optimally allocate resources across all our markets, we have developed a tool known as the House of Brands, which divides brands into five categories.

No.1 worldwide

in international
premium spirits⁽¹⁾

240+ brands

A dynamic year of portfolio management,
with the completion of several disposals

Total customer-centricity
driving innovation and spurring
brands to continually invest

(1) Source: The Pernod Ricard Market View based on 2023 IWSR data (volumes).

1.3.1.1 Strategic International Brands

Strategic International Brands represent the largest share of our business and international potential. These long-standing Group labels set the standard in their categories. They are our top priority at a global level and actively contribute to our growth.

1.3.1.2 Prestige Brands

Prestige Brands, our portfolio of highly desirable luxury brands, target the most affluent consumers all over the world. Ours is the industry's most comprehensive portfolio in this highly dynamic segment, spanning all major luxury categories and moments of conviviality. They are one of the key growth drivers of our long-term strategy.

1.3.1.3 Strategic Wines

Strategic Wines cover a wide range of origins and tastes. With this category, Pernod Ricard extends beyond spirits to reach a new consumer segment, thus rounding out its market coverage.

1.3.1.4 Specialty Brands

Specialty Brands meet a growing demand for smaller-scale "craft" products. These niche beverages offer an authentic experience, in tune with the tastes and expectations of demanding consumers. They are fast-growing favourites with the potential to become strategic international brands over time.

1.3.1.5 Strategic Local Brands

Strategic Local Brands are deeply rooted in a limited number of specific markets. They benefit from very strong local consumer loyalty. While not necessarily intended for international distribution, these brands form a key part of our portfolio and bolster our presence in many strategic markets.

OUR HOUSE OF BRANDS

Strategic International Brands



62%
of net sales

-3%
organic growth
versus FY 2023

Specialty Brands



7%
of net sales

-2%
organic growth
versus FY 2023

Strategic Wines



4%
of net sales

-9%
organic growth
versus FY 2023

Strategic Local Brands



18%
of net sales

+5%
organic growth
versus FY 2023

1.3.2 Our geographical footprint

1.3.2.1 Our business segments

Favourable underlying drivers

Pernod Ricard benefits from a combination of favourable underlying demographic and consumption drivers, despite a volatile global environment shaped in particular by heightened geopolitical tensions, climate change, supply chain disruptions and inflationary pressure.

In terms of demographics, Pernod Ricard’s market is positively impacted by world population growth, in particular:

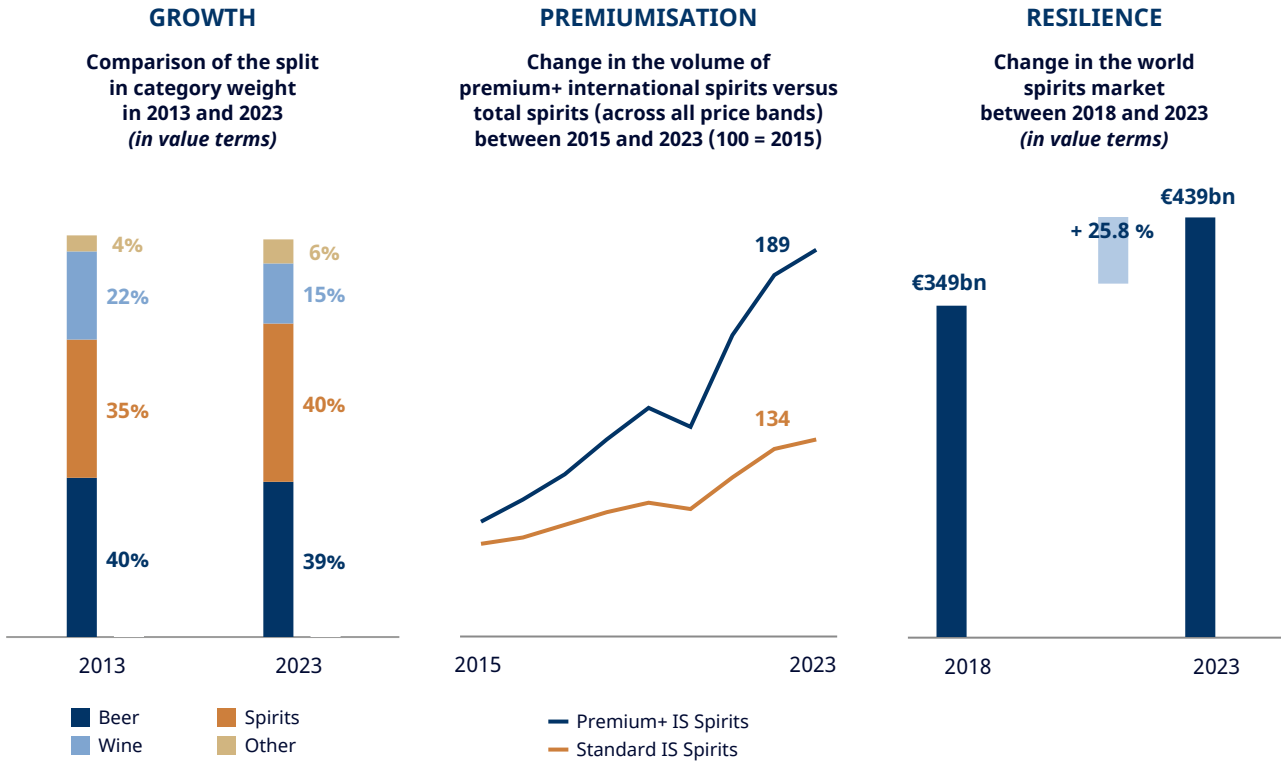
- an increase in the legal drinking age (LDA) population, with average growth of 1.3% between 2020 and 2025⁽²⁾;
- the expansion of the middle class in many growing economies, with internal estimates predicting an additional 7 million “affluent” consumers, a further 20 million middle-class consumers per

year in China, and 20 million more people of legal drinking age per year in India; and

- an increase in the proportion of women consumers, from 58% to 62%, with a marked preference for spirits⁽³⁾.

Pernod Ricard is also reaping the rewards of the highly buoyant wine and spirits market, where consumption is growing steadily around the world. In 2023, spirits were the most consumed category of alcoholic beverage, accounting for 40% of the total, compared with 35% in 2013 (in value terms). The global spirits market grew by 25.8% between 2018 and 2023 to a total of €439 billion. Lastly, the market is shifting towards higher-end products year after year, with premium brands outgrowing standard brands.

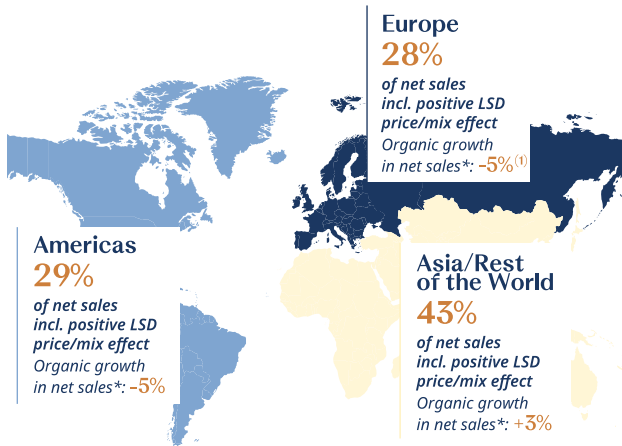
Consumption



Source: IWSR 2023.

⁽²⁾ Source: United Nations, latest forecasts available for 2019.
⁽³⁾ BMI surveyed women aged 21 to 34, 1997 to 2017, last six months.

1.3.2.2 Our competitive positioning



Following the waves of mergers and acquisitions in the 2000s, the global wine and spirits industry has been concentrated in the hands of a limited number of major international players. Pernod Ricard has thrived in this environment, rising to become the world's leading international premium spirits company⁽⁴⁾. Today, the Group offers consumers around the globe the broadest, most comprehensive portfolio of spirits, with 18 of the top 100 brands worldwide.

In recent years, we have witnessed a boom in small independent brands, particularly in the gin, vodka and white spirit categories. As a result, our M&A roadmap includes forging partnerships with these businesses as one of its objectives.

* Including Travel Retail. LSD: low single digit.
(1) Sales growth of 2% excluding Russia.

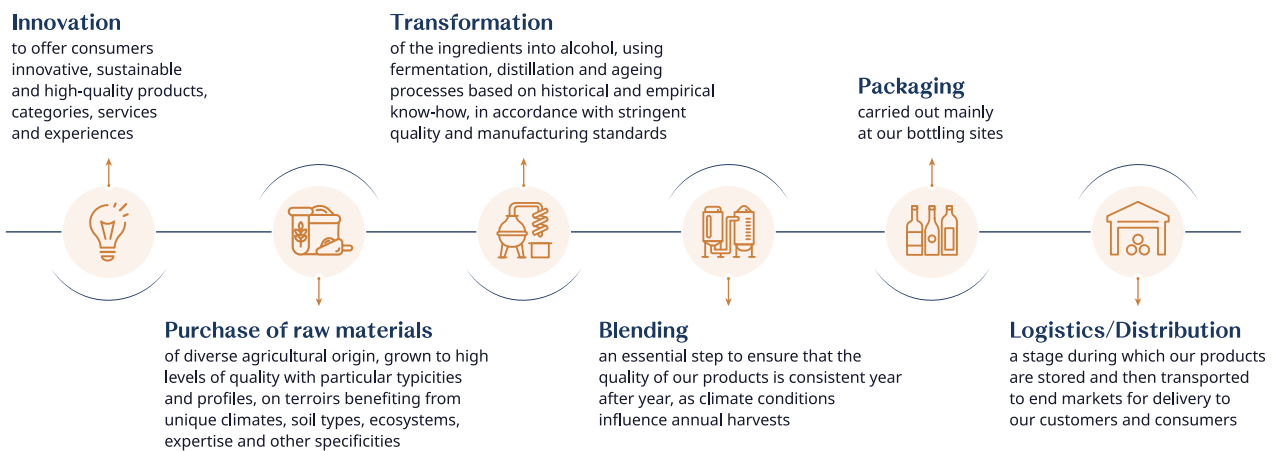
STRONG, DIVERSIFIED GROWTH ACROSS ALL SPIRIT CATEGORIES

Category	Proportion of FY 2024 net sales	Organic growth
Scotch Whisky	22%	-2%
Irish Whiskey	12%	+1%
Cognac & Brandy	14%	-8%
Vodka	8%	-0.5%
Gin	4%	-7%
Indian Whiskies	10%	+6%

1.3.3 Our business: from grain to glass

Pernod Ricard has long-standing expertise in manufacturing its iconic brands. From sourcing ingredients to bottling spirits, the Group harnesses sophisticated, finely tuned processes and know-how to manufacture its products.

Pernod Ricard's "from grain to glass" approach to production covers:



⁽⁴⁾ Source: The Pernod Ricard Market View based on 2023 IWSR data (volumes).

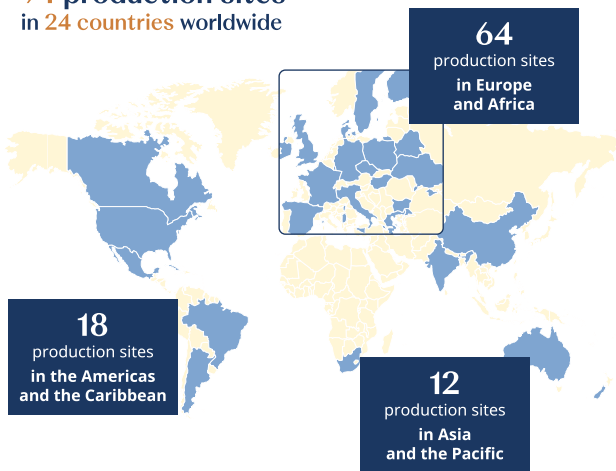
1.3.3.1 Sourcing our ingredients

Our iconic products are manufactured from over 100 raw materials produced or purchased in around 60 countries. These mainly include cereals such as wheat, barley, rye, maize, rice and sorghum, which are used to make our whiskies, vodkas and other neutral spirits. We also source sugar cane (for our rums and liqueurs), sugar beets, grapes, agave and the aromatic ingredients that give our products their unique flavour (coffee, coconut, star anise, juniper, orange, gentian, etc.).

Our ingredients originate from more than 350 terroirs, some of which are directly run by Pernod Ricard, notably in France, Mexico, New Zealand, Australia, China, California and Argentina,

1.3.3.2 Manufacturing at Pernod Ricard

94 production sites
in 24 countries worldwide



where we own vineyards. This approach allows us to control our supply and experiment with new regenerative agriculture techniques.

We have mapped out our priority terroirs to gain a better understanding of our agricultural value chains. Across all our terroirs, we work with our farmers and partners to develop sustainable and regenerative agricultural practices that preserve natural ecosystems while positively impacting communities.

We have 94 self-owned production sites (excluding co-packers), including 64 in Europe and in Africa, 18 in the Americas and 12 in the Asia-Pacific region. These sites host 38 distilleries, 55 bottling facilities and 23 wineries, with some sites home to multiple activities.

After fermentation and distillation, our traditional spirits are aged in oak barrels for up to several decades to give our products their unique character, colour and taste. This historical know-how has been passed down from generation to generation, guaranteeing our products' impeccable quality.

We distil our own spirits, with distilleries in Scotland, Ireland, the United States, Canada and India for whiskies, France for cognacs, Cuba for rum and Mexico for tequila.

We also work with partners who use our distillation processes and precise specifications, particularly for neutral alcohol distillation, with a view to limiting investment costs.

We work hand in hand with our suppliers to develop more sustainable packaging solutions tailored to each of our brands.

1.3.3.3 Our distribution network

Pernod Ricard is present in over 160 countries, with its own sales forces and distribution affiliates in 60 countries. Its distribution network includes off-trade and on-trade sales channels, as well as a growing proportion of direct-to-consumer sales to create closer ties with customers. Our route to market – this unparalleled, directly operated distribution network – enables Pernod Ricard to offer an optimal customer experience, gain in-depth market knowledge and control its brands' images.

The Group has a global reach. Our products are widely distributed in emerging markets, and we are the market leader in India⁽⁵⁾ and China⁽⁶⁾. This means we are well positioned to benefit from the industry's strong growth drivers in these regions. China and India are among the world's largest markets for spirits.

In addition, as part of our efforts to reduce the environmental footprint of our product distribution, we have entered into a global agreement with ecoSPIRITS to roll out an innovative closed-loop ecoTotes distribution system.

⁽⁵⁾ Source: IWSR India (Operating segments).

⁽⁶⁾ Source: IWSR China (Cognac, Whisky excluding Japanese & American, Vodka).

1.3.3.4 Marketing our products responsibly

As a spirits producer, Pernod Ricard is committed to promoting responsible drinking and has a key role to play in preventing alcohol abuse. For this reason, it is essential for the Group to work with its stakeholders to strengthen responsible business practices, and for it to leverage its well-known brands to inform and educate consumers and customers.

During FY 2024, Pernod Ricard continued its initiatives to promote responsible drinking through:

- the creation of The Bar World of Tomorrow, a platform available worldwide to provide in-person and online training to bartenders and bar owners on more sustainable and responsible practices;
- the inclusion of responsible drinking logos and a digital label on products to help consumers make informed choices when it comes to drinking alcohol, and to prevent harmful consumption;
- our brands' campaigns to promote responsible drinking among their consumers;
- measures to prevent the online sale and delivery of our products to underaged individuals;
- annual participation by all Group affiliates in at least one local initiative and one global initiative on responsible drinking, rolled out by our various marketing departments;
- the "Responsible Host" label to guarantee best practices in responsible drinking for visitors to our Brand Homes.

1.3.4 An innovative Group

Innovation, one of our founding values, is embedded in our DNA. It is what fuels our strategy and our actions, from liquids to packaging through consumer experiences. We have combined our three hubs into a single organisation to strengthen strategic alignment and operational excellence. We leverage this new hub, our partnerships and acquisitions, and our Consumer Insights department to launch innovative, sustainable and high-quality products, categories, services and experiences.

The new hub brings together all aspects of innovation with the exception of the Ready-To-Drink (RTD), Prestige and Champagne lines.

Highlights in FY 2024 include:

- Absolut x Ocean Spray®. In early 2024, Absolut and Ocean Spray® unveiled a range of ready-to-drink (RTD) Vodka Cranberry cocktails in the United States. Combining Absolut's highest quality premium vodka with Ocean Spray's real cranberry juice, this iconic collaboration offers one of America's best loved drinks from two trusted brands that have long been enjoyed together.
- Martell Grands Crus. Martell, one of the Group's emblematic strategic international brands, has explored a new way of expressing the authentic essence of the terroir of the Cognac region with its new Single Cru range launched in August 2023. For the first time, each cognac in this collection is made from *eaux-de-vie* from a single type of soil (*cru*), representing a milestone in the brand's 300-year history.
- Midleton pays tribute to the Forêt de Tronçais: with a limited number of bottles available, Midleton Very Rare Forêt de Tronçais is a luxurious and special edition resulting from the intertwinement of Irish delicacy and French craftsmanship. The exceptional casks, produced in limited series from Tronçais wood, are filled with a batch of Midleton single grain and single pot still whiskies distilled in the 1980s and 2000s. The whiskey is then bottled in a teal-coloured bottle, inspired by the orchid in the Midleton Very Rare logo, and placed in a box also made from Tronçais oak, alongside laser-cut illustrations inspired by the forest.

1.3.5 S&R, at the heart of the Group's vision

Sustainability & Responsibility (S&R) is at the heart of the Group's vision and an integral part of all our activities. In 1966, the Group's founder, Paul Ricard, set up his eponymous Oceanographic Institute to help protect the oceans. Today, this commitment drives our performance and transformation.

Our 2030 Good Times from a Good Place S&R strategy is embedded in all our activities, from grain to glass. Built on four pillars (Nurturing Terroir, Valuing People, Circular Making, and Responsible Hosting) and around 40 indicators, this roadmap addresses both the needs and expectations of our consumers, and the material S&R risks facing the Group. Each pillar sets ambitious commitments for 2030 in line with the United Nations Sustainable Development Goals (SDGs), with key milestones for 2025. This commitment is essential to securing our long-term success, business resilience and legacy, while limiting our impact on natural resources.

Five years after its launch, we have already achieved – and even exceeded – some of our objectives, and we are doing everything we can to meet the remaining targets. We listen carefully to our

stakeholders and closely monitor changes in the world around us so that we can adjust and strengthen our S&R commitments in line with our strategy. In November 2020, for example, a CSR Committee was created to support the Board of Directors on these issues, and executive compensation and annual bonuses are now indexed to S&R performance. These commitments have also led to the inclusion of S&R within the Integrated Operations function, enabling the Group to act as closely as possible to its value chain.

This strengthened governance structure illustrates the Group's ambition to continue to invest in transitioning to regenerative agriculture and innovation to drive circularity, and harnessing new technologies for a net-zero future – while always putting people first.

During FY 2024, we made further progress in all areas of our S&R roadmap.

Valuing People	Circular Making	Nurturing Terroir	Responsible Hosting
<p>FY 2024: 1.6% FY 2023: 1%</p> <p>Ensure gender pay equity (less than 1% gap) across the Group</p>	<p>FY 2024: -30% FY 2023: -11%</p> <p>Reduce Scopes 1 and 2 GHG emissions at our production sites by 54% (in absolute values) vs. FY 2018 by 2030</p>	<p>FY 2024: 39% FY 2023: 34%</p> <p>Produce or source all key raw materials in line with sustainable agriculture standards by 2030</p>	<p>FY 2024: 18,000 FY 2023: 12,300</p> <p>Train 10,000 bartenders in all aspects of S&R via the Group's The Bar World of Tomorrow programme by 2030</p>
<p>FY 2024: 38% FY 2023: 36%</p> <p>Achieve a gender balanced (40%-60%) Top Management team by 2030</p>	<p>FY 2024: -12% FY 2023: -8%</p> <p>Reduce intensity of water consumption by 20% at our production sites vs. FY 2018 by 2030</p>	<p>FY 2024: 11,203 FY 2023: 10,506</p> <p>Empower, train or support 5,000 farmers through regenerative agriculture and biodiversity programmes by 2030</p>	<p>FY 2024: 98.6% FY 2023: 95.5%</p> <p>Comply (95%) with the International Alliance for Responsible Drinking (IARD) Digital Guiding Principles (DGPs) by 2024</p>
<p>43%</p> <p>reduction in the lost time accident frequency rate since FY 2022, with the ambition to move towards zero lost time accidents by 2025 (employees and temporary staff)</p>	<p>99%</p> <p>Ensure all packaging is recyclable, reusable or compostable by 2025</p>	<p>FY 2024: 37 FY 2023: 29</p> <p>regenerative agriculture or biodiversity programmes</p>	<p>FY 2024: 95% FY 2023: 41%</p> <p>Feature a digital label on all Pernod Ricard products by 2024 informing consumers about product contents and how to enjoy them responsibly</p>

1.4 Our governance and organisational structure

1.4.1 Composition of the Board of Directors and its Committees

56.4 average age **61.5%** independent Directors⁽¹⁾ **53.8%** women⁽¹⁾ **46.7%** non-French Directors **10** meetings



Committees: Audit Compensation Nominations and Governance Strategic CSR Chairman/Chairwoman

Five Board Committees

Audit Committee	Compensation Committee	Nominations and Governance Committee	Strategic Committee	CSR Committee
4 members	4 members	3 members	6 members	3 members
75% independent Directors	100% independent Directors ⁽¹⁾	67% independent Directors	67% independent Directors	67% independent Directors
4 meetings	6 meetings	4 meetings	3 meetings	3 meetings
100% attendance rate	100% attendance rate	100% attendance rate	96.15% attendance rate	100% attendance rate

(1) Directors representing employees are not taken into account for calculating the percentages of independence and gender balance in accordance with the AFEP-MEDEF Code and Article L. 225-27-1 of the French Commercial Code respectively.
(2) Société Paul Ricard is represented by Patricia Ricard Giron.

1.4.2 Our Executive Committee



From left to right:

GILLES BOGAERT
EVP, Global Markets

CONOR McQUAID
Chairman & CEO,
Pernod Ricard North America

MARIA PIA DE CARO
EVP, Integrated
Operations and S&R

ANNE-MARIE POLIQUIN
EVP, Legal and Compliance

CÉDRIC RAMAT
EVP, Human Resources

ALEXANDRE RICARD
Chairman & CEO

HÉLÈNE de TISSOT
EVP, Finance & IT

PHILIPPE GUETTAT
EVP, Global Brands

The Executive Committee is the permanent body responsible for coordinating and managing the Group, together with the Chairman & CEO, whom it assists with his duties and responsibilities. Responsible for reviewing all decisions relating to Group affairs, the Executive Committee calls on the Board of Directors for its approval on various points when necessary. It also sets goals for the Group's performance and steers and oversees the related major transformation projects and their priorities.

Its responsibilities are focused on seven key areas:

- External trends: identifying external impacts, opportunities and potential disruptions.
- Achieving business objectives: setting both quantitative and qualitative annual objectives, and using simplification, resource pooling and prioritisation to optimise resources.
- Transformation and strategic priorities: identifying the main strategic priorities, then defining their content and implementation.
- Brand portfolio and strategy: reviewing key initiatives and strategic changes, including the innovation portfolio.
- Culture and ways of working: promoting Pernod Ricard's positive culture and values, and ensuring that ways of working are effective at all levels of the Company.
- Talent management: identifying, nurturing and managing talent across the Group.
- Governance and compliance: ensuring good corporate governance and compliance across all functions.

The Executive Committee oversees the Group's business activities and ensures that its main policies are applied. More specifically, the Committee: analyses the Group's operations and any divergences from the business plan (budget, strategic plan); expresses its opinion on the setting of financial and operational objectives (income statement, debt and qualitative objectives); periodically reviews brands and markets, assesses their performance and proposes the necessary organisational adjustments; validates the Group's major policies and ensures that they are applied.

On 1 September 2023, Pernod Ricard reinforced its governance and adjusted its organisation to support the transformation of its business model, reinforce its consumer-centric strategy and achieve its ambitions.

Its governance is now based on an Executive Committee comprising nine members, bringing together the following five functions: Operations and S&R, Human Resources, Legal and Compliance, Finance and IT, as well as the heads of Brands, Markets, and the North America region. The Executive Committee is the Group's permanent management body, assisting the Chairman & CEO in all his duties.

The Group's organisation also draws on an Executive Leadership Team made up of 30 members, including the members of the Executive Committee, the heads of the Group's key functions and the leaders of the ten management entities covering all markets, as well as the heads of the main brands of the Group. It ensures the cohesion and roll-out of the Group's growth strategy (as decided by the Executive Committee).

This new organisation will deliver greater efficiency and responsiveness, in close contact with fast-changing markets.

1.5 Our strategy and associated targets

Since 2015, the Group has been on a path of transformation aimed at generating sustainable, profitable and responsible growth in an ever-changing market environment. This strategy is based on:

- an efficient growth model, combining the industry's most comprehensive brand portfolio, the most extensive route to market and a strong corporate culture;
- active management of our brand portfolio. The Group brings new brands on board quickly and efficiently, while optimising its existing portfolio;

- sustainable and responsible growth;
- consumer-centricity, as our consumers inspire the continuous improvement of our products; and
- the Conviviality Platform, which leverages the power of data and new technologies to get more from our core business, while pioneering new avenues of growth.

1.5.1 Building the fundamentals of our success around a strong culture

1.5.1.1 Mindset for Growth: fostering a collective culture of conviviality

In 2015, the Group took a first step in its transformation by rolling out its Mindset for Growth: Conviviality initiative. This fundamental move helped to instil in all employees a collective, inclusive and purposeful culture of conviviality. We do more than producing and selling wine and spirits; we transform every moment, every occasion, into a unique convivial experience.

Our more than 19,577 employees are proud ambassadors of our culture of conviviality. Together, they work to bring to life the Group's vision of *Créateurs de convivialité* (creators of conviviality) and thereby drive performance.

1.5.1.2 Transform & Accelerate

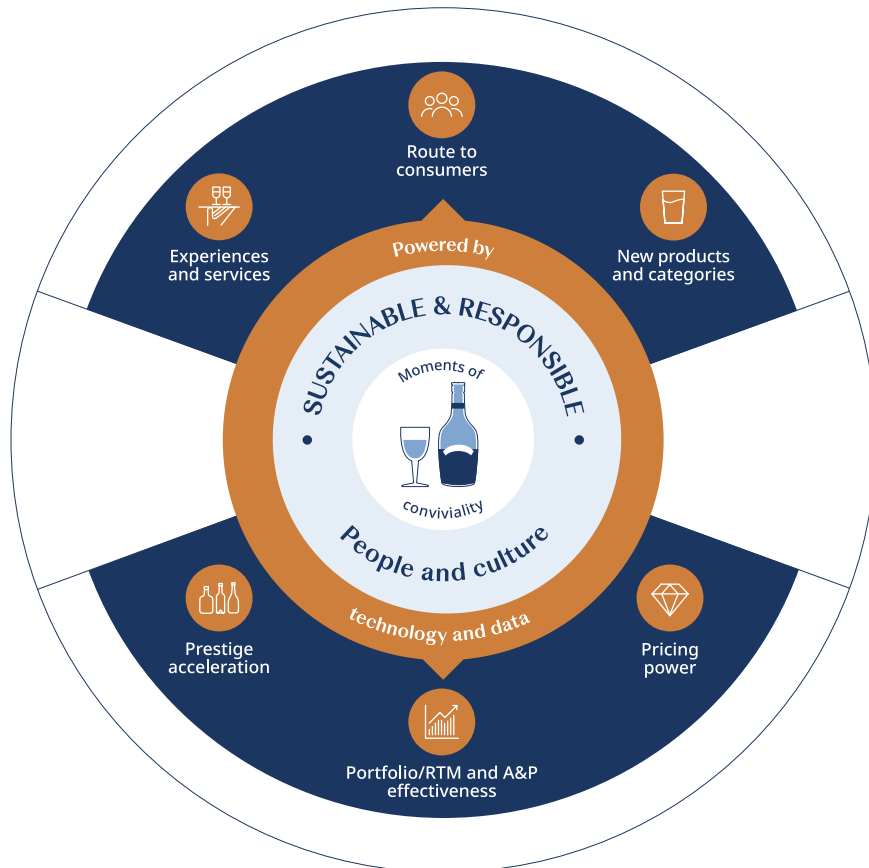
In 2019, we launched our second three-year strategic plan, Transform & Accelerate. It was aimed at accelerating our profitable growth with an emphasis on efficiency and effectiveness.

This step focuses on four growth accelerators: active portfolio management, brand premiumisation, innovation, and accelerated digital transformation.

1.5.2 Using technology and data to understand consumers

Pernod Ricard's growth model combines our competitive advantages with new technologies, centred on using data and new technologies to strengthen the Group's fundamentals (More from the Core), while pioneering new avenues of growth (Prepare the Future).

"We are building a new competitive advantage by putting data at the heart of all our growth drivers. The aim is to achieve precision at scale, meaning being able to better understand our consumers' and customers' preferences and fulfil their needs with precision. This will ensure we can deliver the right brand or experience to the right person, in the right place at the right time, and at the right price." Alexandre Ricard, Chairman & CEO of Pernod Ricard.



1.5.2.1 Our strategic priorities: pursue Transform & Accelerate

Pernod Ricard defines strategic priorities in order to adapt to structural changes in demand, consumption patterns and technology chains, across the globe.

Data and AI: a new competitive advantage for accelerated, data-driven growth

Faced with increasingly fragmented consumer demand, the use of data (collected in compliance with legal and regulatory requirements) and ethically developed artificial intelligence (AI) are the keys to analysing the needs of our consumers and optimising our business performance.

The augmented precision provided by these tools means we can offer the right product to each consumer at the right time, in the right place and at the right price in every market. This means that we can better anticipate trends and increase speed and agility in decision-making.

For example, we have developed tools based on AI and data analytics for our sales and marketing teams to improve their efficiency and better understand consumer preferences. Our Maestria brand portfolio management tool, based on consumer demand segmentation, allows us to activate the right brands at the right time and in the right place, thanks to an in-depth understanding of consumer aspirations. And the Matrix, Vista Rev-Up and D-Star tools are used to optimise the effectiveness of our marketing investments, our promotional campaigns and our sales force on the ground. To successfully execute this new phase of digital acceleration and acquire key skills for the future, we have recruited 150 in-house experts and launched a major training programme to up-skill our staff.

Highlights in FY 2024 include:

- Using the D-Star tool to support the drive for premiumisation and penetration of international brands in India. The tool identified an opportunity to market Scotch whisky in 300 major stores in the West Bengal region. Our sales teams then used this information to promote Ballantine's whiskey to these accounts, resulting in successful conversion and additional billing in the majority of stores identified.
- Another example is Matrix, which enabled the Group to amplify the impact of its marketing investments in Japan. The marketing effectiveness of our brands increased by 7% in FY 2024, enabling us to invest in more brands and reach more consumers, helping drive net sales growth of 20%.

Continuing to get more value out of our existing portfolio

Our existing portfolio still harbours significant growth potential, which can be tapped via three accelerators:

Activating more brands with the right level of investment

We use our in-house tool, the House of Brands, to ensure optimum resource allocation across all our markets. Along with our in-depth knowledge of local trends, the Maestria tool helps us define an appropriate investment strategy and allocate the right amount of marketing and communication resources according to each brand's profile. It also ensures we strike the

right balance between our short-, medium- and long-term objectives, while building brands capable of standing out in our key regions.

Maximising our pricing power

Amid the current inflationary pressures, optimising our brands' pricing power has become a priority in our premiumisation strategy. Digital tools enable us to fine-tune our pricing strategy and ramp up the efficiency of promotions.

Growing our positions in the Prestige market

We are a leading Ultra Premium Plus company, thanks to an unrivalled portfolio of brands spanning cognac, champagne, whisky and tequila. In this highly dynamic category, which is protected by high barriers to entry (e.g., geographical origin and the need for long-term strategic inventories), we are seeking to improve our positioning in all geographies.

Pioneering new avenues of growth to prepare the future

The second aspect of our growth model is structured around three areas designed to pioneer new avenues of growth:

- scaling up innovation;
- broadening our coverage of the route to market;
- expanding our offering to include experiences and services.

1.5.2.2 Medium-term ambitions

Over the next decade, the Group's ambition is to generate sustainable, profitable growth to the benefit of all stakeholders. To achieve this, the Group plans to develop even more premium brands at scale. We will also continue to grow the rest of our portfolio, by innovating and seizing external opportunities to cover all consumer needs.

The Group's medium-term ambitions⁽⁷⁾ are:

1. net sales growth in the upper end of a range of between 4% and 7%, and an organic operating margin expansion of 50 to 60 bps;
2. a priority focus on revenue growth management, dynamically optimised using new digital tools;
3. continuous improvement in operational efficiencies, building on the Group's culture of excellence;

4. advertising and promotion (A&P) expenses consistent at around 16% of net sales, with the ratio dynamically optimised through new digital tools for improved return on investment;
5. disciplined investments in structure costs, allowing the Group to pursue priority investments while maintaining an agile organisation, with the aim of keeping any increase in these costs lower than that of net sales.

Our financial policy sets out four priorities (assuming an investment grade credit rating is maintained), namely: (i) investing in future organic growth, particularly through strategic inventories and capital expenditure, (ii) pursuing active portfolio management and value-creating M&A transactions, (iii) maintaining a dividend payout ratio of around 50% of net profit from recurring operations, with the aim of increasing the dividend each year, and (iv) carrying out share buybacks.

⁽⁷⁾ At our Capital Market Day in June 2022, we unveiled our FY 2023-FY 2025 medium-term ambitions. The ambitions are relevant beyond this time horizon, as medium term is understood to refer to the next three to five financial years. See Chapter 5, section 5.4 of this Universal Registration Document for the information on FY 2025.

2

Corporate governance

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This section sets out the Board of Directors' report on corporate governance as required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

It describes, in the context of the preparation of the financial statements for FY 2024, the conditions governing the preparation and organisation of the work performed by the Board of Directors and its Committees, the powers entrusted to the Chairman & CEO, the principles and rules used to determine compensation and other benefits granted to the Corporate Officers, and the compensation policies applicable to the Chairman & CEO and to the Directors, in accordance with Articles L. 22-10-8 and L. 22-10-9 of the French Commercial Code, and provides the other information required pursuant to Articles L. 22-10-10, L. 22-10-11 and L. 225-37 *et seq.* of the French Commercial Code.

This report was prepared on the basis of the work carried out by several different departments of the Company, in particular the Group Legal, Internal Audit and Human Resources Departments. It was approved by the Board of Directors on 28 August 2024, following the examination by the Board's Committees of the sections relating to their respective areas of competence and was provided to the Statutory Auditors.

2.1 Our governance

2.1.1 Governance framework and structure as of 30 June 2024



* Further to the entry into force of the Corporate Sustainability Reporting Directive (CSRD), the Audit Committee and the CSR Committee will hold a joint meeting once a year to review and validate the Group's compliance and, in particular, to review sustainability reporting.

2.1.1.1 Reference Corporate Governance Code: the AFEP-MEDEF Code

On 12 February 2009, Pernod Ricard's Board of Directors confirmed that the AFEP-MEDEF Corporate Governance Code for listed companies published in December 2008 and last revised in December 2022 (the "AFEP-MEDEF Code"), available on the AFEP and MEDEF websites, is the Code to which Pernod Ricard refers for corporate governance issues, notably for preparing the report required by Article L. 225-37 of the French Commercial Code.

In accordance with the "comply or explain" rule set forth in Article L. 22-10-10 of the French Commercial Code and referred to in Article 28.1 of the AFEP-MEDEF Code, the Company considers that its practices comply with all the recommendations of the AFEP-MEDEF Code.

2.1.1.2 Governance structure

A combined-role structure adapted to the Group's organisation

As French regulations do not favour any specific general management structure for listed companies, it is the responsibility of the Company's Board of Directors to choose between a combined-role structure where one person holds the positions of Chairman and Chief Executive Officer or a structure where those positions are separated and held by different people.

Following the expiry of Pierre Pringuet's term of office as Chief Executive Officer and Danièle Ricard's expressed wish to step down from her position as Chairwoman of the Board of Directors, at its meeting on 11 February 2015, the Board decided to combine the positions of Chairman and CEO in order to simplify the decision-making process and enhance the effectiveness and reactivity of the Company's governance. At the same meeting, the Board appointed Alexandre Ricard as Chairman & CEO. In order to ensure good governance of the Company, the Board of Directors set limits on the powers of the Chairman & CEO, by requiring that the Board's prior authorisation be obtained for a certain number of transactions, notably external growth transactions and divestments representing amounts greater than €100 million, and loans exceeding €200 million (see subsection below "Limitation on the powers of the Chairman & CEO"). At its meeting on 23 January 2019, the Board of Directors then appointed Patricia Barbizet as Lead Independent Director, again to ensure good governance of the Company.

The Company has also put in place a number of guarantees to help the Chairman & CEO perform his duties as Chief Executive Officer. In FY 2024, he was supported by the Executive Committee. The Executive Committee, which is the permanent body responsible for coordinating and managing the Group, sets the Group's strategic objectives in line with the priorities decided by the Board of Directors, coordinates their implementation and steers the Group's overall performance. Its members are global heads of the Group's corporate functions, operational divisions and geographic regions.

A balance of powers ensured by a balanced governance structure

Powers of the Chairman & CEO

In his capacity as Chairman of the Board of Directors, the Chairman & CEO organises and leads the Board's work, on which he reports to the Shareholders' Meeting. He oversees the proper operation of the Company's managing bodies and ensures, in particular, that the Directors are in a position to fulfil their duties. He can also request any document or information which can be used to help the Board prepare its meetings.

In his capacity as Chief Executive Officer, the Chairman & CEO has full powers to act in the name of the Company in all circumstances. He exercises these powers within the limits of the corporate purpose and subject to (i) the powers expressly granted by law to the Shareholders' Meetings and to the Board, and (ii) internal limits as defined by the Board of Directors in its Internal Rules and Regulations⁽¹⁾.

Limitation on the powers of the Chairman & CEO

For internal purposes, following the decision made by the Board of Directors on 11 February 2015 and in accordance with Article 2 of the Board's Internal Rules and Regulations⁽¹⁾, prior to making a commitment on behalf of the Company, the Chairman & CEO must obtain the authorisation from the Board of Directors for any significant transactions that fall outside the strategy announced by the Company, as well as the following transactions:

- carrying out any acquisitions or disposals of investments or assets for an amount exceeding €100 million per transaction;
- entering into any partnerships or resource-pooling transactions when the Company's contribution (other than through an acquisition or investment covered by the previous point) represents a financial commitment exceeding €100 million per transaction;
- granting loans, credits or advances exceeding €100 million per borrower, except when the borrower is an affiliate of Pernod Ricard (as defined in Article L. 233-1 of the French Commercial Code) and with the exception of loans granted for less than one year;
- putting in place borrowings, with or without using corporate assets as collateral, exceeding €200 million in the same financial year, except borrowings from affiliates of Pernod Ricard (as defined in Article L. 233-1 of the French Commercial Code), for which there is no limit; and
- granting pledges, sureties or guarantees, except with an express delegation of authority from the Board of Directors within the limits provided for by Articles L. 225-35 and R. 225-28 of the French Commercial Code.

On 10 November 2023, the Board of Directors authorised the Chairman & CEO, for a period of one year, to grant pledges, sureties or guarantees in the name of the Company up to an overall limit of €100 million, and for an unlimited amount to tax and customs authorities.

Role, responsibilities and activity report of the Lead Independent Director

At its meeting on 23 January 2019, based on a proposal of the Nominations and Governance Committee, the Board created the position of Lead Independent Director and entrusted it to Patricia Barbizet.

In accordance with the Internal Rules and Regulations⁽¹⁾ of the Board of Directors, the Lead Independent Director performs the following tasks:

- calls Board of Directors' meetings at her own initiative or in the absence of the Chairman & CEO;
- is consulted on the agenda of Board meetings and may propose any additional items on said agenda;
- chairs meetings of the Board of Directors in the absence of the Chairman & CEO;
- leads the process of assessing the operating procedures of the Board of Directors and reports on this assessment to the Board;

⁽¹⁾ The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

- takes action to prevent any conflicts of interest;
- ensures compliance with the rules of the AFEP-MEDEF Code and the Board's Internal Rules and Regulations⁽¹⁾;
- calls and chairs the Executive Sessions;
- ensures that Directors have the necessary resources to carry out their duties under the best possible conditions, and that they are provided, in a reasonable manner, with the level of information appropriate to the performance of their duties;
- reviews shareholders' requests relating to corporate governance and ensures that they are answered; and
- meets with the Company's investors and shareholders.

Since taking up her duties, the Lead Independent Director has in particular, along with representatives of general management and the Investor Relations Department, participated in several meetings dedicated to the Company's governance (roadshows), as well as met many of the teams at Pernod Ricard and some of its affiliates. She has also conducted the annual assessments of the operating procedures of the Board of Directors on the basis of individual interviews with each Director as set out in subsection 2.1.3.5 "Assessment of the Board of Directors".

The Lead Independent Director reports to the Board of Directors once a year on the performance of her duties. At Shareholders' Meetings, she may be invited by the Chairman & CEO to report on her activities. If the Lead Independent Director were no longer classified as an independent Director, her duties as Lead Independent Director would be terminated immediately.

Employee representation on the Board

The appointment of a Director or Directors representing employees on the Board of Directors was introduced at the end of 2013. As a result, Pernod Ricard SA employees are now represented on the Board of Directors by a single person, currently, Paula Reisen.

Group management structure

General Management

At 30 June 2024, the Group's general management function was carried out by the Chairman & CEO, assisted by the Executive Committee.

Executive Committee

The Executive Committee is the permanent body responsible for coordinating and managing the Group and assists the Chairman & CEO with his duties and responsibilities. The Executive Committee sets, in particular, the Group's strategic objectives in line with the priorities decided by the Board of Directors, coordinates their implementation and steers the Group's overall performance. Its members are global heads of the Group's corporate functions, operational divisions and geographic regions.

At 30 June 2024, the members of the Executive Committee were:

- **Alexandre Ricard**, Chairman & CEO, Corporate Officer;
- **Maria Pia De Caro**, EVP Integrated Operations and S&R;
- **Hélène de Tissot**, EVP Finance & IT;
- **Anne-Marie Poliquin**, EVP Legal and Compliance;
- **Cédric Ramat**, Group EVP Human Resources;
- **Conor McQuaid**, Chairman and CEO Pernod Ricard USA;
- **Gilles Bogaert**, EVP Global Markets;
- **Philippe Guettat**, EVP Global Brands.

The Internal Audit Department reports to the Chairman & CEO.

2.1.2 Composition of the Board of Directors and its Committees

2.1.2.1 Summary of the composition of the Board and its Committees

56.4 average age **61.5%** independent Directors⁽¹⁾ **53.8%** women⁽¹⁾ **46.7%** non-French Directors **10** meetings

		Age	Gender	Nationality	Number of shares	Number of terms of office in listed companies (excluding PR)	Date first appointed	Term expires	Length of service on the Board	Board Committees				
At 30 June 2024														
Executive Corporate Officer														
	Alexandre Ricard Chairman & CEO	52	M	French	194,401	1	29/08/2012	2024 AGM	12					
Independent Directors														
	Patricia Barbizet Lead Independent Director	69	F	French	3,160	1	21/11/2018	2026 AGM	6					
	Virginie Fauvel	50	F	French	263	1	27/11/2020	2024 AGM	4					
	Ian Gallienne	53	M	French	1,000	4	09/11/2012	2026 AGM	12					
	Max Koeune	51	M	Luxembourgish	150	0	10/11/2023	2027 AGM	1					
	Anne Lange	56	F	French	1,000	3	20/07/2016	2025 AGM	8					
	Philippe Petitcolin	71	M	French	310	1	08/11/2019	2027 AGM	5					
	Namita Shah	55	F	Indian	246	0	10/11/2021	2025 AGM	3					
	Kory Sorenson	55	F	British	1,000	1	06/11/2015	2027 AGM	9					
Directors														
	Wolfgang Colberg	64	M	German	1,076	3	05/11/2008	2024 AGM	16					
	César Giron	62	M	French	8,666	0	05/11/2008	2024 AGM	16					
	Société Paul Ricard⁽²⁾	61	F	French	28,323,478	0	09/06/1983	2025 AGM	41					
	Veronica Vargas	43	F	Spanish	9,820	1	11/02/2015	2025 AGM	9					
Directors representing employees														
	Carla Machado Leite	59	F	Portuguese	N/A ⁽³⁾	N/A	17/11/2022	17/11/2026	2					
	Brice Thommen	45	M	Swiss	N/A ⁽³⁾	N/A	13/12/2021	13/12/2025	3					
Committees: Audit Compensation Nominations and Governance Strategic CSR										Number of meetings in FY 2024				
										4 6 4 3 3				
										Attendance rate				
										100% 100% 100% 96% 100%				
										% independent Directors				
										75% 100% 67% 67% 67%				

(1) Directors representing employees are not taken into account for calculating the percentages of independence and gender balance in accordance with the AFEP-MEDEF Code and Article L. 225-27-1 of the French Commercial Code respectively.

(2) Société Paul Ricard is permanently represented by Patricia Ricard Giron.

(3) The Directors representing employees are not required to hold a minimum number of Company shares.

2.1.2.2 Changes in the composition of the Board of Directors over the last two financial years

During FY 2023

The Shareholders' Meeting of 10 November 2023 renewed, for a period of four years expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027, the terms of office as Directors of Kory Sorenson and Philippe Petitcolin. It also appointed Max Koeune for a term of four years, expiring at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

During FY 2024

As the terms of office as Directors of Virginie Fauvel, Alexandre Ricard and César Giron are due to expire at the close of the Shareholders' Meeting of 8 November 2024, this Shareholders' Meeting will be asked (in the 4th, 5th and 6th resolutions), in accordance with the recommendations of the Nominations and Governance Committee, to renew their terms of office as Directors for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

Virginie Fauvel brings to the Board her extensive expertise in technology and digital transformation and is a well-known member of the fintech community. César Giron brings to the Board his in-depth knowledge of the Group's industry and one of its key markets.

Following a review, the Nominations and Governance Committee and the Board of Directors confirmed that Virginie Fauvel meets the AFEP-MEDEF independence criteria adopted by the Company.

If the shareholders approve the above recommendations, at the close of the Shareholders' Meeting of 8 November 2024, the Board of Directors would comprise 14 members (including two Directors representing employees), of which seven independent Directors (58.33%)⁽²⁾ and six women (50%)⁽²⁾, in accordance with the recommendations of the AFEP-MEDEF Code and the French law on balanced representation of women and men on Boards of Directors and gender equality in the workplace. Additionally, six Directors would be of non-French nationality (including the Directors representing employees).

2.1.2.3 General rules concerning the composition of the Board of Directors and the appointment of Directors

The members of the Board of Directors are listed in subsection 2.1.2.1 "Composition of the Board of Directors and its Committees" above.

The rules applicable to appointing members of the Board of Directors and removing them from office are the legal rules applicable in France and those set out in Articles 16 *et seq.* of the Company's Bylaws⁽³⁾. They are described below. The Board comprises no fewer than three and no more than 18 members, unless otherwise authorised by law. In accordance with the Company's Bylaws, each Director must own at least 50 Company shares in registered form. However, the Board's Internal Rules and Regulations⁽⁴⁾ recommend that, during their term of office and no later than two years following their appointment, Directors acquire a number of Company shares at least equivalent to one year's worth of compensation (fixed and variable portions) payable to a Director who has attended all meetings of the Board of Directors (excluding compensation related to participation in Committees)⁽⁵⁾.

The members of the Board of Directors are appointed by shareholders in an Ordinary Shareholders' Meeting and are proposed by the Board of Directors following the recommendations of the Nominations and Governance Committee. They can be removed from office at any time by decision of a Shareholders' Meeting.

In accordance with the French law of 22 May 2019 on business growth and transformation (PACTE law) and the Company's Bylaws⁽³⁾, the number of Directors representing employees depends

on the total number of Directors on the Board. Given the composition of the Board of Directors, there have been two Directors representing employees since 2018. One is appointed by the Group Committee (France) and the other by the European Works Council.

A representative of the Company's Economic and Social Committee attends the meetings of the Board of Directors in an advisory role.

The Board of Directors may, upon proposal of its Chairman, appoint one or more non-voting Board members, who may be either individuals or legal entities and who may or may not be shareholders.

The term of office of Directors is four years. However, on an exceptional basis, the Shareholders' Meeting may, based on a proposal by the Board of Directors, appoint certain Directors or renew their terms of office for a period of two years so as to enable a staggered renewal of the Board of Directors.

The Board of Directors and the Nominations and Governance Committee regularly assess the composition of the Board and its Committees as well as the different skills and experience of each Director. They also identify the guidelines to be issued in order to ensure the best balance possible by seeking complementary profiles from both international and diversity perspectives in terms of nationality, gender, and experience.

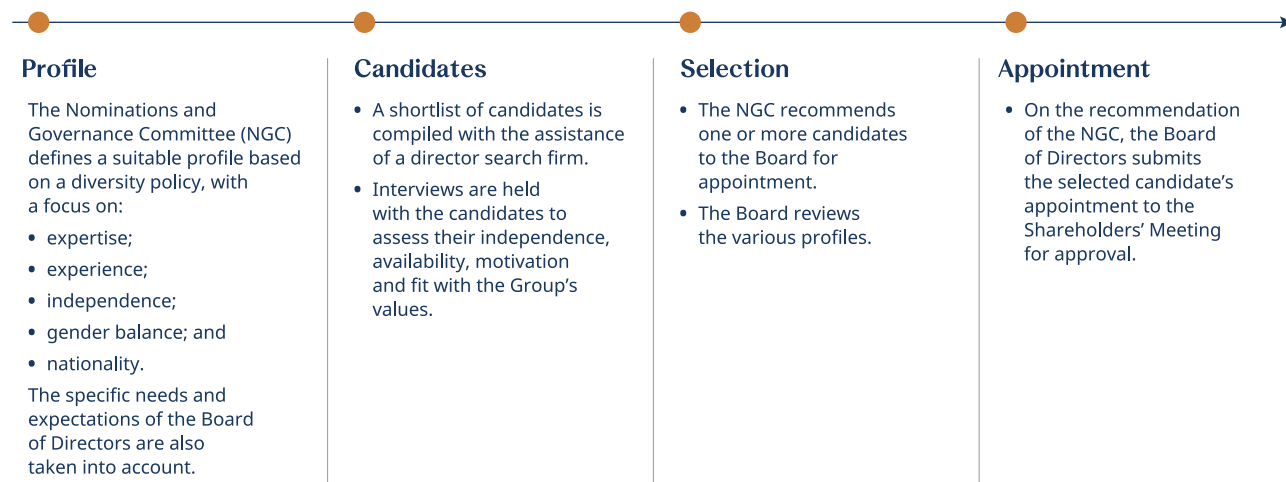
⁽²⁾ Directors representing employees are not taken into account for calculating the percentages of independence and gender balance in accordance with the AFEP-MEDEF Code and Article L. 225-27-1 of the French Commercial Code respectively. In accordance with the AFEP-MEDEF Code (Article 10.5.6), Ian Gallienne will lose his independent status at the 2024 Shareholders' Meeting, as he will have been a member of the Board of Directors for 12 years.

⁽³⁾ The Bylaws can be consulted on the Company's website (www.pernod-ricard.com).

⁽⁴⁾ The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

⁽⁵⁾ This requirement and recommendation concerning Directors' shareholdings are not applicable to Directors representing employees.

Selection process for members of the Board of Directors



In accordance with the AFEP-MEDEF Code's recommendations, the Nominations and Governance Committee has put in place a procedure for selecting future members of the Board of Directors in the event of a vacancy of any kind or for new appointments.

The Nominations and Governance Committee sets formal selection criteria for new directorship candidates with the aim of achieving balanced representation and complementarity between the different profiles on the Board. Regarding the determination of the selection criteria, the Nominations and Governance Committee takes into account the Board of Directors' diversity policy, not only in terms of expertise and experience, but also in terms of independence, gender representation, nationality and seniority, as well as any specific expectations of the Board expressed during the assessment of its operating procedures.

Once the needs of the Board of Directors have been identified and the selection criteria formalised, the Nominations and Governance Committee, with the support of a firm specialised in the recruitment of Directors, draws up a list of potential candidates. The Committee then organises interviews with the shortlisted candidates to ascertain their independence, availability, motivation and commitment to the Group's values.

Following these interviews and after having reviewed the different profiles, the Nominations and Governance Committee makes its recommendations to the Board of Directors regarding the appointment of one or more candidates. The Board then analyses the various profiles that have been submitted and proposes the appointment of the final candidates to the Shareholders' Meeting.

Continuous training for Directors

In accordance with the Internal Rules and Regulations⁽⁶⁾ of the Board of Directors, each Director may, if they consider it necessary, receive training on the specific features of the Company, its businesses and its business sector at the time of their appointment and throughout their term of office.

They may also, if they wish, meet with the Heads of the Company's operational teams, after having informed the Chairman of the Board of Directors.

In FY 2024, Brice Thommen attended a training course at the *Institut Français des Administrateurs* (IFA) entitled "Governance and Strategy". In addition, all of the Directors took part in training on the Corporate Sustainability Reporting Directive (CSRD), which was split into two parts – one on the directive itself and the other on the role of the Board and its Committees.

Succession plan

The Nominations and Governance Committee, at the initiative of its Chair, who is the Lead Independent Director, periodically reviews the Group's succession plan. This allows her to establish and update a succession plan covering several time horizons:

- short term: unexpected succession (resignation, incapacity, death);
- medium term: accelerated succession (poor performance, misconduct); and
- long term: planned succession (retirement, end of term of office).

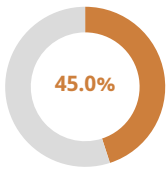
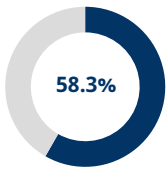
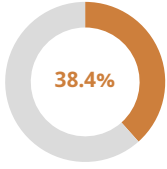
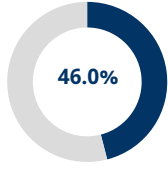
The Nominations and Governance Committee works in close collaboration with General Management in order to ensure overall consistency of the succession plan and continuity in key positions. In order to make sure that the succession plan for the Group's management bodies is prepared in the best way possible and is in line with the Company's strategic goals, a regular assessment of potential candidates and their career paths is carried out with the assistance of an independent firm.

In addition, the Nominations and Governance Committee works closely with the Board of Directors on this subject, and is particularly vigilant in maintaining the confidentiality of the information concerned.

⁽⁶⁾ The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

A diversity policy ensuring balanced composition of the Board

The table below describes the diversity policy applied within the Board of Directors pursuant to Article L. 22-10-10 of the French Commercial Code:

Criteria	Targets	Implementation and results achieved over the financial year
Composition of the Board of Directors Independence of Directors Age of Directors	Balanced representation of women and men on the Board of Directors	Representation of women⁽¹⁾ on the Board Gradual increase: <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
	Guidelines to be issued in order to ensure the best possible balance by seeking complementary profiles from both an international and diversity perspective, in terms of nationality, expertise and experience, including international	Directors with non-French nationality Gradual increase since 2020: <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
		Expertise: <ul style="list-style-type: none"> While the expertise of the members of the Board corresponds to the Group's strategic challenges (see Chapter 1, subsection 1.5 "Our strategy and associated targets"), Pernod Ricard is pursuing its efforts to continuously improve its Board. At the Shareholders' Meeting held in FY 2023, the shareholders renewed the directorships of Kory Sorenson and Philippe Petitcolin, in view of (i) Kory Sorenson's extensive experience in finance, audit, and mergers and acquisitions gained in various positions within international companies, and (ii) Philippe Petitcolin's in-depth knowledge of financial matters and his experience as a CEO of a listed company. At the same Meeting, the shareholders appointed Max Koeune as a new Director on account of his extensive expertise in the consumer goods sector and his deep understanding of consumer behaviour, as well as his experience as a CEO of a company that is a world leader in its sector. At the Shareholders' Meeting to be held on 8 November 2024, the shareholders will be invited to renew the directorships of Virginie Fauvel, Alexandre Ricard and César Giron in view of their respective skills and expertise in technology and digital transformation, and their thorough knowledge of the Group's industry and key markets.
Appointment of one or two Director(s) representing employees (see Article 16 of the Bylaws ⁽²⁾)		Two Directors representing employees since the Shareholders' Meeting of 21 November 2018. These terms of office were recently renewed: <ul style="list-style-type: none"> one appointed by the Group Committee (France) on 25 November 2021; and one appointed by the European Works Council on 17 November 2022.
50% independent Directors (see Article 10.3 of the AFEP-MEDEF Code) + significant representation of independent Directors (see Article 3 of the Internal Rules and Regulations ⁽³⁾)		If the shareholders approve the resolutions put forward by the Board of Directors, at the close of the Shareholders' Meeting on 8 November 2024, 58.33% of the Directors will qualify as independent.
No more than one-third of Directors older than 70 (see Article 18, paragraph 4 of the Bylaws ⁽²⁾)		Target achieved – the average age on the Board at 30 June 2024 was 56.4.

(1) Directors representing employees are not taken into account for calculating the percentages of women on the Board in accordance with Article L. 225-27-1 of the French Commercial Code.

(2) The Bylaws can be consulted on the Company's website (www.pernod-ricard.com).

(3) The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

2.1.2.4 An independent Board of Directors with diverse and complementary skills, ensuring effective decision-making to meet the Group's challenges

Independence of Directors

The Company applies the independence criteria set out in the AFEP-MEDEF Code (see table below). A member of the Board of Directors is considered "independent" when they have no relationships of any kind with the corporation, its group or its management that may interfere with his or her freedom of judgement (Article 3 of the Board's Internal Rules and Regulations⁽⁷⁾).

Therefore, the Board of Directors and the Nominations and Governance Committee use the following criteria to assess the independence of Directors in their annual review as well as in the event of a co-option, an appointment or a renewal.

The AFEP-MEDEF independence criteria are the following:

Criterion 1	Not to be, or not to have been during the previous five years (i) an employee or executive officer of the company, (ii) an employee, executive officer or director of a company consolidated within the corporation, or (iii) an employee, executive officer or director of the company's parent company or a company consolidated within this parent company.
Criterion 2	Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.
Criterion 3	Not to be, or not to be directly or indirectly linked to, a customer, supplier, commercial banker, investment banker or consultant that is significant to the corporation or its group, or for which the corporation or its group represents a significant portion of its activity.
Criterion 4	Not to be related by close family ties to a company officer.
Criterion 5	Not to have been an auditor of the corporation within the previous five years.
Criterion 6	Not to have been a director of the corporation for more than 12 years.
Criterion 7	Non-executive officers: not to receive variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or group.
Criterion 8	Directors representing major shareholders (+10%) of the corporation or its parent company may be considered as being independent, provided that these shareholders do not take part in the control of the corporation.

⁽⁷⁾ The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

Name	Criterion								Qualification selected by the Board	
	1	2	3	4	5	6	7	8		
EXECUTIVE CORPORATE OFFICER										
Alexandre Ricard Chairman & CEO			X		X	X	N/A			Non-independent ⁽¹⁾
DIRECTORS CONSIDERED AS INDEPENDENT BY THE BOARD										
Patricia Barbizet	X	X	X	X	X	X	N/A	X		Independent
Virginie Fauvel	X	X	X	X	X	X	N/A	X		Independent ⁽¹⁾
Ian Gallienne	X	X	X	X	X	X	N/A	X		Independent ⁽²⁾
Max Koeune	X	X	X	X	X	X	N/A	X		Independent
Anne Lange	X	X	X	X	X	X	N/A	X		Independent
Philippe Petitcolin	X	X	X	X	X	X	N/A	X		Independent
Namita Shah	X	X	X	X	X	X	N/A	X		Independent
Kory Sorenson	X	X	X	X	X	X	N/A	X		Independent
OTHER DIRECTORS										
César Giron			X		X	X	N/A			Non-independent ⁽¹⁾
Veronica Vargas	X	X	X		X	X	N/A			Non-independent
Wolfgang Colberg	X	X	X	X	X		N/A	X		Non-independent
Société Paul Ricard		X	X		X		N/A			Non-independent ⁽³⁾
DIRECTORS REPRESENTING EMPLOYEES										
Carla Machado Leite					N/A					Representing employees ⁽⁴⁾
Brice Thommen					N/A					Representing employees ⁽⁴⁾

N/A: Not applicable.

X means the Director fulfils the independence criterion concerned.

(1) The reappointments of Virginie Fauvel, Alexandre Ricard and César Giron as Directors are subject to the approval of the Shareholders' Meeting of 8 November 2024.

(2) Given the passive crossing of the 10% voting rights threshold by GBL in February 2017 by virtue of automatic acquisition of double voting rights, the Nominations and Governance Committee and the Board of Directors examined this specific independence criterion and, in order to qualify Ian Gallienne as an independent Director, they established that GBL does not participate in the control of Pernod Ricard and does not intend to do so, that GBL has no relation with any other shareholder or the Ricard family, the Group's reference shareholder, and that there are no potential conflicts of interest that could compromise his freedom of judgement. At the close of the Shareholders' Meeting to be held on 8 November 2024, in accordance with the AFEP-MEDEF Code, Ian Gallienne will no longer qualify as an independent Director as he will have been a member of the Board of Directors for 12 years.

(3) Patricia Ricard Giron has been the permanent representative of Société Paul Ricard, a Director, since 21 December 2021.

(4) In accordance with the AFEP-MEDEF Code, the Directors representing employees are not taken into account when calculating the percentage of independent Directors on the Board of Directors.

During the annual Directors' independence review, and as in the previous financial year, the Nominations and Governance Committee and the Board of Directors raised the question of the independence of Ian Gallienne, a Director with ties to GBL, given the passive crossing of the 10% voting rights threshold by GBL in February 2017 by virtue of the automatic acquisition of double voting rights. Ian Gallienne's experience in finance as well as his in-depth knowledge of the Group are an asset to Pernod Ricard's Board of Directors.

According to the AFEP-MEDEF Code, Directors representing major shareholders of the Company may be considered as being independent, provided that these shareholders do not take part in the control of the Company (criterion 8). Whenever a threshold of 10% of the Company's share capital or voting rights is crossed, the Board of Directors, on the recommendation of the Nominations and Governance Committee, is required to systematically review a Director's independence in light of the composition of the Company's share capital and the existence of a potential conflict of interest.

Accordingly, it has been established that GBL does not participate in the control of Pernod Ricard and does not intend to do so as stated in the notification of threshold crossing and declaration of intent published by the AMF on 23 February 2017:

- GBL has no relation with any other shareholder or the Ricard family, the Group's reference shareholder;
- Ian Gallienne does not chair any of the Board Committees and is not a member of the Nominations and Governance Committee; and

- GBL does not intend to ask for the appointment of other Directors to sit on the Board.

The Nominations and Governance Committee and the Board of Directors also noted the absence of conflicts of interest, as:

- crossing the threshold of 10% of voting rights is not likely to create a conflict of interest;
- there is no significant business relationship between GBL and Pernod Ricard or its Group that could create a conflict of interest that could compromise Ian Gallienne's freedom of judgement;
- GBL's entry into the Company's capital was made independently of any agreement with Pernod Ricard or the Ricard family;
- GBL has the reputation of being a diligent and demanding investor whose interests are aligned with those of all shareholders;
- there is no agreement between GBL and Pernod Ricard or the Ricard family relating to the presence of Ian Gallienne or one or more GBL representatives on the Board of Directors. The presence of Ian Gallienne is justified by his experience and his judgement, which are beneficial to the Board of Directors; and
- Ian Gallienne is not in a position to impose his views on the Board of Directors, which has 15 members (including the Directors representing employees).

Thus, these elements demonstrate freedom of judgement and an absence of an actual or potential conflict of interest. In addition, there are no new facts or circumstances likely to call into question the qualification of independence applied in the past.

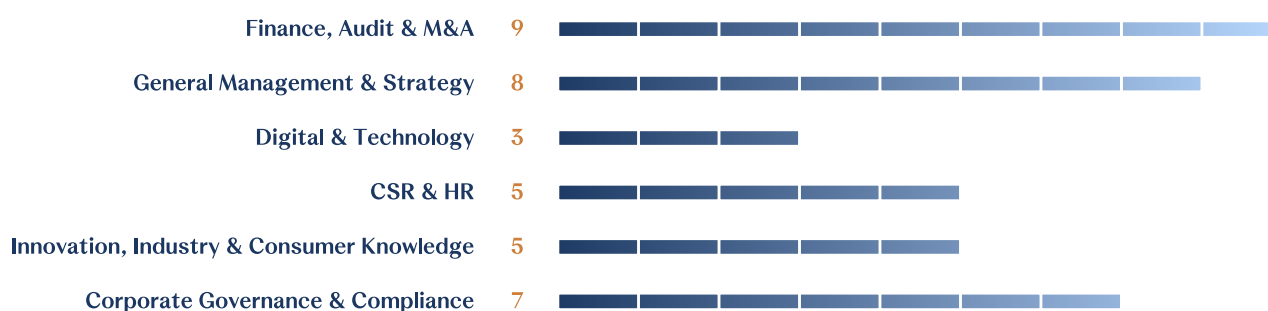
Given these facts, the Nominations and Governance Committee and the Board of Directors considered that Ian Gallienne fully meets the “specific” independence criteria related to the crossing of the threshold of 10% of share capital or voting rights.

After consideration and review of the AFEP-MEDEF Code criteria set out above, at its meeting on 17 July 2024, in accordance with the recommendation of the Nominations and Governance Committee, the Board confirmed that eight out of the 13 Directors (excluding the Directors representing employees) are deemed to be independent: Patricia Barbizet, Virginie Fauvel, Anne Lange, Kory Sorenson, Namita Shah, Ian Gallienne, Max Koeune and Philippe Petitcolin, representing more than half of the Board of Directors (61.54%), as required by the AFEP-MEDEF Code.

A wide range of complementary skills fully in line with Pernod Ricard’s strategy

The Board of Directors pays particular attention to the selection of its members. In addition to their ability to take into account the interests of all stakeholders, Directors are selected for their skills, experience and understanding of the Group’s strategic challenges, and to reflect the diversity of the Group as a whole.

Members



A diversified and balanced Board of Directors

As indicated in the Board of Directors’ diversity policy, this balanced representation has been achieved gradually. At the close of the Shareholders’ Meeting of 8 November 2024, if the proposed resolutions are approved, the Board of Directors will comprise 14 members, including six women (50%), which complies with the recommendations of the AFEP-MEDEF Code and the law on balanced representation of women and men on Boards of Directors and gender equality in the workplace.

Nationality of Directors

The composition of the Board of Directors must be diverse, reflecting, as far as possible, the different geographical areas in which the Group operates. At the close of the Shareholders’ Meeting of 8 November 2024, if the proposed resolutions are approved six Directors will be of non-French nationality (including the Directors representing employees).

Age of Directors

In accordance with the Company’s Bylaws, the average age of the Directors at 30 June 2024 was 56.40.

2.1.2.5 Additional information on members of the Board of Directors

2.1.2.5.1 Directors' profiles



Alexandre Ricard

Chairman & CEO

COMMITTEES:



Age: 52

Nationality:
French

Business address:
Pernod Ricard
5, cours Paul Ricard
75008 Paris
(France)

Number of shares held at 30 June 2024:
194,401

PROFILE

Alexandre Ricard is a graduate of ESCP Europe, the Wharton School of Business (MBA majoring in finance and entrepreneurship) and the University of Pennsylvania (MA in International Studies). After working for seven years for Accenture (strategy consulting) and Morgan Stanley (mergers and acquisitions consulting), he joined the Pernod Ricard Group in 2003 in the Headquarters Audit and Development Department. At the end of 2004, he became the Chief Financial and Administration Officer of Irish Distillers Group, and then Chief Executive Officer of Pernod Ricard Asia Duty Free in September 2006. In July 2008, he was appointed Chairman and CEO of Irish Distillers Group and became a member of Pernod Ricard's Executive Committee. In September 2011, he joined the Group General Management team as Managing Director, in charge of the Distribution Network and became a member of the Executive Board. Alexandre Ricard was the permanent representative of Société Paul Ricard (a Director of Pernod Ricard) from 2 November 2009 until 29 August 2012, when he was co-opted as a Director of Pernod Ricard himself and appointed Deputy Chief Executive Officer. On 11 February 2015, he was appointed Chairman & CEO of the Group by the Board of Directors.

Alexandre Ricard is a grandson of Paul Ricard, the founder of Société Ricard.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

Within the Group

- French companies
 - Permanent representative of Pernod Ricard
 - Director of Martell & Co
- Non-French companies
 - Chairman of Suntory Allied Limited (Japan)
 - Director of Geo G. Sandeman Sons & Co. Ltd (United Kingdom)
 - Member of the Board of Directors (*Junta de Directores*) of Havana Club International SA (Cuba)

Outside the Group

- Director and member of the Strategy and Sustainable Development Committee and the Human Resources and Remuneration Committee of L'Oréal⁽¹⁾
- Member of the Management Board of Société Paul Ricard
- Director of Le Delos Invest I
- Director of Le Delos Invest II
- Director of Bendor SA (Luxembourg)

OFFICES THAT HAVE EXPIRED IN THE LAST FIVE YEARS

Within the Group

- Member of the Supervisory Committee of Pernod Ricard Europe, Middle East and Africa

(1) Listed company.

Committees



Audit



Compensation



Nominations and Governance



Strategic



CSR



Chairman/Chairwoman



Patricia Barbizet

Lead Independent Director

COMMITTEES:



Age: 69

Nationality:
French

Business address:
Témaris & Associés
40, rue François I^{er}
75008 Paris
(France)

Number of shares held at 30 June 2024:
3,160

PROFILE

Patricia Barbizet is a graduate of ESCP Europe and began her career in 1976 with the Renault Véhicules group in Treasury before becoming Finance Director of Renault Crédit International.

In 1989, she joined the Pinault Group as Chief Financial Officer and in 1992 she became Chief Executive Officer of Artémis, the Pinault family's investment company, a position she held until 2018. From 2014 to 2016, she was also CEO & Chairwoman of Christie's International and chaired the Investment Committee of Strategic Investment Fund (SIF) from 2008 to 2013. She is currently Chairwoman of Témaris & Associés, Chairwoman of Zoé SAS, and director of Columbus.

In April 2018, she was appointed Chairwoman of the Supervisory Board of Investissements d'Avenir France 2030. She was Chairwoman of the French High Committee on Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*) from 2018 to 2023. She has been Chairwoman of the AFEP since 1 July 2023.

Patricia Barbizet has been a Director of Pernod Ricard since 2018 and was appointed Lead Independent Director on 23 January 2019.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Chairwoman of the AFEP
- Director of Columbus
- Chairwoman of Témaris et Associés
- Chairwoman of Zoé SAS
- Director of ArcelorMittal⁽¹⁾
- Director of CMA CGM

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Chairwoman of the Cité de la Musique
- Director of AXA⁽¹⁾
- Director of TotalEnergies⁽¹⁾
- Director of Fnac-Darty⁽¹⁾

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Wolfgang Colberg

Director

COMMITTEES:



Age: 64

Nationality:
German

Business address:
Deutsche Invest
Capital Partners
Prinzregen-
tenstrasse 56,
D-80538 Munich
(Germany)

**Number of
shares held at
30 June 2024:**
1,076

PROFILE

Wolfgang Colberg holds a PhD in Political Science (in addition to qualifications in Business Administration and Business Informatics). He has spent his entire career with the Robert Bosch group and the BSH group. After joining the Robert Bosch group in 1988, he became a Business Analyst (Headquarters), and then went on to become Head of Business Administration at the Göttingen production site (1990-1993), then Head of the Business Analyst Team and Economic Planning (Headquarters) (1993-1994), before being appointed as General Manager for the Group's Turkey and Central Asia affiliate. In 1996, he was appointed Senior Vice-President – Central Purchasing and Logistics (Headquarters).

Between 2001 and 2009, Wolfgang Colberg was Chief Financial Officer at BSH Bosch und Siemens Hausgeräte GmbH and a member of the Executive Committee. He was then Chief Financial Officer of Evonik Industries AG as well as a member of the Executive Committee between 2009 and 2013. From 2013 to 2019, he was an Industrial Partner of CVC Capital Partners, and since 2020 he has been an Industrial Partner of Deutsche Invest Capital Partners.

Wolfgang Colberg has been a Director of Pernod Ricard since 2008.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Director of Thyssenkrupp AG⁽¹⁾ (Germany)
- Director of Burelle SA⁽¹⁾
- Director of Solvay SA⁽¹⁾ (Belgium)
- Industrial Partner, Deutsche Invest Capital Partners (Germany)
- Chairman of the Supervisory Board of ChemicalInvest Holding BV, Sittard (Netherlands)
- Chairman of the Board of AMSilk GmbH, Munich (Germany)
- Member of the Regional Board of Deutsche Bank AG (Germany)
- Director of Fire (BC) Holdco Ltd. (Italmatch), Manchester (United Kingdom)

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Director of Dussur SA
- Industrial Partner, CVC Capital Partners (Germany)
- Chairman of the Board of Efficient Energy GmbH, Munich (Germany)

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Virginie Fauvel

Independent Director

COMMITTEES:



Age: 50

Nationality:
French

Business address:
Harvest 5
rue de la Baume
75008 Paris
(France)

**Number of
shares held at
30 June 2024:**
263

PROFILE

Virginie Fauvel is a graduate of engineering from the *École des Mines* de Nancy. She started her career in 1997 working for Cetelem as Group CRM and Risks analytics Director prior to becoming Group Digital Officer in 2004 and then heading up the e-business France BU. She joined BNP Paribas' French retail bank in 2009 to manage and develop online banking, before becoming head of BNP Paribas' Online Banking Europe BU in 2012. In this role, in 2013, she launched "HelloBank!", the first 100% mobile European bank, in Italy, France, Belgium and Germany. In July 2013, she joined Allianz France as a member of the French Executive Committee in charge of Digital Transformation, Big Data, Communication and Market Management. She largely contributed to the company's transformation by placing digital innovation at the heart of its strategy. In January 2018, she then became a member of the Management Board of Allianz Trade (formerly known as Euler Hermes), in charge of the Americas region and of the group's transformation.

In September 2020, she became Chief Executive Officer of Harvest SAS, a software publisher specialising in financial and wealth management consulting. She has co-chaired the MEDEF's Digital and Innovation Commission since 2023.

Virginie Fauvel has been a Director of Pernod Ricard since 2020.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Chief Executive Officer of Harvest SAS
- CEO of Holding Winnipeg (the holding company of Harvest)
- Director of Numeum (merger of Syntec and Tech In)
- Director of OP Mobility⁽¹⁾
- Co-chair of the MEDEF Digital and Innovation Commission

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Director of Quadient⁽¹⁾
- Director of Europcar Mobility Group⁽¹⁾
- Consultant at Creadev

⁽¹⁾ Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Ian Gallienne

Independent Director

COMMITTEES:



Age: 53

Nationality:
French

Business address:
Groupe Bruxelles
Lambert
24, avenue Marnix
BE1000 Brussels
(Belgium)

**Number of
shares held at
30 June 2024:**
1,000

PROFILE

Ian Gallienne has been Chief Executive Officer of Groupe Bruxelles Lambert since January 2012.

He holds an MBA from INSEAD. From 1998 to 2005, he was Manager of the Rhône Capital LLC private equity fund in New York and London. In 2005, he founded the private equity fund Ergon Capital Partners, of which he was Managing Director until 2012.

Ian Gallienne has been a Director of Groupe Bruxelles Lambert since 2009, Imerys since 2010, SGS since 2013 and Adidas since 2016.

Ian Gallienne has been a Director of Pernod Ricard since 2012.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- CEO of Groupe Bruxelles Lambert⁽¹⁾ (Belgium)
- Director of Imerys⁽¹⁾
- Director of SGS SA⁽¹⁾ (Switzerland)
- Director of Adidas AG⁽¹⁾ (Germany)
- Chairman of the Board of Directors of Sienna Investment Managers (Luxembourg)
- Manager of Serena 2017 SC
- Manager of ESSSO2023 SC
- Director of Société Civile du Château Cheval Blanc
- Director of Compagnie Nationale de Portefeuille SA (Belgium)
- Director of Financière de la Sambre (Belgium)
- Director of Carpar (Belgium)

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Director of Frère-Bourgeois SA (Belgium)
- Director of Marnix French ParentCo (Webhelp Group)

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



César Giron

Director

COMMITTEES:



Age: 62

Nationality:
French

Business address:
Martell Mumm
Perrier-Jouët
5, cours Paul Ricard
75008 Paris
(France)

Number of
shares held at
30 June 2024:
8,666

PROFILE

After graduating from the Emlyon Business School (formerly called *École Supérieure de Commerce de Lyon*), César Giron joined the Pernod Ricard Group in 1987, where he has spent his entire career. In 2000, he was appointed Chief Executive Officer of Pernod Ricard Swiss SA before becoming Chairman and Chief Executive Officer of Wyborowa SA in Poland in December 2003.

From July 2009, César Giron acted as Chairman & CEO of Pernod until his appointment, on 1 July 2015, as Chairman and CEO of Martell Mumm Perrier-Jouët.

César Giron is Chairman of the Management Board of Société Paul Ricard.

César Giron is a grandson of Paul Ricard, the founder of Société Ricard.

César Giron has been a Director of Pernod Ricard since 2008.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

Within the Group

- Chairman and CEO of Martell Mumm Perrier-Jouët
- Chairman and Chief Executive Officer of Martell & Co
- Legal representative of the Manager of Champagne Perrier-Jouët
- Chairman of GH Mumm & Cie SVCS
- Chairman of Domaines Jean Martell
- Chairman of Augier Robin Briand & Cie
- Chairman of Le Maine au Bois
- Chairman of Financière Moulins de Champagne
- Chairman of Spirits Partners
- Director of Mumm Perrier-Jouët Vignobles et Recherches

Outside the Group

- Chairman of the Management Board of Société Paul Ricard
- Director of Le Delos Invest I
- Director of Le Delos Invest II
- Director of Bendor SA (Luxembourg)

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Chairman of FEVS



Max Koeune

Independent Director

COMMITTEES:



Age: 51

Nationality:
Luxembourgish

Business address:
439 King Street West
5th floor – Toronto CA
– Ontario M5V 1K4
(Canada)

Number of
shares held at
30 June 2024:
150

PROFILE

After graduating from the *École Supérieure de Commerce de Paris* (ESCP Europe), Max Koeune began his career in 1995 with Baring Brothers, where he was an M&A specialist. He joined the Danone Group in 1998 in the Corporate Development team and in 2005 became Finance Director of Bonafont, Danone's bottled water affiliate in Mexico. In 2008, he was appointed Finance Vice President of the Americas Beverages division at Danone, before becoming Group Head of Corporate Development in 2009, a position he served in until 2012. In January 2013, he joined the Canadian group McCain Foods Limited as Chief Financial Officer, and in 2017 became President & CEO, his current position.

Max Koeune has been a Director of Pernod Ricard since 2023.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- President & CEO of McCain Foods Limited
- Board Member of the Consumer Goods Forum

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

None

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Anne Lange

Independent Director

COMMITTEES:



Age: 56

Nationality:
French

Business address:
Pernod Ricard 5,
cours Paul Ricard
75008 Paris
(France)

**Number of
shares held at
30 June 2024:**
1,000

PROFILE

A French citizen and graduate of the *Institut d'Études Politiques* of Paris and of the *École Nationale d'Administration* (ENA), Anne Lange began her career within the office of the Prime Minister as Director of the State-Controlled Broadcasting Office. In 1998, she joined Thomson as Manager of Strategic Planning before being appointed Head of the eBusiness Europe Department in 2000. In 2003, Anne Lange took up the role of General Secretary of the Rights on the Internet Forum, a public body reporting to the office of the Prime Minister. From 2004 to 2014, she worked at the Cisco Group, successively holding the positions of Director of Public Sector Europe, Executive Director Global Media and Public Sector Operations (in the United States) and Innovation Executive Director in the Internet Business Solution Group division.

She then became an entrepreneur and founded Mentis in 2014, a start-up specialised in the technology of application platforms and connected objects, and worked with major groups on mobility solutions and management of urban space, placing it at the centre of the smart cities revolution. After selling Mentis, Anne Lange became an active business angel with a keen eye for identifying innovation. She acts as Senior Advisor for start-ups, large technology groups, strategy consulting firms and more traditional companies looking to find their own way along the transformation path. She is a member of the Boards of Directors of several listed companies (Orange, Pernod Ricard, Inditex and Peugeot Invest). Anne Lange has expertise in innovation and digital technology developed over some 20 years in both the private and public sectors and from a global perspective.

Anne Lange has been a Director of Pernod Ricard since 2016.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Director of Orange⁽¹⁾
- Director of Inditex⁽¹⁾ (Spain)
- Director of Peugeot Invest⁽¹⁾
- Managing Partner of ADARA
- Managing Partner of Chrysalis

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Director of Econocom Group⁽¹⁾ (Belgium)
- Founder and Legal Manager of Mentis
- Director of IN Group

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Philippe Petitcolin

Independent Director

COMMITTEES:



Age: 71

Nationality:
French

Business address:
Nexter 13, route
de la Minière
78034 Versailles
(France)

**Number of
shares held at
30 June 2024:**
310

PROFILE

Having held various positions within Europrim, Filotex (an subsidiary of Alcatel-Alstom) and Labinal (now Safran Electrical & Power), Philippe Petitcolin joined Snecma (now Safran Aircraft Engines) in 2006 as Chairman and Chief Executive Officer. From 2011 to 2013, he served as Chief Executive Officer for Safran's defence and security operations as well as Chairman and Chief Executive Officer of Safran Electronics & Defense. Between July 2013 and December 2014, Philippe Petitcolin was Chairman and Chief Executive Officer of Safran Identity & Security and Chairman of the Board of Directors of Safran Electronics & Defense. From December 2014 to July 2015, he was Chairman of Safran Identity & Security.

On 23 April 2015, Philippe Petitcolin was appointed a Director of Safran by the Shareholders' Meeting and Chief Executive Officer by the Board of Directors. On the same date, he became a member of the Board of the Aerospace, Security and Defence Industries Association of Europe (ASD). In July 2015, he became Vice Chairman of Gifas (French Aerospace Industries Association). In 2015, he was also appointed to the Board of Belcan Corporation, an engineering services provider, and has been a Director of EDF since May 2019.

Philippe Petitcolin served as Chief Executive Officer of Safran until 31 December 2020.

In March 2021, he was appointed Chairman of the Franco-German defence company KNDS.

Philippe Petitcolin has been a Director of Pernod Ricard since 2019.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Chairman of the Board of Directors of Alstom⁽¹⁾
- Director of EDF
- Member and Chairman of the Supervisory Board of Diot-Siaci TopCo
- Chairman of KNDS

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Director of Suez⁽¹⁾
- Chief Executive Officer and Director of Safran⁽¹⁾
- Chairman of Safran Identity & Security
- Chairman and Chief Executive Officer of Safran Identity & Security
- Chairman of the Board of Directors of Safran Identity & Security North America (formerly Morpho Track, LLC) (United States)
- Chairman of the Board of Directors of Morpho Detection International, LLC (United States)
- Chairman of the Board of Directors of Safran Electronics & Defense, Chairman and President of Morpho USA, Inc.
- Director of Safran Identity & Security USA (formerly Morpho Detection, LLC) (United States)
- Member of the Supervisory Board of Safran Identity & Security GmbH (formerly Morpho Cards GmbH) (Germany)
- Member of the Supervisory Board of Institut Aspen France
- Vice Chairman of Gifas
- Director of Belcan Corporation (United States)
- Board Member of the AeroSpace, Security and Defence Industries Association of Europe (ASD) (Belgium)

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Patricia Ricard Giron

Permanent representative of Société Paul Ricard*, Director

COMMITTEES:



Age: 61

Nationality:
French

Business address:
Pernod Ricard
5, cours Paul Ricard
75008 Paris
(France)

Number of shares held by Patricia Ricard Giron at 30 June 2024:
9,761

Number of shares held by Société Paul Ricard at 30 June 2024:
28,323,478

PROFILE

Patricia Ricard has been a Director of the Paul Ricard Oceanographic Institute since 1986 and its Chairwoman since 2005. From 2010 to 2015, she was a member of the French national Economic, Social and Environmental Council. She is also Vice President and spokesperson for the Ocean & Climate Platform, as well as a member of the France Ocean Committee set up by the French Ministry of Ecological Transition.

Patricia Ricard is a granddaughter of Paul Ricard, the founder of Société Paul Ricard.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Chairwoman of Le Delos Invest III (Société Paul Ricard)
- Chairwoman of Société d'Aménagement et Hôtelière de Bendor (Société Paul Ricard)
- Chairwoman of Bendor Management (Société Paul Ricard)
- Member of the Supervisory Board of Société Paul Ricard
- Chairwoman of the Board of Directors of the Paul Ricard Oceanographic Institute
- Director of Société des Eaux de Marseille (a Veolia group subsidiary)
- Director of the Veolia Environnement Corporate Foundation
- Member of the Advisory Board for the French Southern and Antarctic Territories
- Director of the Ocean & Climate Platform
- Director of Parc National des Calanques
- Director of the Glorioso Islands Marine Natural Park
- Director of the French National Research Institute for Sustainable Development
- Director of the French National Museum of Natural History endowment fund
- Chairwoman of the Citeo Mission Committee
- Director of Comme un seul Homme
- Director of CEEBIOS
- Director of the *Institut de la Mer* – Sorbonne University
- Director of the French Biodiversity Agency
- Member of the Strategy Council and qualified person of Fondation 1 Océan (under the aegis of the CNRS)
- Director of the International Panel for Ocean Sustainability

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

None

* Unlisted company, shareholder of Pernod Ricard.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Namita Shah

Independent Director

COMMITTEES:



Age: 55

Nationality:
Indian

Business address:
TotalEnergies SE 2,
place Jean Millier
92078 Paris La
Défense (France)

**Number of
shares held at
30 June 2024:**
246

PROFILE

A graduate of Delhi University and New York University School of Law, Namita Shah began her career as a lawyer in the New York office of Shearman & Sterling, where she specialised in arranging project financing.

In 2002, she joined the team in charge of mergers and acquisitions at the Total group and, in 2008, was appointed Business Development Manager in Australia and Malaysia in the New Business Department. From 2011 to 2014, she held the position of General Manager of Total Exploration & Production in Myanmar. In 2014, she took on the role of General Secretary of the Exploration-Production business unit which she held until 2016, when she joined the Group's Executive Committee, becoming President, People & Social Responsibility. Lastly, in 2021, Namita Shah took over as head of a newly created business unit at TotalEnergies, OneTech, which brings together all TotalEnergies' technical teams in charge of operations, projects and R&D teams.

Namita Shah has been a Director of Pernod Ricard since 2021.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Member of the Executive Committee of TotalEnergies SE⁽¹⁾
- Chairwoman of the TotalEnergies Corporate Foundation
- Chairwoman of Albatros

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

None

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Kory Sorenson

Independent Director

COMMITTEES:



Age: 55

Nationality:
British

Business address:
Pernod Ricard
5, cours Paul Ricard
75008 Paris
(France)

**Number of
shares held at
30 June 2024:**
1,000

PROFILE

Kory Sorenson is a British citizen born in the United States. Her executive career was in finance, with a strong focus on capital and risk management. She holds a D.E.S.S. from the *Institut d'Études Politiques de Paris*, a Master in Applied Economics from the University of Paris Dauphine and a B.A. from the American University, Washington, D.C. in Political Science and Econometrics. She has also followed executive programmes from Harvard Business School (2013), INSEAD (2016) and Stanford Graduate School of Business (2020). Kory Sorenson held the position of Managing Director, Head of Insurance Capital Markets at Barclays Capital in London, where her team developed groundbreaking capital management transactions and executed, securitisation, M&A, equity, hybrid capital and hedging transactions for major European insurers. Prior to that, she headed the insurance capital markets team at Credit Suisse and the financial institutions debt capital markets team for Lehman Brothers in Germany, Austria and Holland. She began her career in investment banking at Morgan Stanley and in finance at Total.

Kory Sorenson is currently a Director at SGS SA (listed in Switzerland), a member of the Supervisory Board of Bank Gutmann, a private bank in Vienna, Chairwoman of the Board of Partners of Comgest in Paris, and a Director of Premium Credit Limited and The AA Limited in the UK.

Kory Sorenson has been a Director of Pernod Ricard since 2015.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Director of SGS SA⁽¹⁾ (Switzerland)
- Member of the Supervisory Board of Bank Gutmann (Austria)
- Chair of the Board of Partners of Comgest (France)
- Director of the AA Ltd. (United Kingdom)
- Director of Premium Credit Limited (United Kingdom)

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

- Director of Phoenix Group Holdings⁽¹⁾ (United Kingdom)
- Director of SCOR SE⁽¹⁾ (France)
- Director of Prometic⁽¹⁾ (Canada)
- Member of the Supervisory Board of UNIQA Insurance Group AG⁽¹⁾ (Austria)
- Director of Institut Pasteur (non-profit foundation)
- Director of Aviva Insurance Limited (United Kingdom)
- Director of SCOR Global Life Americas Reinsurance Company (United States)
- Director of SCOR Global Life USA Reinsurance Company (United States)
- Member of the Supervisory Board of Château Troplong Mondot

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Veronica Vargas

Director

COMMITTEES:



Age: 43

Nationality:
Spanish

Business address:
Pernod Ricard
5, cours Paul Ricard
75008 Paris
(France)

Number of shares held at 30 June 2024:
9,820

PROFILE

Veronica Vargas received an Engineering degree from the University of Seville (*Escuela Técnica Superior de Ingenieros*) in Spain and continued her training in industrial engineering in management at the *École Centrale Paris* (ECP).

She started her professional career in 2006 in the Lafarge Supply Chain team in Paris. In early 2007, she joined Société Générale Corporate & Investment Banking in Paris as part of the Strategic and Acquisition Finance team. She was then part of the London team from 2009 to 2019, where she was involved in advising key clients on all aspects related to the optimisation of their capital structure, as well as participating in their strategic financing operations, including acquisitions, spin-offs and share buybacks.

Veronica Vargas is the permanent representative of Rigivar SL, a company that has been a member of the Supervisory Board of Société Paul Ricard since 2009.

She has also been a member of the Business Policy International Advisory Board of the San Telmo Business School since 2020, and the Investment Committee of the Africa Conservation & Communities Tourism Fund since 2021.

Veronica Vargas is a great-granddaughter of Paul Ricard, the founder of Société Ricard.

Veronica Vargas has been a Director of Pernod Ricard since 2015.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

- Permanent representative of Rigivar SL, member of the Supervisory Board of Société Paul Ricard
- Director of Savencia SA⁽¹⁾ (Italy)
- Member of the Investment Committee of the Africa Conservation & Communities Tourism Fund
- Director of the Business Policy International Advisory Board of the San Telmo Business School

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

None

(1) Listed company.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Carla Machado Leite

Director representing employees

Age: 59

Nationality:
Portuguese

Business address:
Pernod Ricard
Portugal Quinta
da Fonte –
Edif. D. Diniz
Rua dos Malhões,
2-3º E, 2770-071
Paço de Arcos
(Portugal)

**Number of
shares held at
30 June 2024:**
N/A⁽¹⁾

PROFILE

Carla Machado Leite, an Italian and Portuguese national, is a graduate in Business Management from Lusíada University in Lisbon.

She joined Pernod Ricard Portugal, based in Lisbon, in 1999 as a Controller and Group Reporting Manager.

After the acquisition of the Seagram brands in 2001, she was tasked with creating the Export Department to introduce, expand and develop local Portuguese brands in various international markets, a role she still holds today.

In 2014, she joined Pernod Ricard's European Works Council as a member of the Select Committee. After serving as Secretary of this working group until 2022, she was appointed to the Board of Directors of Pernod Ricard SA in November 2022 as a Director representing employees.

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

None

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

None

(1) The Directors representing employees are not required to hold a minimum number of Company shares.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman



Brice Thommen

Director representing employees

COMMITTEES:



Age: 45

Nationality:
Swiss

Business address:
Pernod Ricard
France
10, place de la Joliette
13002 Marseille
(France)

**Number of
shares held at
30 June 2024:**
N/A⁽¹⁾

PROFILE

Brice Thommen, a Swiss and French national, is a graduate of the IAE Aix-Marseille Graduate School of Management. He began his career at Roche in 2001, where he held several positions in pharmaceutical development in Switzerland and the United States.

In 2013, he became a business analyst at Naval Group and then at Airbus Helicopters. At the end of 2015, he joined the Pernod Ricard Group as Financial Business Analyst for Ricard and Pernod, a role he held until 2019, when he became Master Data Manager for Pernod Ricard France.

In November 2021, following his designation by the Group Committee (France), he was appointed a Director representing employees on Pernod Ricard SA's Board of Directors.

Highly involved in the Group, Brice Thommen has also held several employee representative positions within the Group (elected member of the Social and Environmental Committee at Ricard and then Pernod Ricard France and member and secretary of the Group Committee France).

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2024

None

OFFICES HELD OUTSIDE THE GROUP THAT HAVE EXPIRED IN THE LAST FIVE YEARS

None

(1) The Directors representing employees are not required to hold a minimum number of Company shares.

The Directors do not hold any salaried positions within the Group, with the exception of César Giron, Chairman and Chief Executive Officer of Martell Mumm Perrier-Jouët, Patricia Ricard Giron (permanent representative of Société Paul Ricard, Director), Carla Machado Leite, Director representing employees and International Sales Manager at Pernod Ricard Portugal, and Brice Thommen, Director representing employees and Master Data Manager at Pernod Ricard France in Marseille.

Committees



Audit



Compensation



Nominations
and Governance



Strategic



CSR



Chairman/
Chairwoman

2.1.2.5.2 Declarations by the members of the Board of Directors

Directors' Code of Ethics

Article 5 of the Internal Rules and Regulations⁽⁸⁾, adopted by the Board of Directors on 17 December 2002 and most recently amended on 19 July 2023, and Article 16 of the Bylaws⁽⁹⁾ stipulate the rules of conduct that apply to Directors and their permanent representatives. Each Director acknowledges that they have read and understood their obligations under these provisions prior to accepting their position. The Internal Rules and Regulations also outline the various rules in force with regard to the conditions for trading in the Company's shares on the stock market and the notification and disclosure requirements relating thereto.

Moreover, at its meeting on 16 February 2011, the Board of Directors adopted a Code of Ethics to prevent insider trading and misconduct in line with the applicable legal obligations and in particular to comply with European market abuse regulations. This Code was last updated on 14 February 2024.

Directors, as well as any person attending meetings of the Board and its Committees, have access to sensitive information concerning the Company. As such, they are bound by a strict duty of confidentiality. Consequently, they must take all necessary measures to preserve the confidentiality of this information.

As the Directors have access to sensitive information on a regular basis, they must refrain from using this information to buy or sell shares of the Company and from carrying out transactions involving Pernod Ricard's shares or any related financial instruments in the 45 days prior to the publication of the full-year results, the 30 days prior to the publication of the interim results and the 15 days prior to the publication of quarterly net sales. These periods are extended to include the day after the publication when it takes place after the close of market trading (5.30 p.m., Paris time) and to the day of the publication when it takes place before the opening of the markets (9.00 a.m., Paris time). In addition, the Code of Ethics states that Directors must seek the opinion of the Trading Committee, formerly called the Ethics Committee, before carrying out any transactions involving the Company's shares or any related financial instrument.

Conflicts of interest

To the Company's knowledge and at the date hereof, there are no potential conflicts of interest between the duties of any of the members of the Company's Board of Directors or General Management with regard to the Company in their capacity as Corporate Officer and their private interests or other duties.

To the Company's knowledge and at the date hereof, there are no arrangements or agreements established with the main shareholders, customers, suppliers, bankers or consultants, relating to the appointment of any of the members of the Board of Directors or General Management.

To the Company's knowledge and at the date hereof, except as described in the "Shareholders' agreements" subsection below, the members of the Board of Directors and General Management have not agreed to any restrictions concerning the disposal of their stake in the share capital of the Company, other than those included in the Internal Rules and Regulations⁽⁹⁾ and the Code of Ethics.

In accordance with the Board's Internal Rules and Regulations⁽⁹⁾ and in order to prevent any risk of conflict of interest, each member of the Board of Directors is required to declare to the Board of Directors, as soon as they become aware of such fact, any situation in which a conflict of interest arises or could arise between the Company's corporate interests and their direct or indirect personal interests, or the interests of a shareholder or group of shareholders that they represent.

Absence of any conviction for fraud, involvement in bankruptcy or any offence and/or official public sanction

To Pernod Ricard's knowledge and at the date hereof:

- no conviction for fraud has been issued against any members of the Company's Board of Directors or General Management in the last five years;
- none of the members of the Board of Directors or General Management has been associated, in the last five years, with any bankruptcy, compulsory administration or liquidation as a member of a Board of Directors, Management Board or Supervisory Board or as a Chief Executive Officer;
- no conviction and/or official public sanction has been issued in the last five years against any members of the Company's Board of Directors or General Management by statutory or regulatory authorities (including designated professional organisations); and
- no Director or member of the General Management has, in the last five years, been prohibited by a court of law from serving as a member of a Board of Directors, a Management Board or Supervisory Board or from being involved in the management or the conduct of an issuer's business affairs.

Procedure to identify regulated related-party agreements

In accordance with Article L. 22-10-12 of the French Commercial Code, at its meeting on 28 August 2019, the Board of Directors approved an Internal Charter relating to the identification of regulated related-party agreements (the "Charter")⁽¹⁰⁾. This Charter formalises the procedure for identifying regulated related-party agreements, which applies prior to signing any agreements that could potentially be qualified as regulated, as well in the event of amendment, renewal or termination of such agreements, including for agreements that were considered as "unregulated" at the time they were signed.

Shareholders' agreements

On 8 February 2006, Pernod Ricard was notified that a shareholders' agreement had been signed between Rafaël Gonzalez-Gallarza and Société Paul Ricard. Pursuant to this agreement, Rafaël Gonzalez-Gallarza has undertaken to consult Société Paul Ricard prior to any Pernod Ricard Shareholders' Meeting in order to vote in the same way. Furthermore, Rafaël Gonzalez-Gallarza has undertaken (i) to notify Société Paul Ricard of any additional acquisition of Pernod Ricard shares and/or voting rights, and (ii) not to acquire any Pernod Ricard shares if such a transaction would force Société Paul Ricard and the parties acting in concert to file a public offer for Pernod Ricard. Lastly, Société Paul Ricard has a pre-emption right with regard to any Pernod Ricard shares which Rafaël Gonzalez-Gallarza may wish to sell.

Services agreements

No member of the Board of Directors or member of the General Management is party to any service agreement with Pernod Ricard or any of its affiliates.

⁽⁸⁾ The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

⁽⁹⁾ The Bylaws can be consulted on the Company's website (www.pernod-ricard.com).

⁽¹⁰⁾ The Charter can be consulted on the Company's website (www.pernod-ricard.com).

CORPORATE OFFICERS' INTERESTS IN THE COMPANY'S SHARE CAPITAL (AS AT 30 JUNE 2024)

Members of the Board of Directors	Number of shares at 30 June 2024	Percentage of share capital at 30 June 2024	Number of voting rights at 30 June 2024	Percentage of voting rights at 30 June 2024
EXECUTIVE CORPORATE OFFICERS				
Alexandre Ricard (Chairman & CEO)	194,401	0.08%	215,929	0.07%
DIRECTORS				
Wolfgang Colberg	1,076	NM	2,152	NM
César Giron	8,666	NM	8,666	NM
Société Paul Ricard, represented by Patricia Ricard Giron ⁽¹⁾	35,997,926	14.21%	62,472,032	20.57%
Veronica Vargas	9,820	NM	9,820	NM
INDEPENDENT DIRECTORS				
Patricia Barbizet (Lead Independent Director)	3,160	NM	3,160	NM
Virginie Fauvel	263	NM	263	NM
Ian Gallienne	1,000	NM	2,000	NM
Max Koeune	150	NM	150	NM
Anne Lange	1,000	NM	1,000	NM
Philippe Petitcolin	310	NM	310	NM
Namita Shah	246	NM	246	NM
Kory Sorenson	1,000	NM	1,000	NM
DIRECTORS REPRESENTING EMPLOYEES⁽²⁾				
Carla Machado Leite	-	N/A	-	N/A
Brice Thommen	-	N/A	-	N/A

NM: Not material.

(1) Includes shares held by Société Paul Ricard, as well as by Le Garlaban, Le Delos Invest I, Le Delos Invest II and Le Delos Invest III, which are related to Société Paul Ricard within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code.

(2) N/A: in accordance with the law, Directors representing employees are not required to hold a minimum number of Company shares.

SUMMARY OF TRANSACTIONS INVOLVING PERNOD RICARD SECURITIES CARRIED OUT BY CORPORATE OFFICERS IN FY 2024 (ARTICLE 223-26 OF THE AMF GENERAL REGULATION)

First name, surname, company name	Title	Financial instrument	Type of transaction	Date	Price (€)	Amount of transaction (€)
Alexandre Ricard	Chairman & CEO	Shares	Pledge of shares	16/02/2024	157.75	2,681,750
		Shares	Vesting of performance shares	09/11/2023	171.850	0
César Giron	Director	Call option	Exercise	24/11/2023	132.3009	1,255,006.3374
		Shares	Sale	24/11/2023	164.050	1,556,178.30
Max Koeune	Director	Shares	Acquisition	21/11/2023	165.725	24,858.75
Patricia Ricard Giron	Permanent representative of Société Paul Ricard, Director	Shares	Vesting of performance shares	09/11/2023	171.85	0
Kory Sorenson	Director	Shares	Acquisition	24/11/2023	163.15	8,157.50
		Shares	Sale	24/11/2023	163.10	8,155
Société Paul Ricard	Director	Shares	Acquisition	16/05/2024	149.5953	4,999,923.7119

2.1.3 Structure and operating procedures of the Board of Directors

The operating procedures of the Board of Directors are set forth in the legal and regulatory provisions, the Bylaws and the Board's Internal Rules and Regulations adopted in 2002 and most recently amended by the Board of Directors at its meeting on 17 July 2024. The Board's Internal Rules and Regulations specify the rules and operating procedures of the Board, and supplement the provisions of the relevant laws and regulations and the Bylaws. In particular, they set out the applicable rules on diligence, confidentiality and disclosure of possible conflicts of interest.

2.1.3.1 Activities of the Board of Directors in FY 2024



15
members



61.5%
independent
Directors



10
meetings
in FY 2024



97.95%
attendance rate

Main activities in FY 2024

The Board of Directors met ten times during FY 2024. The main work carried out by the Board of Directors during the meetings it held was as follows:

Group activity:

- at each of its meetings, the Board discussed the Group's business operations, in particular its activity, budget, results and cash flows;
- the Board of Directors devoted a significant part of its agenda to reports and discussions relating to the work entrusted to the various Committees and to the recommendations they had made;
- regular updates were made, in particular on the Group's Global Health and Safety policy and its implementation in the various affiliates;
- presentations were made by the managers of the Group's affiliates on the performance of the various brands and markets, as well as their main risks and opportunities; and
- Directors were frequently informed about changes in the competitive environment.

Group strategy and growth:

- the Board of Directors discussed the main strategic goals for the Group's development, both in terms of external growth and financing;
- strategic presentations on specific markets and/or brands were given to Board members; and
- the Heads of the Group's functions presented developments in their departments.

Group results:

- the Board of Directors prepared the Combined Shareholders' Meeting held on 10 November 2023 and, in particular, approved the draft resolutions that were submitted to the vote of the shareholders;
- the Board of Directors set the amount of the dividend paid for FY 2023 at €4.70 per share, it being specified that an interim dividend had been paid on 7 July 2023 in the amount of €2.06 per share. The payment of the balance was decided by the Board on 10 November 2023;
- the Board of Directors approved the interim and annual financial statements of the Group and Pernod Ricard SA for FY 2024, with the support of the recommendations of the Audit Committee and the Statutory Auditors. The Board of Directors also prepared the interim and annual management reports. The Board was informed that no regulated related-party agreements had been entered into during the financial year; and
- the quarterly, interim and annual financial communications were submitted to the Directors, in particular the draft presentations and releases on the Group's results to the market.

Compensation policy:

- on the recommendation of the Compensation Committee and in accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors established the Chairman & CEO's FY 2025 compensation policy to be submitted for the approval of the Shareholders' Meeting (10th resolution) and evaluated his FY 2024 variable compensation without him being present.

Corporate governance:

- the Board of Directors carried out its annual self-assessment and monitored the implementation of the recommendations made during the formal assessment carried out during the previous financial year;
- in accordance with the recommendations of the AFEP-MEDEF Code, the Directors held an Executive Session in absence of the Directors from Group Top Management. Specific topics discussed during this meeting mainly related to the operating procedures of the Board and its Committees, the performance of the Executive Corporate Officer, and a review of the succession plans; and
- the Board of Directors also examined governance issues, in particular relating to the composition of the Board of Directors with respect to the recommendations of the AFEP-MEDEF Code, notably with regards to the diversity of the Directors' profiles and experience.

Share buybacks:

- the Board, as authorised by the General Meeting of 10 November 2023, decided to cancel 2,302,985 Pernod Ricard shares and, consequently, placed on record the reduction of Pernod Ricard's share capital to €392,659,559.40, divided into 253,328,748 shares with a par value of €1.55 each.

Group risks:

- the Board was regularly informed of the work of the Audit Committee, in particular the updating and monitoring of risk mapping, as well as the measures put in place to address the risks.

Compliance/Regulatory:

- the Board monitored the development of the Group's ethics and compliance roadmap; and
- the scheduling of blackout periods was presented to the Board.

2.1.3.2 Board of Directors' meetings

It is the responsibility of the Chairman to call Board of Directors' meetings regularly, or at times that he considers appropriate. In order to enable the Board to review and discuss the matters falling within its area of responsibility in detail, the Internal Rules and Regulations provide that Board meetings must be held at least six times a year. In particular, the Chairman of the Board of Directors ensures that Board meetings are held to approve the interim and annual financial statements and to convene the Shareholders' Meeting called for the shareholders to approve them.

Board meetings are called by the Chairman. The notice of the Board meeting, sent to the Directors at least eight days before the date of the meeting, except in the event of a duly substantiated emergency, must include the agenda and state where the meeting

will take place, which will be, in principle, the Company's registered office. Board meetings may also be held by video conference or other means of telecommunication, under the conditions provided for in the applicable regulations and the Internal Rules and Regulations.

Since FY 2017, the Directors hold a session at least once a year, in the absence of the Directors from Group Top Management (Executive Sessions). The purpose of these Executive Sessions is to assess the operating procedures of the Board of Directors and the performance of the Executive Corporate Officer, and to review his succession plan. One Executive Session was held in FY 2024.

2.1.3.3 Directors' attendance at Board and Committee meetings during FY 2024

During FY 2024, the Board of Directors met ten times with an attendance rate of 97.95%. The average duration of the meetings was approximately two hours and forty-five minutes.

	Board of Directors	Audit Committee	Nominations and Governance Committee	Compensation Committee	Strategic Committee	CSR Committee
Alexandre Ricard	10/10				3/3	
Patricia Barbizet	10/10		4/4	6/6	1/1	3/3
Wolfgang Colberg	10/10	4/4			1/1	
Virginie Fauvel	10/10				3/3	
Ian Gallienne	9/10			6/6	3/3	
César Giron	10/10		4/4		1/1	
Max Koeune ⁽¹⁾	6/6	1/1			N/A	
Anne Lange	10/10		4/4		3/3	
Philippe Petitcolin	10/10	4/4			3/3	
Société Paul Ricard (represented by Patricia Ricard Giron)	10/10				3/3	
Namita Shah	8/10				0/1	3/3
Kory Sorenson	10/10	4/4		6/6	1/1	
Veronica Vargas	10/10				1/1	3/3
DIRECTORS REPRESENTING EMPLOYEES						
Carla Machado Leite	10/10				1/1	
Brice Thommen	10/10			6/6	1/1	
AVERAGE ATTENDANCE RATE	97.95%	100%	100%	100%	96.15%	100%

N/A: Not applicable.

(1) Six Board Meetings took place in FY 2024 following Max Koeune's appointment as a Director on 10 November 2023, and one Audit Committee meeting took place following his appointment as a member of that Committee on 14 February 2024.

2.1.3.4 Information provided to the Directors

The Directors receive the information they require to fulfil their duties. In accordance with the Internal Rules and Regulations⁽¹¹⁾, the supporting documents pertaining to matters on the agenda are provided far enough in advance, generally eight days before meetings, to enable them to prepare effectively for each meeting.

A Director may ask for explanations or for additional information and, more generally, submit to the Chairman or the Lead Independent Director any request for information or access to information which they deem appropriate.

2.1.3.5 Assessment of the Board of Directors

From time to time, and at least once a year, the Board of Directors includes on its agenda a discussion about its operating procedures, focusing on the following areas:

- a review of its composition, operating procedures and organisation; and
- a check that significant issues are adequately prepared and discussed.

In accordance with the AFEP-MEDEF Code and with its Internal Rules and Regulations, the Nominations and Governance Committee and the Board carry out an annual assessment of the operating procedures of the Board and its Committees. In addition, every three years a formal external assessment is carried out with the support of a specialised consulting firm.

In FY 2023, the annual assessment was conducted by Patricia Barbizet in her capacity as Lead Independent Director. She presented the results of this assessment to the Nominations and Governance Committee and the Board of Directors.

In FY 2024, as is the case every three years, a formal assessment was carried out with the support of an external firm. The purpose of the assessment is to review the Board's operating procedures and check that important agenda items are suitably prepared and debated.

The findings of the assessment showed that Pernod Ricard's Board of Directors operates very well, particularly for the following reasons:

- The Board's members have diverse profiles, with strong business backgrounds, and there is a good proportion of independent Directors.
- The Directors are highly engaged and diligent in their duties as Board members, which is led by a Chairman & CEO whose leadership is recognised and valued by all.
- The Board meetings are run effectively, with high-quality discussions, including between the Directors and members of executive management.

The assessment also highlighted some areas for improvement and several recommendations were made. In particular, recommendations included continuing to devote more time to long-term strategic matters and to reviewing the Group's talent pool, with the suggestion that the roles of the Strategic Committee and Nominations and Governance Committee respectively could be reinforced in relation to the work on these issues.

⁽¹¹⁾ The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.

2.1.4 Structure and operating procedures of the Board Committees

The Board of Directors delegates responsibility to its specialised Committees for the preparation of specific topics that are subject to its approval. Five Committees handle subjects in the area for which they have been given responsibility and submit their opinions and recommendations to the Board: the Audit Committee; the Nominations and Governance Committee; the Compensation Committee; the Strategic Committee; and the CSR Committee.

2.1.4.1 Audit Committee



4
members



75%
independent
Directors



4
meetings
in FY 2024



100%
attendance rate

Composition

At 31 August 2024, the Audit Committee comprised:

Chair:

- Philippe Petitcolin (Independent Director)

Members:

- Wolfgang Colberg (Director)
- Kory Sorenson (independent Director)
- Max Koeune (independent Director)

Three of the four Directors who are members of the Audit Committee are independent Directors (75%), in line with the 67% independence rate recommended in the AFEP-MEDEF Code. The members of the Audit Committee were specifically chosen for their expertise in accounting and finance, based on their academic and professional experience.

The Internal Regulations of the Audit Committee were revised and approved at the Board of Directors' meeting of 17 July 2024.

The Audit Committee met four times in FY 2024, with an attendance rate of 100%.

Main activities in FY 2024

In accordance with its Internal Regulations and in conjunction with the Statutory Auditors and the Company's Consolidation, Treasury and Internal Audit Departments, the work of the Audit Committee focused primarily on the following issues:

- review of the interim financial statements at 31 December 2023 during the meeting held on 13 February 2024;
- review of the consolidated financial statements at 30 June 2024 (at the meeting held on 27 August 2024): the Audit Committee met with Management and the Statutory Auditors in order to discuss the financial statements and their reliability for the whole Group. In particular, it examined the conclusions of the Statutory Auditors and the draft financial reporting presentation to the markets;
- monitoring of the Group's cash flows and debt;
- risk management: review of the update to the Group's risk map. The Group's main risks were regularly presented in detail to the Audit Committee;
- review of internal control: the Group sent its affiliates a self-assessment questionnaire to evaluate whether their internal control system is adequate and effective. Based on the Group's internal control principles and in compliance with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) reference framework for risk management and internal control and its application guide, this questionnaire covers corporate governance practices, operational matters and IT support. Responses to the questionnaire were documented and reviewed by the Group's Internal Audit Department. An analysis of the responses was presented to the Audit Committee at its meeting held on 27 August 2024;
- examination of the internal audit reports: in addition to the audits and controls carried out by the various affiliates on their own behalf, 35 affiliates were audited in FY 2024 by the internal audit teams (including IT audits). A full report was drawn up for each audit covering the types of risks identified – operational, financial, legal and strategic – and how they are managed. Recommendations are issued when deemed necessary. These are summarised for the Audit Committee, which is also regularly advised on the progress made in implementing the recommendations from previous audits; and
- approval of the Group internal audit plan for FY 2025 at the meeting held on 11 June 2024. The audit plan was prepared and approved, taking into account the Group's main risks.

2.1.4.2 Nominations and Governance Committee



3
members



67%
independent
Directors



4
meetings
in FY 2024



100%
attendance rate

Composition

At 31 August 2024, the Nominations and Governance Committee comprised:

Chairwoman:

- Patricia Barbizet (Lead Independent Director)

Members:

- César Giron (Director)
- Anne Lange (independent Director)

Two out of the three Directors who are members of the Nominations and Governance Committee are independent Directors (67%), a higher proportion than the 50% recommended in the AFEP-MEDEF Code.

Alexandre Ricard, Chairman & CEO, works in conjunction with the Committee on matters relating to the appointment of Directors, in accordance with the AFEP-MEDEF Code.

The Nominations and Governance Committee met four times in FY 2024, with an attendance rate of 100%.

Main activities in FY 2024

The main activities of the Nominations and Governance Committee during the financial year included:

- a review and recommendations to the Board of Directors on the composition of the Board and its Committees (appointments and reappointments);
- annual review of the Board members' independence (questionnaires sent to each Director, review of the significance of disclosed business relationships, specific criteria related to the passive crossing of the 10% voting rights threshold);
- annual review of the Group's Talent Management policy and presentation of the succession plans for Group Top Management;
- annual review of Pernod Ricard SA's policy on diversity, gender equality in the workplace and fair pay;
- monitoring and reporting of the annual self-assessment of the operating procedures of the Board of Directors and its Committees;
- proposals to improve the operating procedures of the Board of Directors and its Committees; and
- proposals to improve corporate governance information published in the Universal Registration Document.

2.1.4.3 Compensation Committee



4
members



100%
independent
Directors



6
meetings
in FY 2024



100%
attendance rate

Composition

At 31 August 2024, the Compensation Committee comprised:

Chairwoman:

- Kory Sorenson (independent Director)

Members:

- Ian Gallienne (independent Director)
- Patricia Barbizet (Lead Independent Director)
- Brice Thommen (Director representing employees)

All of the Directors who are members of the Compensation Committee⁽¹⁾ are independent Directors (100%), a higher proportion than the 50% recommended in the AFEP-MEDEF Code.

The Compensation Committee met six times in FY 2024, with an attendance rate of 100.00%.

Main activities in FY 2024

Further details of the work of the Compensation Committee are provided in subsection 2.6 "Compensation report".

During FY 2024, the members of the Compensation Committee analysed notably market practices and trends concerning the compensation of the Chairman & CEO and the Directors, ensured the consistency of the Group's overall compensation policy, and reviewed the variable compensation criteria and communication on the compensation policy.

(1) In accordance with the AFEP-MEDEF Code, the Directors representing employees are not taken into account for calculating the percentage of independent Directors on the Board of Directors or its Committees.

2.1.4.4 Strategic Committee



6 members



67% independent Directors



3 meetings in FY 2024



96.15% attendance rate

Composition

At 31 August 2024, the Strategic Committee comprised:

Chair:

- Alexandre Ricard (Chairman & CEO)

Members:

- Ian Gallienne (independent Director)
- Anne Lange (independent Director)
- Philippe Petitcolin (independent Director)
- Société Paul Ricard represented by Patricia Ricard Giron (Director)
- Virginie Fauvel (independent Director)

Four out of the six Directors who are members of the Strategic Committee are independent Directors (67%) (the AFEP-MEDEF Code does not make any recommendations regarding the independence rate for strategic committees).

The Strategic Committee met three times in FY 2024, with an attendance rate of 96.15%.

Even if they are not members of the Committee, any Director may attend meetings of the Strategic Committee on request, and in FY 2024 all of the Directors attended when they were able to do so.

Main activities in FY 2024

During FY 2024, targeted presentations were given on a wide range of topics, in particular on very long-term issues related to global warming and its potential impacts on industry, forecast medium- and long-term consumer trends, a strategic review of the Group's goals and M&A roadmap, and the Group's key markets.

2.1.4.5 CSR Committee



3 members



67% independent Directors



3 meetings in FY 2024



100% attendance rate

Composition

At 31 August 2024, the CSR Committee comprised:

Chairwoman:

- Patricia Barbizet (Lead Independent Director)

Members:

- Veronica Vargas (Director)
- Namita Shah (independent Director)

Two out of the three Directors who are members of the CSR Committee are independent Directors (67%) (the AFEP-MEDEF Code does not make any recommendations regarding the independence rate for CSR committees).

The CSR Committee met three times in FY 2024, with an attendance rate of 100%.

Main activities in FY 2024

During FY 2024, the CSR Committee's main activities included:

- an update about one of the pillars of the Group's CSR strategy – "Nurturing Terroir"; and
- a presentation about the CSRD and the methodology used by the Group to enhance its current sustainability reporting.

As from FY 2025, the CSR Committee and the Audit Committee will hold a joint meeting once a year, during which the members of both committees will be given presentations on the Group's non-financial reporting.

2.2 Financial authorisations and delegations

The following tables provide a summary of the financial authorisations and delegations in force granted to the Board of Directors by the Shareholders' Meetings of 10 November 2021, 10 November 2022 and 10 November 2023, and any use made thereof in FY 2024.

These authorisations and delegations were granted by the Shareholders' Meetings of 10 November 2021, 10 November 2022 and 10 November 2023 for periods of 18, 26 or 38 months. They will expire on 9 May 2025 or 9 January 2026.

2.2.1 General financial authorisations and delegations

Type of delegation or authorisation	Maximum nominal amount of issue(s) of debt securities	Maximum nominal amount of capital increase(s) resulting from the issue(s), immediately or in the future (excluding adjustments)	Use of existing authorisations during FY 2024	Features/terms
Issue of ordinary shares and/or securities granting access to the share capital with preferential subscription rights (16 th resolution of the 10/11/2023 AGM)	€12 billion*	€130 million	None	The amount of capital increases carried out under the 17 th , 19 th , 21 st , 22 nd and 23 rd resolutions of the 10/11/2023 AGM will be included in the overall ceiling of €130 million set in this 16 th resolution. The nominal amount of debt securities issued under the 17 th resolution of the 10/11/2023 AGM will be included in the ceiling of €12 billion set in this 16 th resolution. These amounts may be increased by a maximum of 15% if an issue is oversubscribed (18 th resolution).
Issue of ordinary shares and/or securities granting access to the share capital, without preferential subscription rights, by way of a public offer other than those referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (17 th resolution of the 10/11/2023 AGM)	€4 billion*	€39 million	None	Issues of shares and securities granting access to the share capital will be included in the ceilings provided for in the 16 th resolution of the 10/11/2023 AGM. All of the capital increases carried out under the 18 th , 19 th , 21 st , 22 nd and 23 rd resolutions will be included in the €39 million ceiling set in this 17 th resolution. These amounts may be increased by a maximum of 15% if an issue is oversubscribed (18 th resolution).
Issue of equity securities and/or securities giving access to equity securities to be issued, without preferential subscription rights, by way of a public offer referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (formerly referred to as a private placement) (19 th resolution of the 10/11/2023 AGM)	€4 billion*	€39 million	None	Will be included in the ceilings set for capital increases in the 16 th and 17 th resolutions of the 10/11/2023 AGM. These amounts may be increased by a maximum of 15% if an issue is oversubscribed (18 th resolution).
Issue of equity securities and/or securities granting access to the share capital as consideration for contributions in kind granted to the Company (20 th resolution of the 10/11/2023 AGM)	N/A	10% of the share capital at the time of issue	None	Will be included in the ceilings set for capital increases in the 16 th and 17 th resolutions of the 10/11/2023 AGM.
Capitalisation of premiums, reserves, profits or other items (21 st resolution of the 10/11/2023 AGM)	N/A	€130 million	None	Will be included in the overall ceiling set for capital increases in the 16 th resolution of the 10/11/2023 AGM.

* Maximum nominal amount of debt securities issued by the Company that may grant access to ordinary shares.
N/A: Not applicable.

2.2.2 Specific authorisations and delegations in favour of employees and/or Executive Corporate Officers

Type of delegation or authorisation	Date of the delegation or authorisation (resolution)	Term	Expiry of the delegation or authorisation	Maximum amount authorised	Use of existing authorisations during FY 2024	Features/terms
Performance shares	10/11/2021 AGM (22 nd)	38 months	09/01/2025	1.5% of the share capital at the date of the Board of Directors' decision to grant	263,933 (0.1% of the share capital)	Independent ceiling (sub-ceiling for Executive Corporate Officers of 0.08% of the share capital, included in the 1.5% ceiling).
Grant of free shares to certain Group employees	10/11/2021 AGM (23 rd)	38 months	09/01/2025	0.5% of the share capital at the date of the Board of Directors' decision to grant	0 (0% of the share capital)	Ceiling of 0.5% of the share capital.
Issue of shares or securities granting access to share capital, reserved for members of company saving plans, without preferential subscription rights	10/11/2023 AGM (22 nd)	26 months	09/01/2026	2% of the share capital at the date of the AGM, combined ceiling with the 25 th resolution of the 10/11/2023 AGM	None	Will be included in the ceilings set for capital increases in the 16 th and 17 th resolutions of the 10/11/2023 AGM.

2.2.3 Authorisations relating to the share buyback programme

Type of securities	Date of authorisation (resolution)	Term	Expiry of the authorisation	Maximum amount authorised	Use of existing authorisations during FY 2024	Features/terms
Share buybacks	10/11/2023 AGM (14 th)	18 months	09/05/2025	10% of share capital	⁽¹⁾ €300 million	Maximum purchase price: €330
Cancellation of treasury shares	10/11/2023 AGM (15 th)	26 months	09/01/2025	10% of share capital	None	N/A

(1) A summary of the transactions carried out by the Company during FY 2024 as part of the share buyback programme is shown below in subsection 2.3 "Share buyback programme".

N/A: Not applicable.

2.3 Share buyback programme

The following paragraphs include the information that must be included in the Board of Directors' report pursuant to Article L. 225-211 of the French Commercial Code as well as a description of the share buyback programme as required in accordance with Article 241-2 of the French Financial Markets Authority (AMF) General Regulation.

Transactions carried out by the Company related to its own shares during FY 2024 (1 July 2023 – 30 June 2024)

Authorisations granted to the Board of Directors

At the Combined Shareholders' Meeting of 10 November 2022, the Company's shareholders authorised the Board of Directors to buy or sell the Company's shares for a period of 18 months as part of a share buyback programme. The maximum purchase price was set at €320 per share and the Company was not authorised to purchase any more than 10% of the shares making up its share capital; additionally, the number of shares held by the Company could not, at any time, exceed 10% of the shares comprising its share capital.

At the Ordinary Annual Shareholders' Meeting of 10 November 2023, the shareholders granted the Board of Directors a further 18 month authorisation to trade in the Company's shares under the same conditions with a maximum purchase price set at €330 per share. This authorisation superseded, with effect from 10 November 2023, the unused portion of the authorisation granted at the Shareholders' Meeting of 10 November 2022.

Pursuant to these authorisations, the liquidity agreement compliant with the AMAFI Code of Ethics, which was entered into with Rothschild Martin Maurel with effect from 1 June 2012 and replaced by the agreement signed on 23 September 2019, was tacitly renewed on 1 June 2024 for a period of one year. The funds initially allocated to the management of the liquidity agreement amounted to €5,000,000.

The authorisation granted by the Shareholders' Meeting of 10 November 2023, which was still in force at the date this document was filed, will expire on 9 May 2025. At the Shareholders' Meeting of 8 November 2024, the shareholders will be invited to authorise the Board of Directors to trade in the Company's shares under a new share buyback programme, as described below, under "Description of the new share buyback programme to be submitted for authorisation at the Annual Shareholders' Meeting of 8 November 2024".

Position at 30 June 2024

% of Company shares held directly and indirectly	0.80
Number of shares held	2,027,013
Number of shares cancelled in the last 24 months	4,618,607
Par value	3,141,870.15
Gross carrying amount	€303,682,031.22
Portfolio market value*	€256,822,547.10

* Based on the closing price at 30 June 2024, i.e., €126.70.

SUMMARY AT THE FY 2024 REPORTING DATE

The following table details the transactions carried out by the Company in its own shares within the scope of the share buyback programme during FY 2024.

Transactions	Total gross movements from 1 July 2023 to 30 June 2024									Open positions at 30 June 2024			
	Liquidity agreement		Transactions carried out outside the scope of the liquidity agreement							Open purchase positions	Open sale positions		
	Purchase	Sale	Purchase of securities	Call options purchased	Call options exercised	Exercise of the cancellation clause	Sale of securities	Sale and repurchase agreements	Transfers ⁽¹⁾	Call options ⁽²⁾	Forward purchases	Put options	Forward sales
Number of shares	344,083	333,883	2,016,200	118,000	125,000	-	-	-	185,621	296,000	-	-	-
Maximum term	-	-	-	21/10/2026	29/11/2023	-	-	-	-	21/10/2026	-	-	-
Average price (€)	163.02	162.96	154.94	-	-	-	-	-	150.27	-	-	-	-
Average strike price (€)	-	-	-	159.20	154.11	-	-	-	-	183.30	-	-	-
Amount (€)	56,092,410.66	54,409,573.68	312,385,154	18,785,600	19,263,750	-	-	-	27,893,268	54,256,800	-	-	-

(1) Transfers of treasury shares.

(2) American call options.

Under the share buyback programme authorised by the Annual General Meeting of 10 November 2023 and implemented by the Board of Directors, 1,937,600 shares were bought back at the weighted average price of €154.80. These shares were cancelled.

Pursuant to the authorisations granted at the Shareholders' Meeting of 10 November 2023, at its meeting on the same date the Board of Directors set up a performance share plan. In connection with this plan, an option-based hedging arrangement was entered into for 118,000 shares by acquiring the same number of three-year American call options. The Company also purchased 78,600 shares at the price of €157.61, as well as 125,000 shares through the exercise of American call options. The 125,000 Pernod Ricard SA shares resulting from the exercise of the American call options, which serve to cover the various plans making up the overall share plan, were sold off-market to an investment services provider at an average price of €154.11.

A number of shares acquired on the stock market in previous financial years were reallocated to cover various stock option or performance share plans and the 118,000 American calls exercisable for the same number of Pernod Ricard shares were earmarked to cover a portion of these stock option and performance share plans.

Treasury shares constitute reserves covering the various stock option and performance share plans still in force. During the period, the following transfers were made within these reserves of treasury shares: 144,746 shares were granted to beneficiaries of the 8 November 2019 performance share plan (at the end of the four-year vesting period), 40,343 shares were transferred to cover the rights of beneficiaries who had exercised stock options, and 532 shares were transferred to cover early release events as provided for by law.

Under the liquidity agreement signed with Rothschild & Cie Banque, during the period, the Company:

- purchased 344,083 shares for a total amount of €56,092,410.66; and
- sold 333,883 shares for a total amount of €54,409,573.68.

Distribution of treasury shares by purpose at 30 June 2024

All of the Company's treasury shares are allocated as reserves for its various stock option and performance share plans.

Description of the new share buyback programme to be submitted for authorisation at the Annual Shareholders' Meeting of 8 November 2024

The description of this programme set out below, which has been prepared in accordance with Article 241-3 of the AMF's General Regulation, will not be published separately.

As the authorisation granted by the Shareholders' Meeting of 10 November 2023 allowing the Board of Directors to trade in the Company's shares is due to expire on 9 May 2025, a resolution will be proposed at the Shareholders' Meeting of 8 November 2024 (14th resolution – see Chapter 8 "Annual Shareholders' Meeting" of this Universal Registration Document) to grant a further authorisation to the Board of Directors to trade in the Company's shares at a maximum purchase price of €250 per share, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing a maximum of 10% of the Company's share capital. Thus, in accordance with the law, the Company may not at any time hold a number of shares representing more than 10% of its share capital.

As the Company may not hold more than 10% of its share capital, and given that it held 2,027,013 shares (i.e., 0.80% of the share capital) at the time of the last declaration relating to the number of shares and voting rights held (i.e., at 30 June 2024), the maximum number of shares that could be bought back would be 23,305,862 (i.e., 9.20% of the share capital), unless it sells or cancels shares it already holds.

The purpose of the share buybacks and the uses that may be made of the shares repurchased in this manner are described in detail in the 14th resolution to be put to the vote of the shareholders on 8 November 2024. The share buyback programme would enable the Company to purchase its own shares, either directly or indirectly, for the purpose of:

- (i) granting or selling the shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or
- (ii) fulfilling the Company's commitments under financial contracts or options with cash payments relating to changes in the stock market price of Company shares, granted to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or
- (iii) granting free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates, in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to a company savings plan in accordance with the provisions of Article L. 3332-14 of the French Labour Code; or
- (iv) retaining and subsequently tendering the shares (in exchange, as payment or otherwise) in connection with external growth transactions, subject to a limit of 5% of the number of shares comprising the share capital; or
- (v) delivering the shares upon the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- (vi) cancelling all or some of the shares bought back, under the conditions provided for in Article L. 22-10-62 paragraph 4 of the French Commercial Code and in accordance with the authorisation to reduce the share capital granted by the Shareholders' Meeting of 10 November 2023 in the 15th resolution, which is valid until 9 January 2025; or

- (vii) enabling an investment services provider to make a market for Company shares in accordance with liquidity agreements in line with the terms of a Code of Ethics approved by the French Financial Markets Authority (AMF).

This programme is also designed to enable the Company to trade in its shares for any other authorised or compliant purpose or any purpose that may be authorised or become compliant with the applicable regulations in the future or that may be permitted as a market practice by the AMF in the future. The Company will inform the shareholders in a press release prior to carrying out any such transactions.

The number of Company shares purchased may be such that:

- the Company does not purchase more than 10% of the shares comprising its share capital at any time during the term of the share buyback programme; this percentage applies to the share capital as adjusted to reflect any corporate actions carried out subsequent to this Shareholders' Meeting; in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, when shares are bought back to favour the liquidity of the shares under the conditions set out by the applicable regulations, the number of shares taken into account for calculating the 10% limit corresponds to the number of shares purchased less the number of shares sold during the authorisation period; and
- the number of shares held by the Company at any time does not exceed 10% of the shares comprising its share capital.

The shares may be purchased, sold, transferred, delivered or exchanged, on one or more occasions, by any means authorised, including via block purchases or sales, as part of sale and repurchase agreements or public purchase or exchange offers, through the use of financial derivatives, on a regulated market, a multilateral trading facility, from a systematic internaliser or over the counter, or by means of option strategies (purchases and sales of puts and calls and any combinations thereof in compliance with the applicable regulations). Transactions carried out by block purchases or sales may account for the entire share buyback programme.

The transactions may be carried out during periods considered appropriate by the Board of Directors. However, during a public offer, buybacks may only be carried out provided that they:

- enable the Company to meet commitments made prior to the launch of the public offer;
- are undertaken to pursue a share buyback programme already in progress;
- fall within the scope of the objectives referred to in points (i) to (iii) above; and
- cannot cause the offer to fail.

The Board of Directors may also, in accordance with the applicable laws and regulations, allocate shares previously bought back to another objective (including shares bought back under a previous authorisation) or sell the shares (on- or off-market).

This authorisation would be valid for a period of 18 months from the Shareholders' Meeting of 8 November 2024 and would cancel, as from this same date, any unused portion of the authorisation to trade in the Company's shares granted to the Board of Directors in the 14th resolution of the Shareholders' Meeting of 10 November 2023.

2.4 Factors liable to have an impact in the event of a public offer

In accordance with Article L. 22-10-11 of the French Commercial Code, the factors liable to have an impact on the Company's securities in the event of a public offer are set out below.

2.4.1 Capital structure of the Company

The Company's capital structure is shown in the table "Changes in the breakdown of share capital and voting rights over the last three years" in Chapter 9 "Information on the Company and its share capital", subsection 9.2, "Information on the share capital".

Threshold crossings declared during FY 2024 are also shown in the table entitled "Changes in the breakdown of share capital and voting rights over the last three years" in Chapter 9 "Information on the Company and its share capital" of this Universal Registration Document, subsection 9.2, "Information on the share capital".

2.4.2 Restrictions on the exercise of voting rights provided for in the Company's Bylaws and double voting rights

The Company's Bylaws⁽¹²⁾ provide for a limit on voting rights. This mechanism is described in subsection 2.5.3 "Voting conditions" below. In addition, certain shares of the Company have double voting rights as described in subsection 2.5.3 "Voting conditions" below.

2.4.3 Agreements between shareholders of which the Company is aware

The shareholders' agreement between shareholders of the Company (agreement between Rafaël Gonzalez-Gallarza and Société Paul Ricard, owned by the Ricard family) is described under "Shareholders' agreements" in subsection 2.1.2.5.2 "Declarations by the members of the Board of Directors" of this Universal Registration Document and also appears on the AMF website (www.amf-france.org).

2.4.4 Agreements entered into by the Company which would be amended or terminated in the event of a change of control of the Company

The Company's financing agreements provide for the possibility of early repayment of its borrowings in certain conditions. A description of the change of control clauses in these agreements is provided in subsection 5.6 "Material contracts" in Chapter 5 "Management report" of this Universal Registration Document.

2.4.5 Other factors

Amendments to the Company's Bylaws⁽¹²⁾ are made in accordance with the applicable legal and regulatory provisions in France.

There are no specific agreements providing for indemnities in the event of the termination of the position of Directors, with the exception of the commitments to the Executive Corporate Officer described in subsection 2.6.2 "Compensation policy for the Chairman & CEO", in the "Policy on deferred commitments" paragraph.

⁽¹²⁾ The Bylaws can be consulted on the Company's website (www.pernod-ricard.com).

2.5 Shareholders' Meetings and attendance procedures

The procedures that shareholders are required to follow in order to attend Shareholders' Meetings are set out in Article 32 of the Company's Bylaws⁽¹³⁾.

The shareholders meet each year at the Shareholders' Meeting.

2.5.1 Notice to attend meetings

Both Ordinary and Extraordinary Shareholders' Meetings are called, held and vote in accordance with the conditions provided for by law. They are held at the Company's registered office or at any other place stated in the notice of meeting.

Decisions by the shareholders are taken at Ordinary, Extraordinary or Combined Shareholders' Meetings depending on the nature of the resolutions they are asked to adopt.

2.5.2 Participation in Shareholders' Meetings

All shareholders have the right to attend Shareholders' Meetings of the Company and to participate in the deliberations, either in person or by proxy, regardless of the number of shares they hold. In order for a shareholder to have the right to participate in Ordinary or Extraordinary Shareholders' Meetings, the shares must be registered in the name of the shareholder or in the name of the financial intermediary acting on the shareholder's behalf at 00.00 (Paris time) two business days prior to the Shareholders' Meeting, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised financial intermediary.

The entry or recording of the shares in bearer share accounts kept by the authorised financial intermediary are acknowledged via a share certificate issued by the financial intermediary and attached as an appendix to the postal voting form, proxy form or application for an admission card made out in the name of the shareholder or on behalf of the shareholder represented by the registered financial intermediary. Any shareholder wishing to attend the Shareholders' Meeting in person who has not received their admission card by 00.00 (Paris time) two business days before the Shareholders' Meeting may also ask for such a certificate to be issued.

If a shareholder does not attend the Shareholders' Meeting in person, they may choose one of the following options:

- give a proxy to the Chairman of the Shareholders' Meeting;
- give a proxy to a spouse or partner with whom they have entered into a civil partnership agreement, or to any other person; or
- vote by post or via the Internet.

A shareholder who has already cast a postal or Internet vote, sent in a proxy form or applied for an admission card or a share certificate may sell all or some of their shares at any time. However, if the sale takes place before 00.00 (Paris time) on the second business day prior to the Shareholders' Meeting, the Company will invalidate or modify accordingly, as appropriate, the postal or Internet vote cast, proxy form, admission card or share certificate. For this purpose, the authorised financial intermediary in charge of the shareholder's account will inform the Company or its duly authorised agent of the sale and will provide it with the necessary information.

No sale or other form of transaction carried out after 00.00 (Paris time) on the second business day prior to the Shareholders' Meeting, regardless of the means used, will be notified by the authorised financial intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

⁽¹³⁾ The Bylaws can be consulted on the Company's website (www.pernod-ricard.com).

2.5.3 Voting conditions

The voting right attached to the shares is proportional to the share capital they represent. Each share entitles its holder to at least one vote (Article L. 225-122 of the French Commercial Code).

Restriction on voting rights

Each member of a Shareholders' Meeting has as many votes as shares they possess and represent, up to 30% of the total voting rights.

Double voting rights

A double voting right compared to other shares (as regards the portion of the authorised share capital they represent) is given to all fully paid-up shares that can be shown to have been registered for at least ten years in the name of the same shareholder, as from 12 May 1986 inclusive (Article L. 22-10-46 of the French Commercial Code).

In the event of a share capital increase through the capitalisation of reserves, profits or share premiums, registered shares granted as bonus shares to a shareholder on the basis of existing shares for which they have double voting rights, will also have double voting rights as from their issuance (Article L. 22-10-46 of the French Commercial Code).

Any shares with double voting rights lose such double voting rights if they are converted into bearer shares or their ownership is transferred. However, a transfer following the division of a deceased's estate or the liquidation of assets between spouses or an *inter vivos* donation to a spouse or relation close enough to inherit will not result in the loss of the acquired right and will not interrupt the aforementioned ten-year period.

Disclosure thresholds provided for in the Company's Bylaws

Any individual or legal entity that comes to hold an interest of more than 0.5% of the share capital must inform the Company of the total number of shares they own, by registered letter with recorded delivery, within four trading days of the date on which this threshold is exceeded. A further notification must be made, under the same conditions, each time any additional 0.5% threshold is exceeded, up to and including 4.5%.

In the event of non-compliance with the above-mentioned notification obligation, shares in excess of the undeclared amount will be stripped of their voting rights, at the request, as set forth in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the Company's share capital, for any Shareholders' Meetings held until the expiry of the period stipulated in Article L. 233-14 of the French Commercial Code following the date when the non-compliance is remedied and the required notification made.

2.5.4 Modification of shareholders' rights

The Extraordinary Shareholders' Meeting has the power to modify shareholders' rights, under the conditions defined by law.

2.6 Compensation report

This section was prepared with the assistance of the Compensation Committee in accordance with the applicable regulations, in particular the provisions of Order No. 2020-1142 of 16 September 2020 (hereinafter the "Order") supplemented by Decree No. 2020-1742 of 29 December 2020. The information provided also takes into account the provisions of the AFEP-MEDEF Code of Corporate Governance for listed companies.

The Company's compensation report for FY 2024 is presented below.

During FY 2024, Pernod Ricard achieved robust results within an environment of economic and geopolitical uncertainty and spirit market normalisation.

FY 2024 key highlights are:

- organic net sales broadly stable;
- strong performances in many mature and emerging markets, largely offsetting a still-normalising US and challenging China;
- pricing, operational efficiencies and cost discipline leading to organic growth margin and organic operating margin expansion;
- continuing active portfolio management, in particular with the disposal of some strategic local brands and the announcement of the disposal of Strategic Wines brands.

The Company's Compensation Committee comprises four members, three of whom are independent and one member representing employees.

The role of the Compensation Committee is to review and propose to the Board of Directors the compensation to be paid to the Executive Corporate Officer(s), as well as measures relating to their retirement schemes and any other benefits granted to them. For this purpose, the Compensation Committee analyses the rules governing the determination of the variable portion of the compensation of the Executive Corporate Officer(s) annually to ensure that the criteria applied are in line with the Company's short-, medium- and long-term strategic goals. It also ensures consistency between the compensation policy of the Executive Corporate Officer(s) and members of the Executive Committee.

The Compensation Committee proposes to the Board of Directors the long-term incentive plan grant policy and, in particular, the conditions of these grants applicable to the Company's Executive Corporate Officer(s). Finally, it validates the information given to the shareholders on the compensation of the Executive Corporate Officer(s) (in particular the compensation policy and the components of compensation submitted to the vote of the shareholders as part of the "Say on Pay").

The compensation policy adopted by the Board of Directors on the proposal of the Compensation Committee includes incentives that reflect the Group's strategy focused on achieving long-term profitable growth by conducting business responsibly and in the interests of the Company and its shareholders, aligning compensation with the Company's short- and long-term performance by engaging executives with share-based incentives. This compensation policy, which reflects the interests of the Company, is in line with the Group's strategy and helps secure its long-term future. The performance conditions contained in the compensation policy for Corporate Officers are directly linked to the Group's performance metrics.

In FY 2024, the Compensation Committee met six times and examined the following matters:

- the compensation due to the Chairman & CEO for FY 2023, including the calculation of his annual variable compensation for FY 2023 and a review of the *ex-post* Say-on-Pay resolution to be recommended to the Board of Directors;
- the compensation policy for the Chairman & CEO for FY 2024, adjustment of variable compensation criteria in line with Group strategy and review of the *ex-ante* Say-on-Pay resolution for recommendation to the Board of Directors;
- Directors' compensation for FY 2024 to be recommended to the Board of Directors;
- long-term incentive plans, including determining whether the performance conditions underlying the 2020 plans had been met and the preparation of the 2023 performance share plan;
- a report on the meetings held with investors and proxy advisory firms about the compensation policy for the Chairman & CEO;
- the compensation policy for the Chairman & CEO to be applied from FY 2025 in connection with the renewal of his term of office;
- gender pay equity and gender equality index.

In view of the upcoming renewal of the Chairman & CEO's term of office, the Compensation Committee carried out an in-depth review of his compensation policy, comparing it – with the assistance of a specialised external firm – with that of his peers and with changes in market practices, while taking into account the priorities of our shareholders and of proxy advisory firms, and the principles set out in the AFEP-MEDEF Code in relation to setting executives' compensation.

This analysis revealed that certain items of compensation were no longer market-competitive, that certain performance indicators of annual variable compensation could be streamlined for transparency, and that performance conditions in the long-term incentive plan could be reinforced and the relevance of a panel of peers reviewed.

Accordingly, on the recommendation of the Compensation Committee, the Board of Directors proposes the following changes to the compensation policy for the Chairman & CEO as from FY 2025:

- increasing his fixed compensation, which has remained unchanged since July 2021 despite an inflationary context, to align it with the median practice of CAC 40 companies;
- clarifying the maximum level for financial and non-financial criteria of annual variable compensation to avoid potential offsetting effects;
- introducing a maximum amount on long-term variable compensation expressed as a percentage of the fixed and maximum annual variable compensation, in order to more closely align the interests of the Company and its shareholders with the median maximum practice of CAC 40 companies, with an annual readjustment;
- adjusting the external performance condition (TSR) for the long-term incentive plan, with:
 - narrowing of the scope of the peer panel to companies in the alcoholic beverages sector;
 - reinforcement of the vesting scale;
- reinforcing the vesting scale for the CSR condition of the long-term incentive plan.

These changes are described in more detail in subsection 2.6.2 of this Universal Registration Document. The other components of the compensation policy remain unchanged.

Fundamental principles of the compensation policy

The Board of Directors draws on the general guiding principles of the AFEP-MEDEF Code for the purpose of defining, reviewing and implementing its compensation policy (compliance, comparability, competitiveness, completeness, incentivisation, performance, clarity and proportionality). This is reflected as follows:

What we do

- ✓ Align the compensation of the Executive Corporate Officer with the short- and long-term interests of shareholders
- ✓ Balance short- and long-term compensation, discouraging short-term risk-taking, which could compromise long-term results
- ✓ Monitor the compensation levels and structures observed in CAC 40 companies and our main competitors on an annual basis
- ✓ Seek the assistance of external specialists who understand market and industry trends
- ✓ Implement performance criteria linked to the Group's long-term strategy, taking CSR topics into account
- ✓ Ensure that the Executive Corporate Officer's compensation policy is consistent with the compensation policy for Group employees, and in particular that of Executive Committee members

The Board of Directors ensures that the compensation policy respects the following three fundamental principles:

- aligning the interests of the Executive Corporate Officer and shareholders;
- rewarding performance;
- ensuring the Executive Corporate Officer's compensation is market-competitive to provide the right incentives for long-term growth.

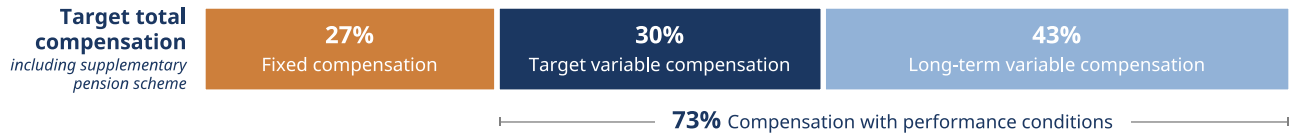
The proposed changes to the compensation policy in connection with the renewal of the Executive Corporate Officer's term of office are designed to reinforce each of the policy's three pillars while ensuring that the compensation package remains balanced, consistent and in line with the Group's strategic goals.

	FY 2024 compensation policy	New compensation policy
Fixed compensation	€1,250,000	€1,325,000
Variable compensation	Target: 110% of fixed compensation Maximum: 180% of fixed compensation <u>Performance conditions</u> <ul style="list-style-type: none"> • Financial criteria: target 80% and maximum 150% of fixed compensation • Non-financial and qualitative criteria: target 30% and maximum 45% of fixed compensation 	Target: 110% of fixed compensation Maximum: 180% of fixed compensation <u>Performance conditions</u> <ul style="list-style-type: none"> • Financial criteria: target 80% and maximum 135% of fixed compensation • Non-financial and qualitative criteria: target 30% and maximum 45% of fixed compensation
Long-term variable compensation	150% of fixed compensation, subject to performance conditions	Maximum amount: 100% of fixed and maximum annual variable compensation, subject to performance conditions
Supplementary pension scheme	20% of fixed and variable compensation (10% in performance shares and 10% in cash)	
Deferred commitments	Non-compete clause + forced departure clause: combined maximum of 24 months' compensation (fixed and variable)	
Multi-year/exceptional variable compensation	Any multi-year variable compensation or exceptional compensation must be precisely communicated and justified. No such compensation currently exists.	
Other	Company car/collective healthcare and welfare schemes	

Rewarding performance

Predominant proportion of the Executive Corporate Officer’s compensation subject to performance conditions

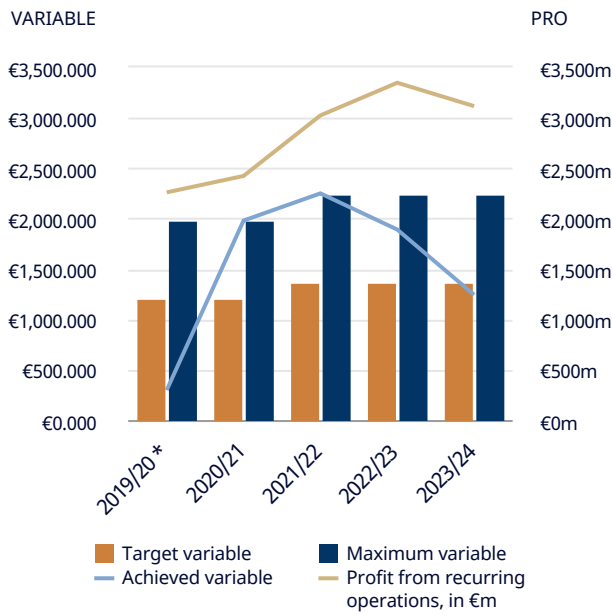
A predominant proportion of the Executive Corporate Officer’s target compensation is variable and subject to performance conditions. For example, 73% of his target compensation for FY 2024 was contingent on performance conditions (including the supplementary pension scheme).



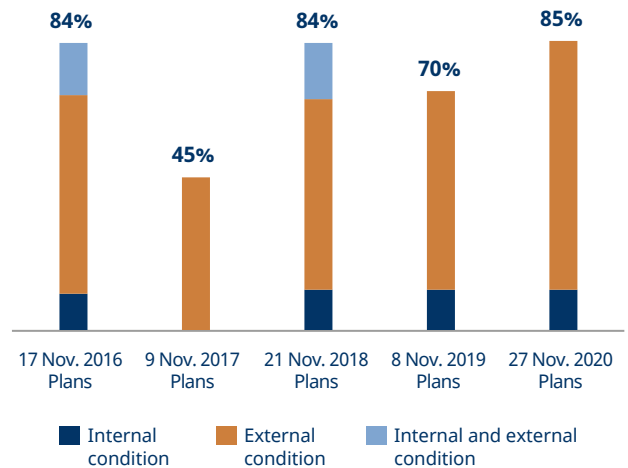
Ambitious short- and long-term performance objectives

The Executive Corporate Officer’s variable compensation is made up of demanding and a majority of quantifiable, financial and non-financial criteria.

Executive Corporate Officer’s achievement of performance conditions for annual variable compensation in line with Group results



Past vesting rates for the Executive Corporate Officer’s long-term incentive plans



* Variable compensation for 2019/20 strongly impacted by the repercussions of Covid-19 on the Group’s financial results.

PROPOSED CHANGES FOR THE FY 2025 COMPENSATION POLICY

Making performance criteria more exacting and transparent by:

- Reviewing the maximum payout for the financial and non-financial criteria of the annual variable compensation to cancel out the offsetting effect between the criteria;
- Reviewing the vesting scale for the external performance condition (TSR) in the long-term incentive plan;
- Reviewing the vesting scale for the CSR criteria in the long-term incentive plan.

Aligning the interests of the Executive Corporate Officer and shareholders

Substantial proportion of compensation in the form of shares

Alignment of short- and long-term performance conditions with the strategic priorities

Value creation (TSR) accounting for 30% of the long-term incentive plan

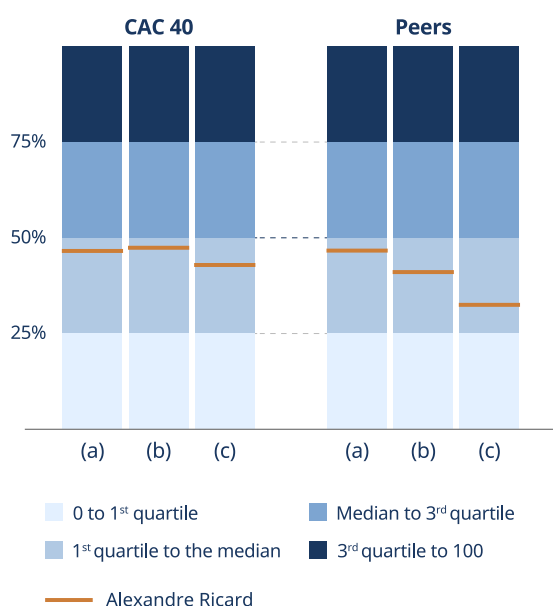
PROPOSED CHANGES FOR THE FY 2025 COMPENSATION POLICY

More closely aligned with the shareholders interest by:

- Introducing a maximum amount of long-term variable compensation expressed as a percentage of the fixed and maximum annual variable compensation;
- Narrowing the panel of peers for the TSR condition to only include companies in the alcoholic beverages sector to best reflect relative performance in our market segment. The new peer panel will therefore comprise the following nine companies in addition to Pernod Ricard: ABInBev, Brown Forman, Campari, Carlsberg, Constellation Brands, Diageo, Heineken, Rémy Cointreau and Suntory;
- Reinforcing the vesting scales for the performance conditions in the long-term incentive plan (external condition and CSR condition).

Ensuring the Executive Corporate Officer's compensation is market-competitive

MARKET POSITIONING OF THE EXECUTIVE CORPORATE OFFICER'S FY 2024 COMPENSATION



- (a) Fixed compensation and target annual variable compensation
- (b) Fixed compensation, target annual variable compensation and long-term incentive plan
- (c) Fixed compensation, maximum annual variable compensation and maximum long-term incentive plan

COMPARISON PANELS

CAC 40 panel: comprising all CAC 40 companies.

Peer panel with scope narrowed to the alcoholic beverages sector* including the following international companies: ABInBev, Brown Forman, Campari, Carlsberg, Constellation Brands, Diageo, Heineken and Rémy Cointreau.

* Due to the absence of available information, the peer panel used to compare the compensation of the Executive Corporate Officer differs from the panel used for the performance condition in the long-term incentive plan and does not take into account compensation data relevant to Suntory.

PROPOSED CHANGES FOR THE FY 2025 COMPENSATION POLICY

Better alignment with CAC 40 companies through:

- A 6% increase in fixed compensation;
- The introduction of a maximum amount on long-term variable compensation corresponding to 100% of the Chairman & CEO's fixed and maximum annual variable compensation.

2.6.1 Components of compensation paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO (9th resolution)

The components of the compensation paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO, were approved by the Board of Directors at its meetings of 30 August 2023, 18 October 2023 and 28 August 2024 on the proposal of the Compensation Committee. The total compensation decided complies with the compensation policy as approved by the Shareholders' Meeting of 10 November 2023 (9th resolution), and in particular concerning the relationship between the amounts of variable compensation and the assessment of both the short- and long-term performance of the Company, to which the Chairman & CEO has made a significant contribution.

SUMMARY OF THE COMPENSATION PAID DURING OR AWARDED FOR FY 2024 TO THE CHAIRMAN & CEO

€1,250,000	€1,243,125	€1,874,776	€628,055	€6,541
Fixed compensation	Annual variable compensation	Long-term incentive plan ⁽¹⁾	Pension (50% in shares and 50% in cash)	Company car

(1) IFRS valuation.

"SAY ON PAY" TABLE RELATING TO THE COMPENSATION PAID DURING OR AWARDED FOR FY 2024 TO THE CHAIRMAN & CEO

Components of compensation	Amounts paid during FY 2024	Amounts awarded for FY 2024	Remarks
Fixed compensation	€1,250,000	€1,250,000	Reminder of the FY 2024 policy: For FY 2024, Alexandre Ricard's gross annual fixed compensation was set at €1,250,000 by the Board of Directors on the recommendation of the Compensation Committee. For FY 2024: Alexandre Ricard received fixed compensation in the amount of €1,250,000.
Annual variable compensation	€1,890,625	€1,243,125	Reminder of the FY 2024 policy: The purpose of the annual variable compensation is to compensate the performance achieved during the financial year by the Executive Corporate Officer in terms of the annual performance objectives set by the Board of Directors in accordance with the Group's strategy. Its amount may vary between 0% and 110% of his fixed compensation if the financial, non-financial and qualitative objectives are achieved (target level) and may rise to a maximum of 180% in the event of exceptional financial and non-financial performance in relation to the objectives. For FY 2024: At its meeting on 28 August 2024, the Board of Directors, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, assessed the amount of the variable portion of Alexandre Ricard's compensation for FY 2024. Considering the financial, non-financial and qualitative criteria set by the Board on 18 October 2023 and the achievement levels recorded on 30 June 2024, the amount of this variable portion was assessed as follows: <ul style="list-style-type: none"> for the financial criteria, the variable portion amounted to 63.45% of Alexandre Ricard's annual fixed compensation, versus a target of 80% (and a maximum of 150%); for the non-financial and qualitative criteria, the variable portion amounted to 36% of Alexandre Ricard's annual fixed compensation, versus a target of 30% (and a maximum of 45%). Consequently, the total amount of Alexandre Ricard's variable compensation as Chairman & CEO was set at €1,243,125, i.e., 99.45% of his annual fixed compensation for FY 2024 (vs a target of 110%). His variable compensation for FY 2023 and FY 2022 represented 151.25% and 180% of his annual fixed compensation, respectively.
Multi-year variable compensation	N/A	N/A	Alexandre Ricard does not receive any multi-year variable cash compensation.
Compensation as Chairman of the Board of Directors	N/A	N/A	Alexandre Ricard does not receive any compensation in his capacity as Chairman of the Board of Directors.

Components of compensation	Amounts paid during FY 2024	Amounts awarded for FY 2024	Remarks
Exceptional compensation	N/A	N/A	Alexandre Ricard does not receive any exceptional compensation.
Grant of performance shares		15,406 performance shares (total IFRS value: €1,874,776)	<p>Reminder of the FY 2024 policy: grant of performance shares subject to the following principles:</p> <ul style="list-style-type: none"> grant of a maximum amount of 150% of the annual fixed compensation of the Executive Corporate Officer; grant subject to a three-year vesting period and the following performance conditions: <ul style="list-style-type: none"> 50% of the grant (in value terms) subject to an internal performance condition based on a criterion relating to profit from recurring operations, 30% of the grant (in value terms) subject to a relative external performance condition (TSR versus a panel of peers), 20% of the grant (in value terms) subject to an internal performance condition based on four CSR criteria (water, carbon, responsible drinking and people). <p>During FY 2024: At its meeting on 10 November 2023, the Board of Directors decided, on the recommendation of the Compensation Committee, to grant Alexandre Ricard: 15,406 performance shares (i.e., approximately 0.006% of the Company's share capital), all subject to the performance conditions mentioned above and described in the 2022-2023 Universal Registration Document, paragraph "Performance conditions" of subsection 2.6.2 (pages 72 and 73), of which:</p> <ul style="list-style-type: none"> 8,620 performance shares (i.e., approximately 0.003% of the Company's share capital) fully subject to internal performance conditions; 6,786 performance shares (i.e., approximately 0.002% of the Company's share capital) fully subject to the external performance condition. <p>Based on IFRS value, this grant represents 150% of his annual fixed compensation. The same presence condition applies to Alexandre Ricard as that applicable to the other beneficiaries of the Company's long-term incentive plans. It should be noted that the Executive Corporate Officer is subject to lock-in obligations in respect of shares resulting from the exercise of stock options and the vesting of performance shares (described in the 2022-2023 Universal Registration Document, in the paragraph "Lock-in period" in subsection 2.6.2 (page 73)).</p>
Welcome bonus or compensation for termination of office	No payment	No payment	Details of the non-compete clause and the forced departure clause are set out in the 2022-2023 Universal Registration Document, in the paragraph "Policy on deferred commitments" in subsection 2.6.2 (page 74).
Supplementary pension scheme		€313,993 (total IFRS value of performance shares with internal and external performance conditions) €314,062 (payment in cash of 10% of the annual fixed and variable compensation)	<p>Reminder of the FY 2024 policy: at its meeting on 30 August 2023, the Board of Directors decided that the Executive Corporate Officer would receive additional annual compensation in respect of the supplementary pension scheme equal to 20% of his annual fixed and variable compensation, half of which in the form of a grant of performance shares (10%) and half in cash (10%).</p> <p>During FY 2024:</p> <ul style="list-style-type: none"> Grant of: <ul style="list-style-type: none"> 1,444 performance shares, subject to internal performance conditions, and 1,136 performance shares subject to an external performance condition. <p>The performance and presence conditions applicable to these grants are the same as those provided for in the Group's overall performance share plan in force on the grant date (described in the 2022-2023 Universal Registration Document, in the paragraph "Performance conditions" of subsection 2.6.2 (pages 72 and 73)).</p> <p>Based on the same principle as for grants of performance shares, Alexandre Ricard is subject to lock-in obligations (see above);</p> <ul style="list-style-type: none"> €314,062 cash payment, which Alexandre Ricard has undertaken to invest, net of social security contributions and tax, in investment vehicles dedicated to financing his supplementary pension.
Collective healthcare and welfare schemes			Alexandre Ricard is covered by the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees under which he is classified for the purposes of determining his welfare benefits and other additional components of his compensation.
Other benefits	€6,541		Alexandre Ricard has a company car.

N/A: Not applicable.

Breakdown of the achievement levels of the annual variable compensation criteria

FINANCIAL CRITERIA: TARGET 80% AND MAXIMUM 150%

Performance criterion	Target	Maximum	FY 2024 results	% paid	Board of Directors' assessment
Achievement of the annual target for Group profit from recurring operations (PRO)	20%	37.5%	€3,116m	0%	Not achieved
Achievement of the annual target for Group share of net profit from recurring operations (NPRO)	20%	37.5%	€2,000m	0%	Not achieved
Achievement of the annual target for Group recurring free cash flow (RFCF)	20%	37.5%	€1,175m	25.95%	Performance above target
Achievement of the annual target for the ratio of Group profit from recurring operations to net sales (PRO/NS)	20%	37.5%	+ 80 bps	37.50%	Overperformance - Maximum achieved
TOTAL				63.45%	

NON-FINANCIAL AND QUALITATIVE CRITERIA: TARGET 30% AND MAXIMUM 45%

Criterion	Target	Maximum	% paid	Board of Directors' assessment
ESG	20%	30%	26%	Overperformance
<i>Diversity & Inclusion: increase in the gender equality ratio for Top Management</i>	5%	7.5%	7.5%	Overperformance - Maximum achieved
<i>Health & Safety: achievement of the targeted reduction in the frequency of workplace accidents with lost time</i>	5%	7.5%	5%	Performance at target
<i>Nature & Climate: in-house and external collaboration programmes on climate resilience and reducing carbon emissions</i>	5%	7.5%	6%	Performance above target
<i>Carbon impact: achievement of FY 2024 objectives for Scope 1 and 2 emissions and continued implementation of the roadmap</i>	5%	7.5%	7.5%	Overperformance - Maximum achieved
Management/Transformation: successful implementation of the new organisation structure and improvement in team work	5%	7.5%	7.5%	Overperformance - Maximum achieved
Specific annual focus: market share gains in value terms in the United States and achievement of goals for newly integrated acquisitions	5%	7.5%	2.5%	Performance below target
TOTAL			36%	

Description of the criteria

Financial criteria

Achievement of the annual target for profit from recurring operations: adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion, one of the key elements of the Group's decentralised structure, provides an incentive to exceed the target for profit from recurring operations. This concept of commitment to the annual target for profit from recurring operations aligns the divisions, which are rewarded based on the achievement level of their own targets for profit from recurring operations. This criterion rewards the management performance of the Executive Corporate Officer.

Achievement of the annual target for Group share of net profit from recurring operations: adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion takes into account the totality of the Group's financial elements that fall under the Executive Corporate Officer's responsibility for the financial year aligning his compensation with that of the shareholders.

Achievement of the annual target for recurring free cash flow: adjusted for the effects of exchange rates. This criterion measures the Group's financial performance and value creation.

Achievement of the annual target for the ratio of Group profit from recurring operations to net sales: adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion measures how effectively the Company generates profit from its operations and is aligned with the Group's commitment to improving its operating margin.

Non-financial and qualitative criteria

ESG criteria	FY 2024 results
<p>Diversity & Inclusion Increase of one point in the gender equality ratio for Top Management</p>	<ul style="list-style-type: none"> • 38% women in Top Management as of 30 June 2024 • Increase of 2.8 points compared with FY 2023 • Equileap ranking in the Top 100 worldwide in 2023 and 6th in France
<p>Health & Safety Achievement of the targeted reduction in the frequency of workplace accidents with lost time AFR: 2</p>	<ul style="list-style-type: none"> • AFR at the end of FY 2024: 2 • 24% reduction in the frequency of workplace accidents with lost time versus FY 2023, in particular thanks to the deployment of awareness campaigns throughout the Group and the commitment of all employees, especially management.
<p>Nature & Climate Deploy in-house and external collaboration programmes to promote progress in climate resilience and reducing carbon emissions</p>	<p>A series of major in-house initiatives:</p> <ul style="list-style-type: none"> • carbon emissions reduction targets approved by the SBTi; • the deployment of tools to accelerate the carbon emissions reduction and climate resilience using artificial intelligence; • collaboration with TOWT for the first cargo sailboat exports to the United States; • deployment of MVR (water vapour reuse) technology; • switching from coal to biomass to power distilleries. <p>Highly active participation, recognised externally:</p> <ul style="list-style-type: none"> • EcoVadis gold medal; • A- rating in CDP Climate Change and CDP Water Security; • participation in the World Business Council for Sustainable Development and One Planet Business for Biodiversity; • 5-year agreement signed with ecoSPIRITS.
<p>Carbon Impact FY 2024 Scope 1 and 2 objective: maximum of 240,000 tonnes of CO₂ emissions in absolute values</p>	<ul style="list-style-type: none"> • 208,000 tonnes of CO₂ emissions in absolute values, a significant decrease (21%) compared to 30 June 2023

Management/Transformation criterion

<p>New organisation structure Successful implementation of the new governance, new teams and new organisation structure Improvement in team work and upskilling within the teams, in order to seize opportunities for resource pooling and take advantage of available economies of scale</p>	<ul style="list-style-type: none"> • Simplification of the organisation structure and governance, enabling more effective interaction and facilitating decision-making in a deteriorated environment • Significant progress on the main transformation projects • Reorganisation across the Group to enable a faster, more agile response to consumer needs, the pooling of expertise and a more impactful organisation
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Specific annual focus criterion

<p>US market Market share gains in value terms in the United States and achievement of goals for newly integrated acquisitions</p>	<p>Market share gain in value terms in the United States: objective not achieved</p> <p>Achievement of numerous objectives for newly integrated acquisitions:</p> <ul style="list-style-type: none"> • Strong growth for Codigo and market share gains in the category • Commercial integration of Skrewball within PR USA • Expanding presence in the Group's key markets • Creation of a new Brand Company to accelerate the development of American whiskeys • Very good progress on the construction of the new distillery
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Information relating to the 2020 long-term incentive plan (2020 LTIP) – Achievement of performance conditions in 2023

The achievement levels of the performance conditions for the 2020 LTIP were set by (i) the Board of Directors at its meeting on 30 August 2023, acting on the recommendation of the Compensation Committee, and (ii) the Group EVP Human Resources on 1 December 2023, using a delegation of powers given by the Board on 10 November 2023. The achievement of these conditions was measured over the following three consecutive financial years: FY 2021, FY 2022 and FY 2023.

The shares and stock options allocated under the plan will only actually vest if the presence condition is met at the vesting date (28 November 2024).

Long-term compensation plan	Performance criteria	Weighting of the performance condition	Description of the criterion	Performance assessment methods	Achievement level
Performance shares	PRO (profit from recurring operations)	1/3 of the grant (IFRS value)	Average annual achievement of the Group's profit from recurring operations (PRO) objective over FY 2021, FY 2022 and FY 2023, adjusted for the effects of exchange rates and changes in the scope of consolidation	<ul style="list-style-type: none"> average \geq 1: 100% of the shares average between 0.95 and 1: straight-line increase between 0% and 100% of the shares average \leq 0.95: 0% of the shares 	100%
	TSR (total shareholder return)	1/3 of the grant (IFRS value)	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers ⁽¹⁾ over a period of three years following the grant under the plan	<ul style="list-style-type: none"> 1st, 2nd or 3rd position: 100% of the shares 4th, 5th, 6th position: 83% of the shares at the median (7th position): 66% of the shares below the median (8th to 13th position): 0% of the shares 	83%
Stock options ⁽²⁾	TSR (total shareholder return)	1/3 of the grant (IFRS value)	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers ⁽¹⁾ over a period of three years following the grant under the plan	<ul style="list-style-type: none"> 1st, 2nd or 3rd position: 100% of the shares 4th, 5th, 6th position: 83% of the shares at the median (7th position): 66% of the shares below the median (8th to 13th position): 0% of the shares 	83%

(1) The Panel announced by the Board of Directors comprises the following 12 companies in addition to Pernod Ricard: AB InBev, Brown Forman, Campari, Carlsberg, Coca-Cola, Constellation Brands, Danone, Diageo, Heineken, LVMH, PepsiCo and Rémy Cointreau.

(2) This was the last grant of stock options to the Executive Corporate Officer. Since 2021, no stock options have been granted.

Past vesting rates for long-term incentive plans applicable to the Executive Corporate Officer

LTIP 2016 85%	LTIP 2017 45%	LTIP 2018 84%	LTIP 2019 70%	LTIP 2020 85%
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Number of shares vested divided by the number of instruments (shares/stock options) allocated, including shares allocated under the supplementary pension scheme.

Summary of components of the compensation paid or awarded to Alexandre Ricard during the financial year

SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO ALEXANDRE RICARD (TABLE 1 OF THE AMF TEMPLATE)

€	FY 2023	FY 2024
Compensation due for the financial year ⁽¹⁾	3,147,177	2,499,666 ⁽²⁾
Value of multi-year variable compensation awarded during the financial year	N/A	N/A
Value of options granted during the financial year ⁽³⁾	N/A	N/A
Value of performance shares granted during the financial year	1,874,741	1,874,776
Value of performance shares granted during the financial year in respect of the supplementary pension scheme ⁽⁴⁾	349,916	313,993
Supplementary cash payment in respect of the supplementary pension scheme ⁽⁴⁾	350,000	314,062
TOTAL	5,721,834	5,002,497

N/A: Not applicable.

(1) This total includes the use of a company car.

(2) The amount of the annual variable compensation due for the year will be subject to the ex-post vote of shareholders.

(3) No stock options were granted in respect of FY 2024.

(4) Annual component equal to 10% of fixed and variable compensation as from FY 2022.

SUMMARY TABLE OF COMPENSATION AWARDED TO ALEXANDRE RICARD (BY THE COMPANY, CONTROLLED COMPANIES AS DEFINED BY ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE AND THE CONTROLLING COMPANY OR COMPANIES) (TABLE 2 OF THE AMF TEMPLATE)

€	FY 2023		FY 2024	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	1,250,000	1,250,000	1,250,000	1,250,000
Annual variable compensation ⁽¹⁾	1,890,625	2,250,000	1,243,125 ⁽³⁾	1,890,625
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation as Chairman of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind ⁽²⁾	6,552	6,552	6,541	6,541
TOTAL	3,147,177	3,506,552	2,499,666	3,147,166

N/A: Not applicable.

(1) The annual variable compensation due in respect of the prior year is paid in the current year.

(2) Company car.

(3) The amount of the annual variable compensation due for the year will be subject to the ex-post vote of shareholders.

STOCK OPTIONS GRANTED TO ALEXANDRE RICARD BY THE COMPANY AND ANY GROUP COMPANIES DURING THE FINANCIAL YEAR (TABLE 4 OF THE AMF TEMPLATE)

Plan date	Type of options (purchase or subscription)	Value of shares according to the method used for the consolidated financial statements (IFRS)	Number of options granted during the financial year	Strike price	Performance conditions	Exercise period
-	-	-	-	-	-	-

STOCK OPTIONS EXERCISED BY ALEXANDRE RICARD DURING THE FINANCIAL YEAR (TABLE 5 OF THE AMF TEMPLATE)

Plan date	Number of options exercised during the financial year	Strike price
-	-	-

PERFORMANCE SHARES GRANTED TO ALEXANDRE RICARD BY THE COMPANY AND ANY GROUP COMPANIES DURING THE FINANCIAL YEAR (TABLE 6 OF THE AMF TEMPLATE)

No. 35 Plan date	Number of shares grant during the period	Value of shares according to the method used for the consolidated financial statements (IFRS)	Vesting date	Availability date	Performance conditions
10/11/2023	8,620	€1,312,352	11/11/2026	11/11/2026	Average achievement of the annual targets for profit from recurring operations (PRO) over three consecutive financial years, adjusted for the effects of exchange rates and changes in the scope of consolidation + achievement of the Group's CSR criteria (carbon, water, responsible drinking and people).
10/11/2023	1,444 ⁽¹⁾	€219,842	11/11/2026	11/11/2026	Positioning of the overall performance of the Pernod Ricard share (TSR) compared with the TSR of a panel of 12 companies ⁽²⁾ over three years.
10/11/2023	6,786	€562,424	11/11/2026	11/11/2026	
10/11/2023	1,136 ⁽¹⁾	€94,152	11/11/2026	11/11/2026	

(1) Grant in respect of the supplementary pension scheme.

(2) For 2023, the Panel proposed by the Board of Directors comprises the following 12 companies in addition to Pernod Ricard: AB InBev, Brown Forman, Campari, Carlsberg, Coca-Cola, Constellation Brands, Danone, Diageo, Heineken, LVMH, PepsiCo and Rémy Cointreau. The composition of the Panel may be amended in the event of changes in the companies concerned, particularly in the event of an acquisition, absorption, dissolution, spin-off, merger or change of activity, subject to maintaining the overall consistency of the sample and enabling application of the external performance condition in accordance with the performance objective set at the grant date.

PERFORMANCE SHARES THAT BECAME AVAILABLE FOR ALEXANDRE RICARD DURING THE FINANCIAL YEAR (TABLE 7 OF THE AMF TEMPLATE)

No. 31 Plan date	Number of shares that became available during the financial year	Vesting conditions
08/11/2019	3,579 ⁽¹⁾	Average annual achievement of the target for Group profit from recurring operations (PRO) in the current and subsequent two years (three consecutive years), adjusted for the effects of exchange rates and changes in the scope of consolidation.
08/11/2019	463 ⁽²⁾	
08/11/2019	3,815 ⁽³⁾	Average annual achievement of the target for Group profit from recurring operations (PRO) in the current and subsequent two years (three consecutive years), adjusted for the effects of exchange rates and changes in the scope of consolidation.
08/11/2019	494 ⁽⁴⁾	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers over a period of three years following the grant under the plan.

(1) 3,579 shares were initially granted (the internal performance condition was 100% achieved).

(2) Granted under the supplementary pension scheme subject to an internal performance condition. 463 shares were initially granted (the internal performance condition was 100% achieved).

(3) 5,780 shares were initially granted (the internal performance condition was 100% achieved, then 66% of the shares vested based on the external performance condition (seventh place in the panel)).

(4) Granted under the supplementary pension scheme subject to internal and external performance conditions. 748 shares were initially granted (the internal performance condition was 100% achieved, then 66% of the shares vested based on the external performance condition (seventh place in the panel)).

2.6.2 Compensation policy for the Chairman & CEO (10th resolution)

Presented below, in accordance with Article L. 22-10-8 of the French Commercial Code, is the report of the Board of Directors on the compensation policy for the Chairman & CEO (also referred to as the "Executive Corporate Officer"), which will be submitted to shareholders for their approval.

In view of the upcoming renewal of the Chairman & CEO's term of office, the Compensation Committee carried out an in-depth review of his compensation policy, comparing it – with the assistance of a specialised external firm – with that of his peers

and with changes in market practices, while taking into account (i) the priorities identified by investors and proxy advisory firms, and (ii) the principles set out in the AFEP-MEDEF Code in relation to setting executives' compensation.

Taking all of these factors into consideration, based on the recommendation of the Compensation Committee, the Board of Directors is proposing that the following changes be made to the Chairman & CEO's compensation policy:

Increase in fixed compensation	<p>The Chairman & CEO's fixed compensation has remained unchanged since July 2021 despite the high inflation seen over the last three years.</p> <p>The Board of Directors decided to increase the fixed compensation of the Chairman & CEO by 6%, which is below the average increase of the Group employees over three years, well below the cumulative level of inflation in France since July 2021 (12.5%), and brings it into line with the median fixed compensation of CAC 40 companies as outlined in the introductory note to this Universal Registration Document.</p>
Change in the maximum payout for the financial criteria of the annual variable compensation	<p>The analysis of the compensation policy revealed that the performance criteria for annual variable compensation could be streamlined for greater transparency. As a result, the Board reviewed the maximum payout for financial and non-financial criteria of the annual variable compensation to cancel out the offsetting effect between the criteria.</p> <p>Accordingly, the Board decided to reduce the maximum level that the Chairman & CEO's variable compensation contingent on financial objectives can represent from 150% to 135% of his fixed compensation.</p>
Setting a maximum amount on long-term compensation	<p>The review of the Chairman & CEO's compensation policy evidenced that the maximum amount of long-term compensation that can be allocated to him was well below the caps applied by CAC 40 companies and by the international peer panel.</p> <p>Accordingly, the Board of Directors decided to review the maximum amount that could be allocated, taking the following components into account:</p> <ul style="list-style-type: none"> • the need to drive forward the Group's new growth phase and continue the transformation process started in 2015; • Pernod Ricard's goals and the ensuing long-term value creation for shareholders; • the Company's desire to reward overperformance. <p>The Board accordingly proposed a maximum amount corresponding to 100% of the Chairman & CEO's fixed and maximum annual variable compensation. This will result in:</p> <ul style="list-style-type: none"> • better rewards for performance over the long term; • incentivising the Chairman & CEO to achieve the Group's long-term objectives and more closely align the best interests of the Company and its shareholders; • an annual adjustment to the allocated amount to take into account the performance of the Group and the Executive Corporate Officer, in line with market practices. For this year, the Board is planning to grant a number of performance shares whose IFRS value will correspond to 60% of the maximum amount.
Amendments to the peer panel used for the external performance condition applicable to the long-term incentive plan	<p>The Board believes that narrowing the panel of peers used for comparisons for the TSR criterion to only include companies in the alcoholic beverages sector will better reflect relative performance in Pernod Ricard's market segment. Accordingly, the Board has decided to adjust the panel as follows:</p> <ul style="list-style-type: none"> • eliminate Coca Cola, PepsiCo and Danone, which operate in a different sector; • eliminate LVMH, whose spirits business is minor compared with its main business; • add the Japanese company Suntory, whose spirits business represents a substantial proportion of its overall activities. <p>The new peer panel would therefore comprise the following nine companies in addition to Pernod Ricard: ABInBev, Brown Forman, Campari, Carlsberg, Constellation Brands, Diageo, Heineken, Rémy Cointreau and Suntory.</p>
Change in the vesting scale for the external performance condition in the long-term incentive plan	<p>To strengthen the alignment between the interests of the Executive Corporate Officer and those of shareholders, the Board decided to strengthen the external condition of the long-term incentive plan by changing the vesting scale and limiting the proportion of shares that vest to 50% for a TSR in 5th position of the new panel (above the median).</p>
Change in the vesting scale for the internal performance conditions (CSR conditions)	<p>In line with the commitment to make the performance conditions applicable to the long-term incentive plan more exacting, the Board also decided to change the vesting scale for the CSR conditions. Consequently, none of the shares whose vesting is contingent on the CSR conditions will vest if only one of the four objectives is achieved, 50% of the aforementioned shares will vest if two objectives are achieved, 75% if three objectives are achieved and 100% if all of the objectives are achieved.</p>

The other components of the compensation policy remain unchanged.

Compensation structure

The structure of the Executive Corporate Officer's compensation consists mainly of:

- cash compensation comprising a fixed portion and an annual variable portion directly related to his individual performance and contribution to the Group's performance; and

- stock compensation in the form of a grant of shares whose vesting is notably subject to the achievement of performance conditions, with a view to aligning the Executive Corporate Officer's interests with those of the shareholders.

	FY 2024 compensation policy	New compensation policy
Fixed compensation	€1,250,000	€1,325,000
Variable compensation	<p>Target: 110% of fixed compensation Maximum: 180% of fixed compensation <u>Performance conditions</u></p> <ul style="list-style-type: none"> • Financial criteria: target 80% and maximum 150% of fixed compensation • Non-financial and qualitative criteria: target 30% and maximum 45% of fixed compensation 	<p>Target: 110% of fixed compensation Maximum: 180% of fixed compensation <u>Performance conditions</u></p> <ul style="list-style-type: none"> • Financial criteria: target 80% and maximum 135% of fixed compensation • Non-financial and qualitative criteria: target 30% and maximum 45% of fixed compensation
Long-term variable compensation	150% of fixed compensation, subject to performance conditions	Maximum amount: 100% of fixed and maximum annual variable compensation, subject to performance conditions
Supplementary pension scheme	20% of fixed and variable compensation (10% in performance shares and 10% in cash)	
Deferred commitments	Non-compete clause + forced departure clause: combined maximum of 24 months' compensation (fixed and variable)	
Multi-year/exceptional variable compensation	Any multi-year variable compensation or exceptional compensation must be precisely communicated and justified. No such compensation currently exists	
Other	Company car/collective healthcare and welfare schemes	

Annual fixed compensation

The fixed portion of the Executive Corporate Officer's compensation is determined based on:

- the level and complexity of his responsibilities;
- his experience and career history, particularly within the Group;
- his individual performance; and
- market analyses for comparable functions (study conducted with the help of specialised firms on the positioning of the compensation of the Executive Corporate Officer in relation to the practices of CAC 40 companies and international companies in the beverages sector for similar positions).

The possibility of a review of fixed compensation is analysed in detail whenever the Executive Corporate Officer's term of office is renewed. However, an early review may take place in the event of significant changes in the Executive Corporate Officer's scope of responsibilities, the emergence of a significant gap between his compensation and the market positioning, or an exceptional event. In these specific situations, any adjustments made to his fixed compensation and the reasons for such adjustments would be made public.

Finally, in the event of the appointment of a new Chairman & CEO, Chief Executive Officer or Deputy Chief Executive Officer(s), these same principles will apply.

On 28 August 2024, on the recommendation of the Compensation Committee, the Board of Directors proposed an increase in Alexandre Ricard's annual fixed compensation to €1,325,000 (up 6%) as from FY 2025 until the end of his term of office.

In reaching its decision, the Board took into account the following factors:

- the Chairman & CEO's fixed compensation has remained unchanged since 1 July 2021;
- the current positioning of the Chairman & CEO's fixed compensation is below the median of CAC 40 companies, as outlined in the introductory note to this Universal Registration Document;
- the high inflation rates since the last increase in his fixed compensation;
- the average pay increase for the Group's employees over the last three years, which is higher than the proposed 6% increase.

Compensation as Chairman of the Board of Directors

The Executive Corporate Officer does not receive any compensation for offices he holds in the Company or other Group companies.

Annual variable compensation

The purpose of annual variable compensation is to reward the performance achieved during the financial year by the Executive Corporate Officer based on the annual performance objectives set by the Board of Directors in accordance with the Group's strategy.

The Board of Directors and the Compensation Committee strive to strengthen the link between performance and variable compensation and ensure that corporate social responsibility criteria are included in its calculation.

The variable portion of the Chairman & CEO's compensation is expressed as a percentage of annual compensation.

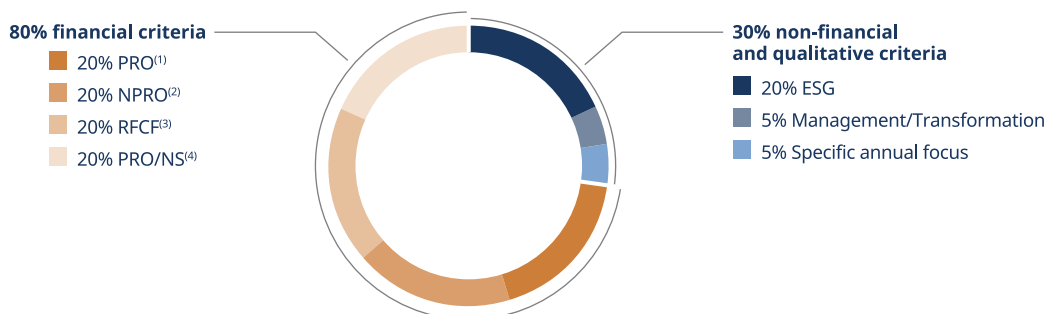
It may vary between 0% and 110% of the fixed compensation if the objectives are achieved (target level) and may rise to a maximum of 180% in the event of exceptional performance in relation to the objectives.

The variable portion is determined on the basis of financial, non-financial and qualitative criteria, in line with the Company's strategy.

Pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code, the payment of annual variable compensation is subject to its prior approval by shareholders at the Ordinary Shareholders' Meeting ("ex-post" vote).

Performance criteria

The performance criteria are reviewed regularly to ensure they are in line with the Company's long-term strategy and may be amended on an occasional basis. As specified in the introductory note, the Board of Directors, on the recommendation of the Compensation Committee, has decided to reduce the maximum level of overperformance of the financial criteria from 150% to 135% of the fixed compensation. However, the performance criteria will remain unchanged for FY 2025.



(1) Achievement of the annual target for Group profit from recurring operations.

(2) Achievement of the annual target for Group share of net profit from recurring operations.

(3) Achievement of the annual target for Group recurring free cash flow.

(4) Achievement of the annual target for the ratio of Group profit from recurring operations to net sales.

FINANCIAL CRITERIA: TARGET 80% AND MAXIMUM 135%

	Target	Maximum
Achievement of the annual target for Group profit from recurring operations (PRO)	20%	33.75%
Achievement of the annual target for Group share of net profit from recurring operations (NPRO)	20%	33.75%
Achievement of the annual target for Group recurring free cash flow (RFCF)	20%	33.75%
Achievement of the annual target for the ratio of Group profit from recurring operations to net sales (PRO/NS)	20%	33.75%

NON-FINANCIAL AND QUALITATIVE CRITERIA: TARGET 30% AND MAXIMUM 45%

	Target	Maximum
ESG	20%	30%
<i>Diversity & Inclusion</i>	5%	7.5%
<i>Health & Safety</i>	5%	7.5%
<i>Nature & Climate</i>	5%	7.5%
<i>Carbon Impact</i>	5%	7.5%
Management/Transformation	5%	7.5%
Specific annual focus	5%	7.5%

Description of the criteria

Financial criteria

Achievement of the annual target for profit from recurring operations: adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion, one of the key elements of the Group's decentralised structure, provides an incentive to exceed the target for profit from recurring operations. This concept of commitment to the annual target for profit from recurring operations aligns the divisions, which are rewarded based on the achievement level of their own targets for profit from recurring operations. This criterion rewards the management performance of the Executive Corporate Officer.

Achievement of the annual target for Group share of net profit from recurring operations: adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion takes into account the totality of the Group's financial elements that fall under the Executive Corporate Officer's responsibility for the financial year, aligning his compensation with that of the shareholders.

Achievement of the annual target for recurring free cash flow: adjusted for the effects of exchange rates. This criterion measures the Group's financial performance and value creation.

Achievement of the annual target for the ratio of Group profit from recurring operations to net sales: adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion measures how effectively the Company generates profit from its operations and is aligned with the Group's commitment to improving its operating margin.

Long-term variable compensation: grant of performance shares

Performance share grants have made up the long-term component of the Chairman & CEO's compensation package since stock option grants were no longer awarded in FY 2022. These grants are designed to incentivise the Chairman & CEO to achieve the Group's long-term goals and to more closely align the Company's best interests with those of its shareholders.

For the reasons above, the vesting of the shares is subject to (i) the achievement of performance conditions related to the Group's strategic priorities and (ii) the Chairman & CEO still holding his position ("presence condition") at the end of the three-year vesting period.

As explained in the introductory note to this section, on the recommendation of the Compensation Committee, the Board of Directors has decided to change the maximum amount of long-term compensation to 100% of the Chairman & CEO's maximum annual fixed and variable compensation instead of 150% of his fixed compensation.

For FY 2025, the Board is planning to grant a number of performance shares whose IFRS value will correspond to 60% of the Chairman & CEO's maximum annual fixed and variable compensation to Alexandre Ricard.

Non-financial and qualitative criteria

As in previous years, for confidentiality reasons regarding the Group's strategy, details of the non-financial and qualitative objectives may only be disclosed after the event and after assessment of their achievement levels by the Compensation Committee and the Board of Directors.

Performance levels

The achievement levels of the applicable objectives are disclosed on a criterion by criterion basis, once the performance assessment has been carried out.

Termination of office

If the Executive Corporate Officer leaves during the financial year, the amount of the variable portion of his compensation for the current year will be determined pro rata to his time in service during that year, based on the performance level recorded and assessed by the Board of Directors for each of the criteria initially adopted. However, it should be noted that no compensation will be paid if the Executive Corporate Officer is dismissed for gross negligence or with good cause or by way of a decision of the Board of Directors.

Payment method

In accordance with the law, the payment of annual variable compensation will be subject to prior approval by shareholders at the Ordinary Shareholders' Meeting.

To determine this amount, the Board has taken into account the Group's relative performance in a difficult environment, the Executive Corporate Officer's excellent management, market practices and the more exacting performance conditions.

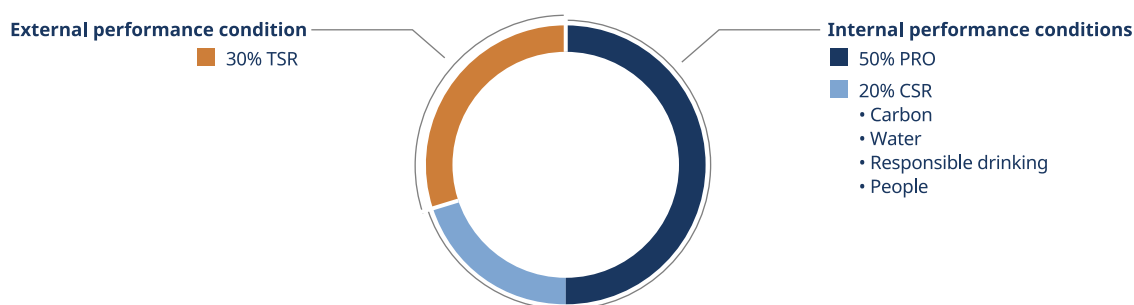
The maximum amount of performance shares granted to the Executive Corporate Officer is limited to 0.08% of the Company's share capital on the grant date of the performance shares, as indicated in the resolution that will be submitted to shareholders for their approval at the Shareholders' Meeting of 8 November 2024 (15th resolution).

In addition, on the recommendation of the Compensation Committee, the Board of Directors has decided to amend the performance conditions in the long-term incentive plan, by:

- External condition: review of the vesting scale and increasing the relevance of the peer panel used, by narrowing its scope to only include companies operating principally in the alcoholic beverages sector;
- Review of the vesting scale for the CSR conditions.

The performance shares granted to the Chairman & CEO will therefore be subject to the following performance conditions:

BREAKDOWN OF PERFORMANCE CONDITIONS BY VALUE



Performance condition	Relative weighting	Description of the criterion	Performance assessment methods
PRO (profit from recurring operations)	50% of the grant (IFRS value)	Average annual achievement of the Group's profit from recurring operations (PRO) objective over three consecutive financial years, adjusted for the effects of exchange rates and changes in the scope of consolidation	<ul style="list-style-type: none"> • average ≥ 1: 100% of the shares • average between 0.95 and 1: straight-line increase between 0% and 100% of the shares • average ≤ 0.95: 0% of the shares
TSR (total shareholder return)	30% of the grant (IFRS value)	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 9 peers ⁽¹⁾ over a period of three years following the grant	<ul style="list-style-type: none"> • 1st or 2nd position: 100% of the shares • 3rd or 4th position: 85% of the shares • 5th position: 50% of the shares • 6th to 10th position: 0% of the shares
CSR (corporate social responsibility)	20% of the grant (IFRS value)	Achievement of the following criteria assessed over a period of three consecutive financial years (including that during which the shares were granted): <ul style="list-style-type: none"> • carbon: implementation of the roadmap to reduce direct CO₂ emissions generated by our sites (Scopes 1 and 2) in order to reduce carbon emissions by 54% in absolute terms by 2030; • water: implementation of the roadmap aimed at reducing water consumption in our distilleries by 20.9% by 2030; • responsible drinking: Pernod Ricard's strategic brands will launch marketing campaigns focused on responsible drinking, with the aim of ramping this up each year over the next five years; • people: objective of achieving gender balance in our Top Management (at least 40% of each gender) by 2030. 	<ul style="list-style-type: none"> • 4 objectives achieved: 100% of the shares • 3 objectives achieved: 75% of the shares • 2 objectives achieved: 50% of the shares • Less than 2 objectives achieved: 0% of the shares

(1) The Panel proposed by the Board of Directors comprises the following 9 companies in addition to Pernod Ricard: AB InBev, Brown Forman, Campari, Carlsberg, Constellation Brands, Diageo, Heineken, Suntory and Rémy Cointreau. The composition of the Panel may be amended in the event of changes in the companies concerned, particularly in the event of an acquisition, absorption, dissolution, spin-off, merger or change of activity, subject to maintaining the overall consistency of the sample and enabling application of the external performance condition in accordance with the performance objective set at the grant date.

While the Board determines the performance conditions for each grant and promotes their stability, they may in some cases be adjusted.

The vesting of the performance shares is also subject to a presence condition (at the vesting date) which applies for all beneficiaries including the Executive Corporate Officer, subject to the exceptions specified in the plan regulations (notably in cases of death or disability) or decided by the Board of Directors. In the case of the Executive Corporate Officer, the Board of Directors may decide to remove the presence condition on a pro rata basis if it deems fit, but any such decision must be communicated and justified. The performance shares held will remain subject to all applicable plan regulations, particularly with regard to the calendar and performance conditions.

The Board of Directors requires the Executive Corporate Officer:

- to hold a number of shares in registered form until the end of his term of office, corresponding to:
 - in respect of stock options: 30% of the acquisition gain, net of social security contributions and taxes, resulting from the exercise of the stock options, and
 - in respect of performance shares: 20% of the volume of the performance shares that actually vest;

- to undertake to buy, when the performance shares vest, a number of additional shares corresponding to 10% of the vested performance shares; and

- once the Executive Corporate Officer holds a number of registered Company shares that matches more than three times his gross annual fixed compensation, the above-mentioned lock-in obligation will be reduced to 10% for both stock options and performance shares and the Executive Corporate Officer will no longer be required to acquire additional shares. If, in the future, the registered holdings fall below the ratio of three times, the above-mentioned lock-in and acquisition requirements will once more apply.

In accordance with the Code of Ethics, (the latest version of which was approved by the Board of Directors on 14 February 2024), and the AFEP-MEDEF Code, the Executive Corporate Officer has formally undertaken not to use hedging mechanisms either for stock options granted under previously established plans or shares resulting from the exercise of these options, or for performance shares received from the Company, until the end of the lock-in period set by the Board of Directors.

Supplementary pension scheme

The supplementary pension scheme supplements the retirement schemes provided under compulsory basic and complementary schemes.

The Executive Corporate Officer therefore receives additional annual compensation equal to 20% of his fixed and variable annual compensation, paid each year as follows:

- half (corresponding to 10% of his annual compensation) in the form of the grant of performance shares, the number of which is determined based on the IFRS value of the shares on the grant date and which must be approved by the Board of

Directors each year. The performance, presence and lock-in conditions that will apply to these grants are the same as those provided for in the Group's general performance share plan in effect on the grant date; and

- half (corresponding to 10% of his annual compensation) in cash. It is specified that the Executive Corporate Officer will undertake to invest the cash component of this additional compensation, net of social security contributions and tax, in savings products dedicated to financing his supplementary pension.

Policy on deferred commitments

Forced departure clause

In the event of the Executive Corporate Officer's forced departure due to a change in the Group's control or strategy, he would be eligible for a severance payment representing a maximum of 12 months' compensation (most recent annual fixed and variable compensation set by the Board of Directors) subject to performance conditions. Such payment would not be due, however, in the event of (i) non-renewal of the Executive Corporate Officer's term of office, (ii) departure at the Executive Corporate Officer's initiative, (iii) a change of position within the Group or (iv) if he is able to claim his pension within a short period of time.

The severance payment provided for in the forced departure clause is subject to the following three performance criteria:

- criterion 1: rate of annual variable compensation achieved over the Executive Corporate Officer's term(s) of office: this criterion will be considered as met if the average annual variable compensation paid over the entire duration of the term(s) of office is no less than 90% of the target variable compensation;
- criterion 2: growth rate of profit from recurring operations over the term(s) of office: this criterion will be considered as met if the average growth rate of profit from recurring operations versus the annual target for each year over the entire duration of the Executive Corporate Officer's term(s) of office is more than 95% (adjusted for the effects of foreign exchange rates and changes in the scope of consolidation); and
- criterion 3: average growth in net sales over the term(s) of office: this criterion will be considered as met if the average growth in net sales over the entire duration of the Executive Corporate Officer's term(s) of office is greater than or equal to 3% (adjusted for the effects of foreign exchange rates and changes in the scope of consolidation).

The amount of the severance payment that may be received under the forced departure clause will be calculated according to the following scale:

- if all three criteria are met, payment of 12 months' compensation⁽¹⁴⁾;
- if two of the three criteria are met: payment of eight months' compensation⁽¹⁴⁾;
- if one of the three criteria is met: payment of four months' compensation⁽¹⁴⁾; and
- if none of the criteria are met: no payment.

Non-compete clause

The signing of this non-compete clause for a period of one year is intended to protect the Group by preventing the Executive Corporate Officer from performing duties for a competitor, in return for an indemnity corresponding to 12 months' compensation (most recent annual fixed and variable compensation, set by the Board of Directors).

In accordance with the AFEP-MEDEF Code:

- the indemnity will be paid monthly during the applicable payment period;
- the clause provides that the Board of Directors may waive its application when the Executive Corporate Officer leaves;
- the indemnity will not be paid if the Executive Corporate Officer leaves the Group to take retirement or if the Executive Corporate Officer is over 65 years old; and
- the aggregate maximum amount of the indemnity under the non-compete clause and the forced departure clause (sum of both) is capped at 24 months' compensation (most recent annual fixed and variable compensation set by the Board of Directors).

Multi-year compensation

The Board of Directors has decided not to use this type of long-term cash compensation mechanism, preferring to favour a share-based instrument more closely aligned with shareholders' interests.

However, such a mechanism might be envisaged if regulatory changes or any other circumstance were to make the use of a share-based instrument restrictive or impossible. In this event, the principles and criteria for the determination, distribution and maximum grant of shares stipulated in the policy relating to share plans will be used in the structuring of such multi-year variable compensation using the most similar appropriate procedures possible.

⁽¹⁴⁾ Most recent annual fixed and variable compensation set by the Board of Directors.

Exceptional compensation

In accordance with the AFEP-MEDEF Code (Article 26.3.4), the Board of Directors has adopted the principle whereby the Executive Corporate Officer may receive exceptional compensation in certain circumstances (particularly in the case of transformational transactions), which must be explicitly disclosed and justified.

Also in accordance with the AFEP-MEDEF Code (Article 26.4), if a new Executive Corporate Officer is recruited externally, the Board of Directors may also decide to pay an amount (in cash or shares) to compensate the new Executive Corporate Officer for all or part

of any loss of compensation (excluding retirement benefits) related to leaving their previous position. This compensation may not exceed the amount lost by the person in question.

In all cases, the payment of such compensation may only be made subject to the prior approval of the shareholders in an Ordinary Shareholders' Meeting pursuant to Article L. 22-10-34 of the French Commercial Code.

Other benefits

Company car

For fulfilling his duties as a representative of the Company, the Executive Corporate Officer has the use of a company car. Insurance, maintenance and fuel costs are borne by the Company.

Collective healthcare and welfare schemes

The Executive Corporate Officer is a member of the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees under which he is classified for the purposes of determining his welfare benefits and other additional components of his compensation.

Exception to the implementation of the compensation policy for the Chairman & CEO

In accordance with the second paragraph of Section III of Article L. 22-10-8 of the French Commercial Code, in the event of exceptional circumstances, the Board of Directors may depart from applying elements of the compensation policy, provided that such a departure is temporary, is in the Company's interest and is necessary to ensure the Company's continued existence or viability. Any such departure will be decided by the Board of Directors, on the recommendation of the Compensation Committee and after obtaining the opinion, where necessary, of an independent consulting firm. Reasons must be given for the departure.

Any departure from the policy may only be temporary and in exceptional circumstances, such as in the case of a major event affecting markets in general or that of wines & spirits in particular.

The compensation elements that may be departed from, in either a positive or negative sense, are the annual or long-term variable compensation (but with no amendments to the applicable caps).

Potential change of governance

If a new Chairman & CEO, Chief Executive Officer or Deputy Chief Executive Officer(s) were to be appointed, the compensation components, principles and criteria provided for in the compensation policy for the Chairman & CEO would also apply to them on a pro rata basis. In such a case, the Board of Directors, on the recommendation of the Compensation Committee, would then determine the objectives, performance levels, parameters, structure and maximum percentages of their variable compensation based on their annual fixed compensation, by adapting them to the situations of the parties concerned. These metrics may not be higher than those applicable to the Chairman & CEO.

Furthermore, regarding the annual variable compensation policy, in the event of the arrival of a new Executive Corporate Officer during the second half of a financial year, the Board of Directors will conduct a performance assessment at its discretion based on a proposal from the Compensation Committee and, in that case, the new Executive Corporate Officer will receive variable compensation corresponding to the prorated amount of the variable portion approved by the shareholders.

EMPLOYMENT CONTRACT/CORPORATE OFFICE (TABLE 11 OF THE AMF TEMPLATE)

Executive Corporate Officers	Employment contract		Defined-benefit supplementary pension scheme		Indemnities or advantages due or liable to be due by virtue of the discontinuance of or change in their positions		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Alexandre Ricard, Chairman & CEO ⁽¹⁾		X		X	X		X	

(1) Alexandre Ricard resigned from his employment contract on 11 February 2015 when he was appointed Chairman & CEO. Previously, his employment contract with Pernod Ricard had been suspended since 29 August 2012.

2.6.3 Components of compensation paid during or awarded for FY 2024 to Corporate Officers (11th resolution)

Allocation of the Directors' compensation budget

Directors' annual compensation comprises a fixed portion set at €25,000, with an additional €6,000 for members of the Audit Committee and €5,000 for members of the Strategic Committee, the Compensation Committee, the Nominations and Governance Committee, and the CSR Committee. The Chair of the Audit Committee receives an additional sum of €14,000, and the Chairs of the Compensation Committee, the Nominations and Governance Committee, and the CSR Committee each receive an additional €8,500.

The Lead Independent Director receives additional annual compensation of €40,000.

Directors are also eligible for a variable portion of compensation, calculated on the basis of their attendance at Board and Committee meetings. The variable portion is €4,000 per meeting.

Furthermore, in order to take account of distance constraints, an additional allowance of €1,500 is paid to Directors who are not French tax residents, when they attend Board and/or Committee

meetings. Directors who take part in Board meetings by video conference or conference call are not eligible for this additional amount.

The Directors representing employees receive a fixed annual payment of €15,000 for their attendance at meetings of the Board of Directors and any Board Committees of which they are members.

The Chairman & CEO does not receive compensation in respect of his office as a Director.

Of the €1,350,000 authorised by the Shareholders' Meeting of 10 November 2023, total compensation of €1,287,167 was awarded to the Directors in respect of FY 2024, in accordance with the rules set out above.

TABLE OF COMPENSATION RECEIVED (€) BY NON-EXECUTIVE CORPORATE OFFICERS (TABLE 3 OF THE AMF TEMPLATE)

	FY 2023		FY 2024	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Board members				
Patricia Barbizet	176,000	172,000	193,000	186,500
Wolfgang Colberg	93,000	86,000	107,500	103,500
Virginie Fauvel	65,000	61,000	82,000	75,500
Ian Gallienne	99,000	95,000	110,000	104,000
César Giron	77,000	73,000	90,000	87,500
Max Koeune ⁽¹⁾	N/A	N/A	54,667	13,667
Anne Lange	99,500	95,500	118,000	110,000
Philippe Petitcolin	101,000	97,000	118,000	111,500
Société Paul Ricard, represented by Patricia Ricard Giron ⁽²⁾	65,000	61,000	82,000	75,500
Namita Shah	69,000	65,000	74,000	75,500
Kory Sorenson	126,500	121,000	128,500	128,000
Veronica Vargas	85,000	81,000	99,500	95,500
Maria Jesus Carrasco Lopez ⁽³⁾	7,500	15,000	N/A	N/A
Carla Machado Leite ⁽⁴⁾	7,500	N/A	15,000	15,000
Brice Thommen ⁽⁵⁾	15,000	15,000	15,000	15,000
TOTAL	1,086,000	1,037,500	1,287,167	1,196,667

N/A: Not applicable.

(1) As from 10 November 2023, the date of his appointment as a Director.

(2) Permanent representative of Société Paul Ricard, Director.

(3) Until 5 December 2022, the end-date of her term of office as a Director representing employees.

(4) From 17 November 2022, the date of her appointment as a Director representing employees.

(5) From 13 December 2021, the date of his appointment as a Director representing employees.

Other components of the compensation of Corporate Officers performing management or executive roles within the Group

In addition to compensation received in respect of their office as Directors of the Company, César Giron and Patricia Ricard Giron received compensation in their respective capacities as Chairman and CEO of Martell Mumm Perrier-Jouët and Chairwoman of the Paul Ricard Oceanographic Institute.

A summary statement of the compensation and other benefits received by each of these Non-Executive Corporate Officers from companies controlled by Pernod Ricard SA, within the meaning of Article L. 233-16 of the French Commercial Code, is drawn up pursuant to Article L. 22-10-9, I-5° of said Code and is set out below.

César Giron, member of the Board of Directors and Chairman and CEO of Martell Mumm Perrier-Jouët

Fixed compensation

César Giron receives gross fixed compensation for his duties as Chairman and CEO of Martell Mumm Perrier-Jouët which amounted to €546,919 for FY 2024.

Variable compensation

In his capacity as Chairman and CEO of Martell Mumm Perrier-Jouët, César Giron receives gross variable compensation for which the collective criteria are based on (i) the financial performance of the entity he manages and, (ii) the Group's results, with a view to strengthening solidarity and collegiality within top management.

César Giron is also assessed on the basis of individual criteria.

The variable portion of his compensation is expressed as a percentage of the annual fixed portion. It may reach 70% of his gross fixed compensation if the collective and individual objectives are achieved (target level) and can rise to a maximum of 126% in the event of exceptional performance in relation to the objectives. The criteria are reviewed regularly and may be amended on an occasional basis.

During FY 2024, he received gross variable compensation of €440,959 in October 2023 relating to FY 2023, i.e., 84.25% of his fixed compensation for FY 2023.

Exceptional compensation

No exceptional compensation was paid during or awarded for FY 2024.

Grant of performance shares

On 10 November 2023, the Board of Directors authorised a global performance share plan.

Under this plan, César Giron received the following grant:

- 1,665 shares subject to an external performance condition (IFRS value: €137,995.20); and
- 2,115 shares subject to internal performance conditions (IFRS value: €321,998.18).

Details of the overall performance share grant policy are provided below in subsection 2.6.5 of this Universal Registration Document.

Severance benefits

César Giron is not eligible for any severance or termination benefits.

Supplementary pension scheme

César Giron is a member of a conditional defined-benefit supplementary pension scheme (Article 39) under Article L. 137-11 of the French Social Security Code, under which beneficiaries must:

- have at least ten years' seniority within the Group when they retire (voluntary or compulsory retirement);
- be at least 60 years of age when they retire (voluntary or compulsory retirement);
- have claimed their basic and complementary French social security pensions (ARRCO, AGIRC);
- permanently end their professional career; and
- end their professional career within the Group. In accordance with the applicable regulations, employees aged over 55 whose contract is terminated and who do not take up another job are deemed to have retired. The aim of the scheme is to supplement the pension provided by France's mandatory state-run pension scheme. It offers retired beneficiaries a life annuity that can be passed on to their spouse and/or ex-spouse in the event of death.

Pensions are proportionate to the beneficiary's length of service, capped at 20 years. They are calculated on the basis of the beneficiary's average compensation (fixed and variable) over the three years preceding their retirement.

The amount of the supplementary annuity is calculated by applying the following coefficients to the basis of calculation:

- for the portion of the compensation between 8 and 12 times France's annual social security ceiling, the coefficient is 2% multiplied by the number of years' service (capped at 20 years, i.e., 40%);
- between 12 and 16 times France's annual social security ceiling, the coefficient is 1.5% per year of service (capped at 20 years, i.e., 30%); and
- in excess of 16 times France's annual social security ceiling, the coefficient is 1% per year of service (capped at 20 years, i.e., 20%).

The supplementary annuity equals the sum of the three amounts above.

In addition, the rights granted under this plan, added to those of other pensions, cannot exceed two-thirds of the amount of the beneficiary's most recent annual fixed compensation.

A provision is recognised on the balance sheet during the accrual phase and, when the beneficiary claims their pension, the capital is transferred to an insurer and thus entirely outsourced.

Funding for this scheme is the responsibility of Pernod Ricard, which pays premiums to a third-party insurer to which it has entrusted management of the scheme.

In accordance with the provisions of Article D. 22-10-16 of the French Commercial Code, at 30 June 2024, the estimated gross amount of the annuity potentially paid under the defined-benefit supplementary pension scheme for César Giron would amount to €186,193 per year.

The related social security contributions payable by Pernod Ricard correspond to 24% of the contributions transferred to the insurer.

Furthermore, in accordance with French government order 2019-697 of 3 July 2019:

- the scheme has been closed since 2016;
- no additional rights may vest in respect of periods of employment after 1 January 2020.

Collective healthcare and welfare schemes

César Giron is a member of the collective healthcare and welfare schemes offered by Martell Mumm Perrier-Jouët under the same terms as those applicable for the category of employees under which he is classified for the purposes of determining his welfare benefits and other additional components of his compensation.

Other benefits

César Giron had the use of a company car in FY 2024.

Patricia Ricard Giron, permanent representative of Société Paul Ricard, member of the Board of Directors and Chairwoman of the Paul Ricard Oceanographic Institute

Fixed compensation

Patricia Ricard Giron receives gross fixed compensation for her position as Chairwoman of the Paul Ricard Oceanographic Institute, which amounted to €86,377 for FY 2024.

Variable compensation

Patricia Ricard Giron is eligible for annual variable compensation equal to 10% of her fixed compensation if the (individual) qualitative objectives are achieved.

During FY 2024, Patricia Ricard Giron received gross variable compensation of €8,111 for FY 2023.

Amounts received in respect of employee profit-sharing plans

Patricia Ricard Giron is eligible for the voluntary profit-sharing plan (*intéressement*) and statutory profit-sharing plan (*participation*) in force at Pernod Ricard France.

During FY 2024, Patricia Ricard Giron received €2,165 under the voluntary profit-sharing plan and €14,712 under the statutory profit-sharing plan.

Collective healthcare and welfare schemes

Patricia Ricard Giron is a member of the collective healthcare and welfare schemes offered by Pernod Ricard France under the same terms as those applicable to the category of employees under which she is classified for the purposes of determining her welfare benefits and other additional components of her compensation.

Other components of compensation

No exceptional compensation/No grant of stock options and/or performance shares/No severance or termination benefits/No supplementary pension scheme/No benefits in kind.

2.6.4 Compensation policy for the members of the Board of Directors (12th resolution)

The conditions governing Directors' compensation allocated out of the total annual amount of Corporate Officer compensation authorised by the Shareholders' Meeting are determined by the Board of Directors on the basis of a recommendation from the Compensation Committee.

Methods for allocating the compensation budget for FY 2025 to individual Directors

The breakdown of the total budget described under "Allocation of the Directors' compensation budget" in subsection 2.6.3 remains unchanged, except for the distance allowance, which was amended by the Compensation Committee on 28 August 2024. Accordingly, in order to take better account of the constraints of having to travel long distances, the allowance paid to Directors who are not French tax residents for Board and/or Committee meetings they attend in person changed during the financial year and, with effect from FY 2025, will amount to €3,000 for Directors who reside in Europe and €6,000 for Directors who reside outside Europe.

Directors who participate in a Board and/or Committee meeting by videoconference or conference call do not receive this allowance.

Potential change of governance

If a new Director were to be appointed, the compensation components, principles and criteria provided for in the compensation policy for Corporate Officers would also apply to them on a pro rata basis.

2.6.5 Other aspects of the compensation policy (not subject to the shareholder vote)

Global long-term incentive policy

In FY 2024, the Board of Directors reaffirmed its commitment to giving key employees a stake in the performance of Pernod Ricard shares, and decided to set up a performance share plan for the members of the Executive Committee and other senior managers.

The Board's aim is to continue to align the interests of Pernod Ricard employees with those of its shareholders by encouraging them to hold shares of the Company. In FY 2024, more than 500 employees were granted performance shares under this plan.

The Board of Directors confirmed the following plan features on the recommendation of the Compensation Committee:

- for senior managers other than Executive Committee members: grants of shares subject to internal performance conditions. The conditions applicable to these grants in FY 2024 were as follows:

Performance condition	Description of the criterion	Performance assessment methods
PRO (profit from recurring operations)	Average annual achievement of the Group's profit from recurring operations (PRO) objective over three consecutive financial years, adjusted for the effects of exchange rates and changes in the scope of consolidation	<ul style="list-style-type: none"> average ≥ 1: 100% of the shares average between 0.95 and 1: straight-line increase between 0% and 100% of the shares average ≤ 0.95: 0% of the shares
CSR (corporate social responsibility)	Achievement of the following criteria assessed over a period of three consecutive financial years (including that during which the shares were granted): <ul style="list-style-type: none"> carbon: implementation of the roadmap to reduce direct CO₂ emissions generated by our sites (Scopes 1 and 2) in order to reduce carbon emissions by 54% in absolute terms by 2030; water: implementation of the roadmap aimed at reducing water consumption in our distilleries by 20.9% by 2030; responsible drinking: Pernod Ricard's strategic brands will launch marketing campaigns focused on responsible drinking, with the aim of ramping them up each year over the next five years; people: objective of achieving gender balance in our Top Management (at least 40% of each gender) by 2030. 	<ul style="list-style-type: none"> 4 objectives achieved: 100% of the shares 3 objectives achieved: 75% of the shares 2 objectives achieved: 50% of the shares 1 objective achieved: 25% of the shares none of the objectives achieved: 0% of the shares

- for the members of the Executive Committee: grants subject to the same performance conditions as the Chairman & CEO. The performance shares granted in FY 2024 were subject to two internal performance conditions (described above) and one external performance condition, as described below:

Performance condition	Description of the criterion	Performance assessment methods
TSR (total shareholder return)	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers ⁽¹⁾ over a period of three years following the grant under the plan	<ul style="list-style-type: none"> 1st, 2nd or 3rd position: 100% of the shares 4th, 5th or 6th position: 83% of the shares at the median (7th position): 66% of the shares 8th to 13th position: 0% of the shares

(1) The Panel proposed by the Board of Directors comprises the following 12 companies in addition to Pernod Ricard: AB InBev, Brown Forman, Campari, Carlsberg, Coca-Cola, Constellation Brands, Danone, Diageo, Heineken, LVMH, PepsiCo and Remy Cointreau. The composition of the Panel may be amended in the event of changes in the companies concerned, particularly in the event of an acquisition, absorption, dissolution, spin-off, merger or change of activity, subject to maintaining the overall consistency of the sample and enabling application of the external performance condition in accordance with the performance objective set at the grant date.

For all beneficiaries of the long-term incentive plan, the vesting period of the shares is three years.

Grant of performance shares with an external performance condition

The number of performance shares with an external performance condition granted by the Board of Directors on 10 November 2023 to members of the Executive Committee (including the Executive Corporate Officer) amounted to 32,557 (excluding shares linked to the supplementary pension scheme).

Grant of performance shares with internal performance conditions

The total number of performance shares granted by the Board of Directors on 10 November 2023 was 246,782 (excluding shares linked to the supplementary pension scheme) and they were all subject to the two internal performance conditions described above: one relating to profit from recurring operations (PRO) and the other to the Group's corporate social responsibility (CSR) performance.

STOCK OPTION GRANT HISTORY – SITUATION AT 30 JUNE 2024 (TABLE 8 OF THE AMF TEMPLATE)

	LTIP 2015	LTIP 2016	LTIP 2017	LTIP 2018	LTIP 2019	LTIP 2020
Plan number	27B	28B	29B	30B	31B	32B
Date of authorisation by Shareholders' Meeting	06/11/2015	06/11/2015	06/11/2015	06/11/2015	08/11/2019	08/11/2019
Date of Board of Directors' meeting	06/11/2015	17/11/2016	09/11/2017	21/11/2018	08/11/2019	27/11/2020
Type of options	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Total number of shares that can be subscribed or purchased	278,575	150,008	124,050	109,492	131,864	136,711
of which by Corporate Officers of Pernod Ricard SA	28,200	39,445	32,050	32,006	28,831	29,891
of which by Alexandre Ricard	20,700	31,400	25,050	26,143	22,545	23,374
of which by César Giron	7,500	8,045	7,000	5,863	6,286	6,517
Commencement date for exercise of options	07/11/2019	18/11/2020	10/11/2021	22/11/2022	09/11/2023	28/11/2024
Expiry date	06/11/2023	17/11/2024	09/11/2025	21/11/2026	08/11/2027	27/11/2028
Subscription or purchase price (€) ⁽¹⁾	102.80	105.81	126.53	137.78	162.79	154.11
Number of shares subscribed or purchased	182,507	81,402	32,993	11,882	0	0
Total number of stock options cancelled or lapsed ⁽²⁾	96,068	32,183	46,797	23,483	48,980	23,242
of which those of Alexandre Ricard	7,038	5,338	8,517	4,444	7,665	3,974
of which those of César Giron	2,550	1,368	2,380	997	2,137	1,108
Stock options outstanding	0	36,423	44,260	74,127	82,884	113,469

N/A: Not applicable.

(1) The purchase price of the shares by the beneficiaries corresponds to the average of the closing prices recorded during the 20 trading sessions preceding the date on which the options were granted.

(2) Options cancelled after the beneficiaries failed to meet the presence and/or performance conditions. During FY 2024, 23,242 stock options granted under the 27 November 2020 plan were cancelled in application of the external performance condition (83% of the options initially granted).

At 30 June 2024, there were 351,163 stock purchase options outstanding, representing approximately 0.14% of the Company's share capital. There are currently no stock subscription options outstanding, i.e., options exercisable for new Pernod Ricard shares.

STOCK OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) RECEIVING AND EXERCISING THE HIGHEST NUMBER OF OPTIONS DURING FY 2024 (TABLE 9 OF THE AMF TEMPLATE)

	Number of options granted/shares subscribed or purchased	Weighted average price (€)	Plans
Options granted during the financial year by the issuer and any other Group company to the ten employees of the issuer and any such Group company, receiving the highest number of options			No stock options were granted in FY 2024
Options granted by the issuer or any other Group company exercised during the financial year by the ten employees of the issuer and any such Group company exercising the highest number of options	4,651	103.84	06/11/2015 17/11/2016

PERFORMANCE SHARE GRANT HISTORY – SITUATION AT 30 JUNE 2024 (TABLE 10 OF THE AMF TEMPLATE)

	LTIP 2019	LTIP 2020	LTIP 2021	LTIP 2022	LTIP 2023
Plan number	31A, 31C	32A, 32C	33A, 33B, 33C	34A, 34B, 34C	35A, 35C
Date of authorisation by Shareholders' Meeting	08/11/2019	08/11/2019	10/11/2021	10/11/2021	10/11/2021
Date of Board of Directors' meeting	08/11/2019	27/11/2020	10/11/2021	10/11/2022	10/11/2023
Number of performance shares granted	269,474	270,838	237,306	284,951	281,919
of which to Corporate Officers of Pernod Ricard SA	12,566	12,436	16,349	18,704	21,766
of which to Alexandre Ricard	10,570	10,358	13,520	15,500	17,986
of which to César Giron	1,996	2,078	2,829	3,204	3,780
Vesting date of the performance shares	09/11/2023	28/11/2024	12/11/2024	11/11/2025	11/11/2026
End date of share lock-in period	09/11/2023	28/11/2024	12/11/2024	11/11/2025	11/11/2026
Performance condition	Yes	Yes	Yes except plan 33B	Yes except plan 34B	Yes
Number of performance shares cancelled ⁽¹⁾	123,314	48,579	35,087	32,649	19,968
of which those of Alexandre Ricard	2,219	1,087	0	0	0
of which those of César Giron	679	-	0	0	0
Number of performance shares vested ⁽²⁾	146,160	1,655	1,317	1,321	0
Number of performance shares not vested ⁽³⁾	0	220,604	200,902	250,981	261,951

The shares granted are subject to performance conditions (with the exception of those granted under plans 33B and 34B) and a presence condition. The vesting of the shares is subject to the achievement of the performance conditions and the presence of the beneficiaries within the Group at the vesting date.

(1) Performance shares cancelled after the beneficiaries ceased to meet the presence condition (through resignation or redundancy) or failed to meet the performance conditions. During FY 2024, 100% of the shares granted under the 2020 plan were confirmed. For the shares subject to an external performance condition granted in 2020 to Alexandre Ricard, the external performance condition was confirmed at 83% of the amounts initially granted.

(2) Granted shares that have vested and been transferred to the beneficiaries. For plans still in the vesting period, the number of vested shares indicated corresponds to shares transferred in advance to the heirs of deceased beneficiaries.

(3) For the 2019 and 2020 plans, the internal and external performance conditions were assessed in full. For the 2021 plan, the internal performance conditions were assessed in August 2024 and the external performance condition applicable to the Executive Corporate Officer will be assessed in October 2024. For the 2022 and 2023 plans, the performance conditions will be assessed at the end of FY 2025 and FY 2026 respectively.

PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) RECEIVING THE MOST PERFORMANCE SHARES AND SHARES VESTING FOR THOSE EMPLOYEES IN FY 2024

	Number of shares granted/vested	Value of the shares ⁽¹⁾ (€)	Plans
Shares granted during the financial year by the issuer and any other Group company to the ten employees of the issuer and any such Group company receiving the highest number of shares		82.88 (external condition) 152.25 (internal condition)	10/11/2023
	33,524		
Shares vested during the financial year for the ten employees of the issuer and any such Group company for whom the highest number of shares vested	8,353	153.67	08/11/2019

(1) Value of shares according to the method used for the consolidated financial statements (IFRS).

Pernod Ricard has not issued any other options exercisable for shares to its Executive Corporate Officers or the top ten employees of the Company and any other Group companies granting options.

Employee profit-sharing plans

Employees of the Group's French companies are covered by statutory and voluntary profit-sharing agreements based on the results of each specific entity. In line with the Group's decentralised structure, the terms and conditions of each of these agreements are negotiated at the level of each entity concerned.

Similarly, outside France, the Group encourages all of its affiliates to implement local agreements enabling employees to share in the profits of the entity to which they belong.

Profit-sharing agreements of this type exist in countries including Ireland and the United Kingdom: in each of these countries, employees may potentially receive Pernod Ricard shares based on their entity's annual results.

Provisions for pension benefits

Details of the total amounts recorded as provisions or otherwise recognised by the issuer for the payment of pensions are set out in Note 4.7 – Provisions to the consolidated financial statements.

Equity ratios between the compensation of Alexandre Ricard, Chairman & CEO, and the average and median compensation of the Company's employees

Information concerning the ratios between the compensation of the Chairman & CEO and the average and median compensation of the Company's employees is presented below in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code.

Calculation method

The average and median compensation amounts were calculated on a full-time equivalent basis for the Company's employees other than the Chairman & CEO.

This compensation, taken into account on a gross basis, includes the following components: fixed compensation, annual variable compensation paid, additional payments under the defined-contribution supplementary pension scheme, employee savings schemes, benefits in kind and long-term incentive plans valued at their fair value at the grant date, as recognised in the consolidated financial statements in accordance with IFRS 2. This valuation corresponds to a historical value at the grant date as calculated for accounting purposes. It does not represent a current market value, nor the value that could be received by the beneficiary if the shares granted to them vest, especially in view of the fact that it is possible that the performance conditions will not be met.

The scope of employees included only covers employees who were present continuously for two consecutive financial years. For part-time employees, compensation has been calculated on the basis of full-time equivalents.

The ratios and annual changes in compensation were calculated on the basis of the gross compensation components paid during or awarded for the current year (and therefore include the variable compensation and profit-sharing due in respect of the prior year). The legal scope of this information covers Pernod Ricard SA. In addition, in accordance with recommendation 27.2 of the AFEP-MEDEF Code, the ratios are also disclosed for a broader scope, representative of the Group's business in France and including Pernod Ricard SA and all direct and indirect affiliates located in France.

The table below was drawn up taking into account the template issued by the AFEP in its guidelines updated in February 2021.

TABLE OF RATIOS DISCLOSED IN ACCORDANCE WITH SECTIONS I.6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Change (%) in the compensation of Alexandre Ricard, Chairman & CEO ⁽¹⁾	+5%	-33%	+80%	+6%	-7%
INFORMATION FOR THE SCOPE OF THE LISTED COMPANY					
Change (%) in average employee compensation	+7.8%	+2.9%	+18.5%	+10.1%	-11%
Change (%) in median employee compensation	+4.5%	+2.1%	+18.5%	+7.8%	+1.7%
Ratio compared to average employee compensation	39.12	25.38	38.60	37.02	38.66
Change (%) compared to the previous financial year	-2.6%	-35.1%	+52.1%	-4.1%	+4.4%
Ratio compared to median employee compensation	67.68	44.31	67.38	66.02	60.32
Change (%) compared to the previous financial year	+0.4%	-34.5%	+52%	-2%	-8.6%
ADDITIONAL INFORMATION FOR THE EXTENDED SCOPE					
Change (%) in average employee compensation	+6.4%	+0.6%	+4.5%	+8.9%	+0.8%
Change (%) in median employee compensation	-2.9%	+4.2%	+6.1%	+6.1%	+8.4%
Ratio compared to average employee compensation	63.71	42.24	72.87	70.65	65.12
Change (%) compared to the previous financial year	-1.2%	-33.7%	+72.5%	-3%	-7.8%
Ratio compared to median employee compensation	89.86	57.58	97.81	97.41	83.48
Change (%) compared to the previous financial year	+8.2%	-36.0%	+69.9%	-0.4%	-14.3%
COMPANY PERFORMANCE					
Profit from recurring operations	2,260	2,423	3,024	3,348	3,116
Change (%) compared to the previous financial year ⁽²⁾	-13.7%	+18.3%	+19.0%	+11.3%	+1.5%

NC: Not calculable.

(1) Factors related to the compensation of the Chairman & CEO explaining the changes in the ratios:

- FY 2020: payment of the annual variable compensation for FY 2019 for which the achievement rate was 159%;
- FY 2021: impact of the Covid-19 crisis on the FY 2020 variable compensation paid during FY 2021;
- FY 2022: increase in the fixed compensation and payment of the annual variable compensation for FY 2021 for which the achievement rate was 180%;
- FY 2023: payment of the annual variable compensation for FY 2022 for which the achievement rate was 180%;
- FY 2024: payment of the annual variable compensation for FY 2023 for which the achievement rate was 151.25%.

(2) Organic growth, adjusted for the effects of exchange rates and changes in the scope of consolidation.

Compensation of Executive Committee members

The Compensation Committee is kept regularly informed of changes in the compensation of the Group's key executives. The Committee ensures consistency between the compensation policy applicable to the Executive Corporate Officer and the policy applicable to the Group's key executives in France and abroad. It also makes sure that CSR criteria are included in these executives' variable compensation.

The governance structure of the Pernod Ricard Group was changed during FY 2024. The Chairman & CEO is now assisted by the Executive Committee (ExCom) and an Executive Leadership Team (ELT), which bring together the heads of the Group's key corporate functions and key business leaders from its main markets and brands.

The compensation of the members of the Executive Committee (excluding the Chairman & CEO), which is set by Executive Management, comprises an annual fixed portion, plus a highly incentivising variable portion, for which the criteria are based on both the Group's financial and non-financial performance, as is the case for the Executive Corporate Officer.

The members of the Executive Leadership Team and all of the Group's senior managers have a similar pay structure, based on the same Group financial performance indicators as those applicable to the Executive Committee, and they are all assessed based on CSR criteria. They are also assessed on the performance of their entity/market.

Total fixed compensation awarded to the members of the Executive Committee, including the Executive Corporate Officer, amounted to €5.5 million for FY 2024 (compared with €8.6 million for FY 2023). In addition to this, total variable compensation of €5.4 million was paid in FY 2024 in respect of FY 2023 (compared with €8.4 million paid in FY 2023).

The total recurring expense in respect of pension obligations for members of the Executive Committee, including the Executive Corporate Officer, was €2.8 million in the financial statements for FY 2024 (compared with €4.1 million in FY 2023).

The difference between the two financial years is due to the Group's tighter governance structure, led by an Executive Committee made up of eight members at 30 June 2024, rather than 17 members, as was the case previously.

2.7 Non-discrimination policy and diversity in Top Management

The non-discrimination policy is based on reliable and consistent global talent identification and management processes, as well as succession planning focused on performance and potential. Considerable effort has been made over the past few years to ensure the quality and objectivity of the assessment. The "TransfoHRm" HR Strategy announced in 2018 is inherently a diverse-centric strategy ensuring that key processes such as talent development and management are fair, objective, consistent and equitable. This strategy resulted in the implementation of the "Let's Talk Talent" programme, a global performance and talent management process based on an objective assessment of performance and potential, used for calibration and powered by the Workday platform. This process aims to ensure the greatest consistency across all affiliates globally in performance assessment, personal development and career advancement for all the Group's employees.

Moreover, in the wake of the global "Better Balance" initiative, a key global area of focus has been to continue accelerating gender balance in senior leadership positions, at a global level. In addition, objectives have been defined for the Group's Management bodies, identified as the "Top 500"⁽¹⁵⁾ employees, and a series of actions have been taken to help achieve these objectives⁽¹⁶⁾.

In 2019, Pernod Ricard's Board of Directors, on the recommendation of the Nominations and Governance Committee, established binding objectives within its Sustainability & Responsibility roadmap relating to diversity in the Group's management bodies: by 2030, Pernod Ricard's Top Management will have to include a minimum of 40% of each gender.

All the initiatives undertaken by Pernod Ricard in favour of diversity and inclusion are essential to reach these targets. They lay the foundations of more equitable, diverse and inclusive processes for attracting and growing a diverse talent pipeline globally at Pernod Ricard.

The Group's initiatives are showing tangible progress, as the programmes implemented have delivered the following results:

- for the Executive Committee, the proportion of women increased from 7% to 38% between 2015 and 2024; and
- for the "Top 500", the proportion of women rose from 19% to 38% between 2015 and 2024.

The diversity policy and the results obtained are presented annually to the Board of Directors by Senior Management.

⁽¹⁵⁾ The "Top 500" comprised 457 employees in 2015, 618 in June 2023 and 570 in June 2024.

⁽¹⁶⁾ Please refer to Chapter 3 "Sustainability & Responsibility", especially subsection 3.5.1.1. Diversity & Inclusion (D&I) for more information on the Group's D&I actions and policy within management bodies.

3

Sustainability & Responsibility

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At a glance

This year, the Group reached some key commitments while ambitious programmes launched in recent years gathered momentum. What follows is an overview of key achievements and a brief outlook on the year to come for each of the four pillars of the 2030 S&R roadmap.

Nurturing terroir

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

Having completed the **risk mapping of our 150 terroirs**, we are now accelerating on the implementation of sustainable sourcing practices of our hundred ingredients through **certifications and risk mitigation plans**.

In its strategic terroirs, Pernod Ricard is working hand in hand with farmers and suppliers to **pioneer regenerative agriculture** which adopts a holistic approach considering the entire ecosystem: plants, soil, water, carbon, biodiversity, and livelihoods.

11,203

farmers empowered, trained or supported⁽⁶⁾

100%

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

39%

of all key raw agricultural materials⁽⁷⁾ produced or sourced in line with sustainability standards

600M

Reached by our Drink More Water campaign online

95%

of our bottles featuring a digital label⁽⁸⁾

10

Responsible drinking brand campaigns

Valuing people

Convivialité is about sharing, warmth, care and respect for people everywhere. We foster diversity and fairness for all our people and empower people throughout our value chain.

With a revised **Diversity & Inclusion (D&I) governance, vision and priorities** placing an emphasis on inclusion, Pernod Ricard continues to leverage its **global D&I framework** around talent management, workplace culture, innovation and reputation to empower its affiliates.

In order to further promote a healthy and safe working environment, we've been engaging employees with our **campaign "Be the one"** and rolling out our Health & Safety **training program "Care by Learning"**.

Recognised by Forbes as one of

2023

World's Best Employers

-43%

in lost time accident frequency since FY22

38%⁽¹⁾

Women among Top Management

GHG Emissions:

-30%⁽²⁾

Scope 1+2 absolute emissions for production sites

-8%⁽⁹⁾

Scope 3⁽⁴⁾ (intensity⁽⁵⁾)

99%

Recyclable, reusable or compostable packaging

-12%⁽²⁾

Water consumption (intensity⁽³⁾)

Responsible hosting

We are committed to promoting responsible drinking and combatting the harmful use of alcohol. We work with stakeholders to achieve real change and continuously strengthen our responsible business practices.

To promote responsible drinking, we believe in **empowering our consumers** to make well informed decisions by implementing bold campaigns such as **Drink More Water** tackling binge drinking or featuring **digital labels** on our bottles to share clear information about our products.

We are also increasingly **leveraging the power of our iconic brands** to foster responsible drinking behaviours and have put in place a **certification** to drive responsible practices within our Brand Homes who welcome millions of visitors.

Circular making

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.

With **ambitious carbon reduction targets in line with a 1.5°C scenario** validated by SBTi, we have strong roadmaps across distillation, agriculture, packaging and transportation to reduce carbon emissions. We have further developed our **climate-related risks and opportunities** assessment to evaluate the vulnerability of each terroir.

We continue to drive more circular **packaging solutions** and implement programs to deliver on our water **management commitments**.

(1) Band C and above - balanced teams considered achieved with a range of 40-60% men and women. (2) Compared to FY18 baseline. (3) Per unit of distilled alcohol. (4) SBT reporting scope. (5) tCO₂e per € of profit from recurring operations. (6) Cumulative figure since 2019. (7) Defined by annual spend. (8) Informing consumers on product contents, potential health risks, and how to enjoy them responsibly. Precisions specified in sub-section 3.5.3.1 o. (9) Compared to FY22 SBT baseline.

3.1 Our Sustainability & Responsibility (S&R) strategy at a glance

3.1.1 A strategy built on a long-standing commitment

Pernod Ricard's commitment to Sustainability and Responsibility (S&R) reaches far back in the Group's history. Its founder Paul Ricard was an early philanthropist who created the Paul Ricard Oceanographic Institute in 1966 in reaction to rising industrial pollution in the Mediterranean Sea. The Group has carried its founder's vision from the beginning, taking a proactive stance to address social and environmental challenges, both present and future.

Doing so requires a holistic approach as ESG challenges are, by nature, interconnected. Launched in 2019, the Pernod Ricard 2030 S&R roadmap "Good Times from a Good Place" operates on this principle, embedding sustainable and responsible thinking at the core of the Group's *modus operandi*.

In times defined by "polycrisis", shaped by climate change and extreme weather events, pandemics, economic and financial instability, political and social conflicts around the world, this approach matters more than ever to ensure the resilience of Pernod Ricard's business.

Today, Pernod Ricard is committed to investing in a net-zero future and accelerating the transition to regenerative agriculture while innovating to adopt more circular solutions. In its approach to these challenges, the Group puts diversity and fairness first, and seeks to empower people across its supply chain while pursuing its wide range of actions promoting responsible alcohol consumption.

ABOUT THIS SECTION

This section represents the non-financial performance reporting segment of the present Universal Registration Document. In line with Pernod Ricard's commitments towards transparency and accountability, it features a comprehensive dashboard of ESG indicators in subsection 3.3, most notably those pertaining to the Group's S&R roadmap commitments. These indicators are contextualised and further detailed in the subsequent subsections, which follow an Environmental, Social, and Governance structure. This structure is simpler to consult and helps to prepare regulatory alignment with future requirements. The consideration given to presenting this information reflects the Group's intent to continuously implement best practices wherever possible, up to and including disclosure, an ongoing process to be reinforced in the future.

3.1.2 A year of S&R at Pernod Ricard

This year has confirmed the acceleration of the Group's 2030 roadmap 'Good Times from a Good Place' to drive social and environmental progress with some commitments achieved ahead of plan. What follows is an overview of key achievements and a brief outlook on the year to come for each of the four pillars of the Group's S&R roadmap: Nurturing Terroir, Valuing People, Circular Making, and Responsible Hosting.

Nurturing Terroir

Pernod Ricard is highly dependent on well-balanced ecosystems and natural ingredients: all the Group's brands come from nature and some 350 terroirs⁽¹⁾ around the world. The Group is committed to nurturing every terroir, inclusive of local communities, and aims to address the challenges of climate change and biodiversity loss to ensure quality ingredients now and for generations to come.

Having completed a comprehensive risk mapping for the 150 terroirs from which the Group sources its key agricultural raw materials⁽²⁾, the implementation of sustainable sourcing practices is now being accelerated. This initiative includes deploying certifications and risk mitigation plans across the key supply chains to ensure responsible procurement.

For the strategic terroirs, Pernod Ricard is pioneering regenerative agriculture projects. These projects adopt a holistic approach, considering the entire ecosystem—including plants, soil, water, carbon, biodiversity and livelihoods.

In FY25, the Group will continue to implement its comprehensive terroir strategy which aims to create resilient agricultural systems that benefit both the environment and the surrounding communities.

Valuing People

Pernod Ricard is committed to creating a safe, fair, and inclusive environment where sharing warmth, care, and respect are the standard for engaging and empowering people everywhere, within the Group and throughout its value chain.

These commitments gained momentum during FY24. Notably, the Group rolled-out its "Be the One" campaign reinforcing the importance for everyone to act at their own level in preserving the mental, social, and physical health of employees. The Group

also reviewed its global Diversity & Inclusion governance, vision and priorities with the emphasis placed on inclusion and launched a voluntary inclusion self-assessment designed to promote inclusive behaviours.

For FY25, the Group aims to deepen its D&I and H&S culture through engagement and empowerment and will notably continue rolling-out its D&I Framework as well as its H&S "Be the one" campaign and H&S training program "Care by Learning".

⁽¹⁾ Pernod Ricard defines a terroir as the supply of one agricultural raw material from one specific location, at least at the country level.
⁽²⁾ Key agricultural materials are defined by annual spend (96%).

Circular Making

The world’s finite resources are under immense pressure. Pernod Ricard is committed to minimising resource use at every step in its value chain by imagining, producing, and distributing products and experiences in more optimised and circular ways. Climate change with its impact on the sourcing of raw materials and water availability is a threat to the Group’s business and value chain, therefore mitigation and adaptation to climate change is a major focus of Pernod Ricard’s environmental policy. The Group is working on reducing greenhouse gas emissions and adapting its business to ensure resilience in the face of climate-related risks.

In FY24, Pernod Ricard got its new carbon reduction targets validated by the Science Based Targets initiative (SBTi), in line with its 1.5°C pathway Net Zero ambition. The Group also

continued improving the quality of its carbon emissions measure, working closely with suppliers to collect specific emissions factors for 66% of its Scope 3 GHG emissions and developed CO₂MET, a new tool to track and manage its carbon footprint, in partnership with CO₂AI. In parallel, the Group successfully reduced its direct carbon emissions (Scopes 1 & 2) as well as its water consumption intensity at distilleries, exceeding its targets for FY24 on these two key objectives.

In FY25, the Group will continue investing in technologies to lower carbon emissions linked to distillation and packaging, and implementing programmes to deliver on its water management commitments.

Responsible Hosting

Pernod Ricard is committed to promoting responsible drinking and has a role to play in preventing alcohol misuse. To this end, the Group works with stakeholders to achieve real change and continuously strengthens its responsible business practices.

In FY24, Pernod Ricard continued its effort as a proactive player in the industry to roll out digital labels to empower consumers to make informed and responsible choices about alcohol. More than half a billion bottles with digital labels have been shipped worldwide in 166 markets.

Moreover, the Group continued to deliver strong responsibility messages through initiatives targetting our consumers to help them adopt responsible behaviours regarding alcohol. With its second wave in FY24, the Drink More Water campaign has

reached over 100 million people online in 2 months, and overall since its launch 600 million online and more than 23 million people on-the-ground in 61 countries. Pernod Ricard iconic brands have now launched 10 marketing campaigns with responsibility messages at their heart to reach 108 million consumers, while 16 out of 30 of the Group’s public-facing Brand Homes have been certified “Responsible Hosts” to create safe places for their visitors to master the art of tasting.

In FY25, the Group will continue the roll-out of its current initiatives while embracing a new Responsible Drinking ambition which will aim at embarking our consumers in responsible drinking journey.

3.2 Our grain-to-glass strategy in line with our vision “Créateurs de convivialité”

3.2.1 A S&R strategy embedded in the Group’s business

The Pernod Ricard S&R roadmap covers all Group activities, from grain to glass. The Group’s S&R ambition sits at the heart of its mission to “unlock the magic of human connection by bringing Good Times from a Good Place.” For Pernod Ricard, S&R is a key business driver and is proving an important lever to accelerate its transformation by driving innovation, giving purpose to its brands, attracting talent, and bringing to life a vision of a more convivial world.

PERNOD RICARD’S MANIFESTO

“**Créateurs de convivialité**”: true to Pernod Ricard’s founding spirit, the Group has been bringing people together since its beginning, inviting them to share privileged moments and forge new friendships every day through our world-class portfolio of premium wines and spirits.

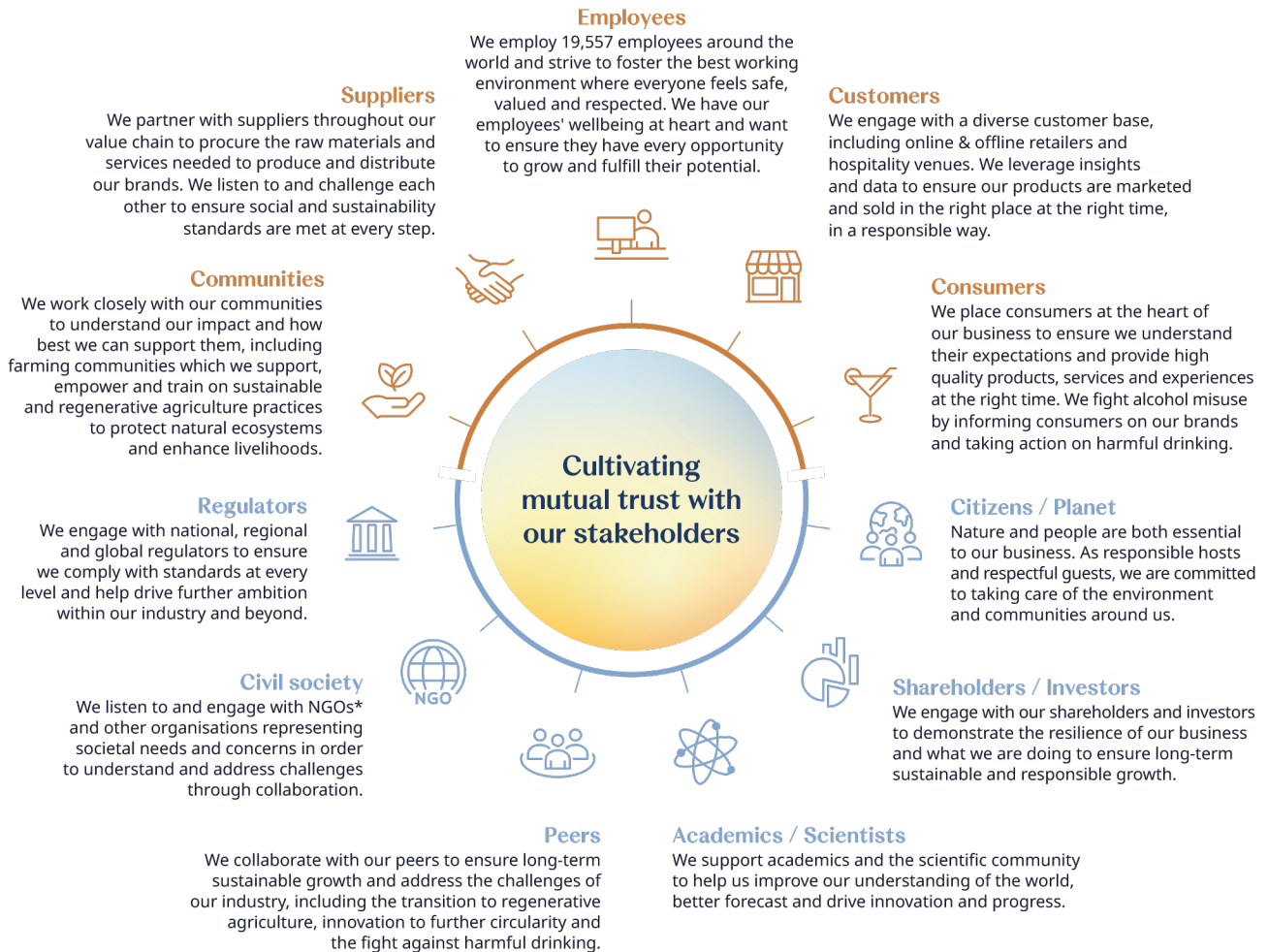
We are passionate hosts, a family of exceptional people who are committed to fighting alcohol misuse and creating a better way of living and working together, bringing good times today and for generations to come.

We are respectful guests, who care for and strive to protect and nurture the terroirs and environments in which we live. We partner with local farmers and respect local communities to benefit our planet, our consumers and business.

We bring good times from a good place, to create a more convivial world, a world without excess.

3.2.2 Building sustainable & responsible relationships with our stakeholders across the value chain

FIGURE 1 – PERNOD RICARD'S STAKEHOLDERS



* Non Governmental Organisation.

Pernod Ricard's 2030 S&R roadmap addresses the material risks facing its business along with consumer concerns and is aligned with the United Nations (UN) Sustainable Development Goals (SDGs).

The Group's roadmap sets ambitious commitments based on a 2030 timeline in line with the SDGs, with milestones set in 2025. The strategy primarily contributes to 8 SDGs, though it addresses 14 SDGs across the Group's entire value chain.

The S&R roadmap is the result of a long process of interviews and consultations with over 300 internal and external stakeholders and experts globally. Over 20 workshops were held with representatives of Brand Companies, Market Companies, different regions, HQ, and the Top Management team.

The Group closely monitors its commitments, objectives, and performance indicators. It reviews, challenges, and adapts its strategy and related roadmap according to its progress and the surrounding context. This ensures long-term consistency between the Group's growing ambitions and its impact, while enabling new, more effective monitoring tailored to the expectations of the various stakeholders.

JOINING FORCES WITH OTHER LEADERS

Pernod Ricard joined the World Business Council for Sustainable Development (WBCSD), a coalition of global businesses working together to limit the climate crisis, restore nature and tackle inequality, with a vision to build a world where nine billion people are living well and within the boundaries of the planet, by 2050. As part of its membership, Pernod Ricard has also joined the One Planet Business for Biodiversity (OP2B) - an international, cross-sectoral and action-oriented business coalition on biodiversity with a specific focus on regenerative agriculture.

3.2.3 A new integrated governance structure

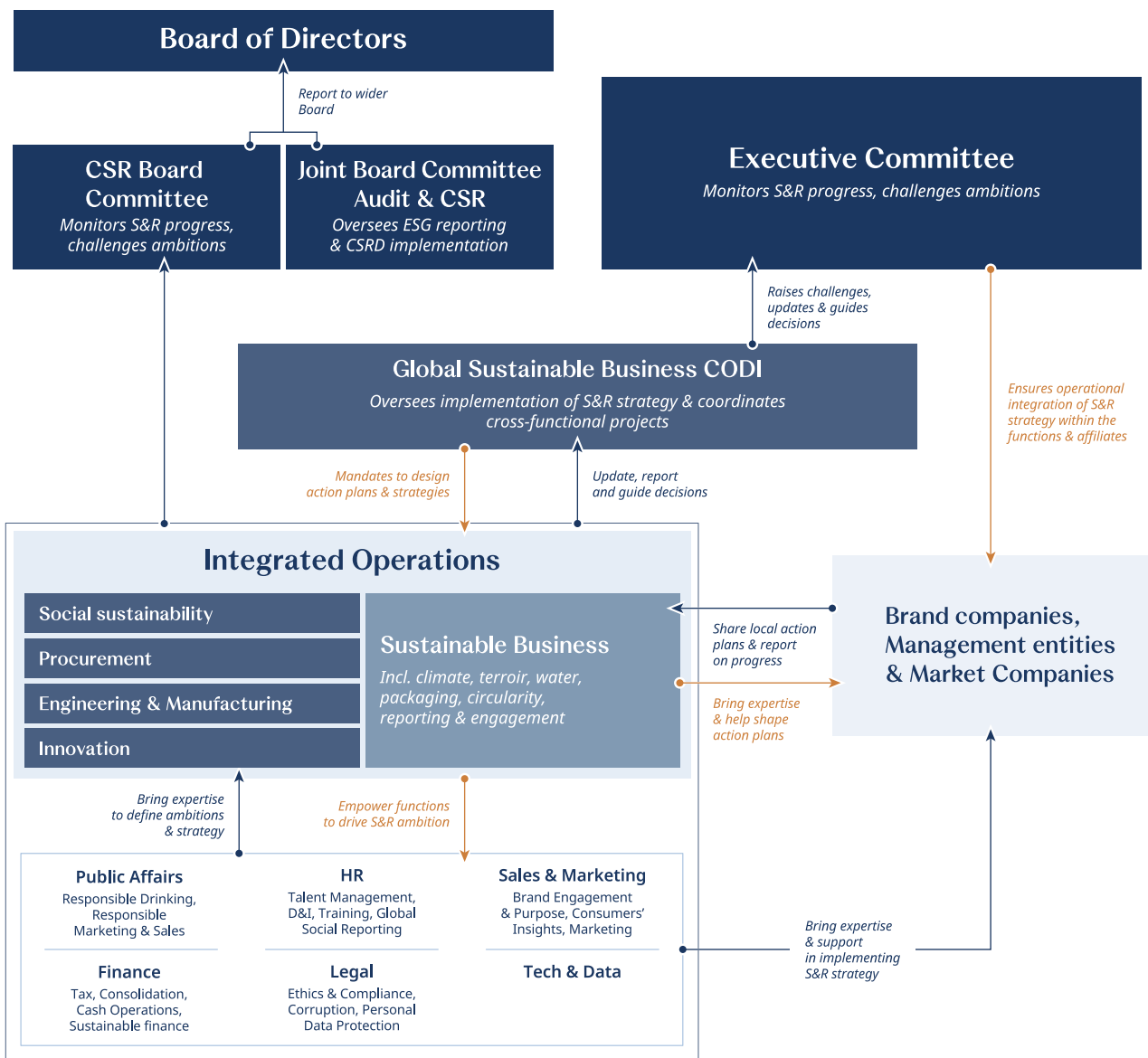
A robust governance structure has been established to ensure the S&R roadmap is fully implemented throughout the Group, identifying specific responsibilities and clear reporting lines at each level, from the affiliates right up to the Board of Directors.

Since January 2024, Maria Pia De Caro is now also responsible for Sustainability & Responsibility and holds the title of EVP, Integrated Operations and S&R. This newly created role truly embeds sustainability within Operations, enables acceleration and supports the roadmap implementation throughout the Group’s value chain, looking at how we source raw materials, how we create, make and serve our brands around the world, as well as how we take care of people throughout our value chain and promote a responsible use

of alcohol. This new governance demonstrates the core position S&R takes in the Group’s business, placing these questions at the highest level of decision-making.

Part of the Integrated Operations team, the Group’s new Chief Sustainability Officer oversees the Global Sustainable Business team bringing together specialists spanning climate action, regenerative agriculture, water stewardship, circularity, reporting and engagement. This team continues to work with experts in other key functions to design, implement and report on the S&R roadmap across the business and within the Group’s affiliates.

FIGURE 2 – GROUP S&R GOVERNANCE



In order to prepare for the Corporate Sustainability Reporting Directive (CSRD), the Sustainable Business and Finance teams have joined forces along with the Tech & Data teams to benefit from the expertise and knowledge of different functions and to align the standards of financial and extra-financial reporting. With sponsorship from the respective Executive Committee members (EVP Integrated Operations & S&R and EVP Finance & IT), this project has benefited from a strong governance and prioritisation across the Group. The implementation is overseen by a new joint Audit and CSR Committee who will meet once a year to ensure and validate Pernod Ricard's compliance with the CSRD, in addition to the existing CSR Committee, who meets two times a year.

3.3 Non-financial performance statement

The following subsections feature detailed information on Pernod Ricard's S&R policies and performance, including a dashboard listing all relevant KPIs. While the Group's S&R strategy is holistic in both approach and scope as described above, this information is hereafter classified according to an Environmental, Social, and Governance (ESG) structure rather than according to the four pillars of Pernod Ricard S&R roadmap. This evolution from previous iterations of the present Universal Registration Document aims to:

- provide yet more transparency concerning the Group's performance by adopting a common frame of reference for all readers;
- facilitate consultation of single items for readers seeking specific information;
- anticipate alignment with forthcoming regulation, notably the Corporate Sustainability Reporting Directive.

3.3.1 Pernod Ricard ESG performance dashboard

The dashboard below lists Pernod Ricard's various S&R commitments and provides KPIs relating to each target. For more information on a given commitment, associated policies, and KPIs, refer to the relevant subsection of the present section indicated in the "Reference" column.

TABLE 1 – ESG KPIs DASHBOARD

Commitment	Target year	Performance target	Performance in FY23	Performance in FY24	Progress status	Reference URD
NURTURING TERROIR (E)						
Cover all key agricultural raw materials ⁽¹⁾ by risk mapping	2022	100%	100%	100%		3.4.2.2
Produce or source all key raw materials ⁽¹⁾ in line with sustainability standards	2030	100%	34%	39%		3.4.2.3
Implement in all direct affiliates a regenerative agriculture or biodiversity programme linked to priority terroirs ⁽²⁾	2030	100%	82%	100%		3.4.2.4
Test local models for regenerative farming systems in the Group's vineyards in 8 wine regions ⁽⁵⁾	2025	8	7	8		3.4.2.4
Empower, train or support farmers (S)	2030	5,000 ⁽²⁾	10,506	11,203		3.5.2.2
VALUING PEOPLE (S)						
Ensure gender pay equity across the business	Ongoing	<1% ⁽⁴⁾	1.3 %	1.6 %		3.5.1.1.1
Achieve a gender balanced ⁽⁵⁾ Top Management ⁽⁶⁾	2030	40-60%	36 %	38 %		3.5.1.1.1
Offer all employees at least one training session during the FY	Ongoing	100%	99%	99 %		3.5.1.2.3
Offer all employees at least one future-fit training session every 3 years	2030	100%	21%	60 %		3.5.1.2.3
Become "best in class" in the Wines & Spirits industry for Health & Safety: moving towards zero accidents ⁽⁷⁾	2025	Towards 0 accidents	60	44		3.5.1.3.1
Support all medium and high-risk suppliers through a mitigation plan ⁽⁸⁾	2025	Mitigation plans	In progress	In progress		3.5.2.1
Align with the United Nations Guiding Principles (UNGPs) on Human Rights	2025	Alignment	In progress	In progress		3.5.1.5

Commitment	Target year	Performance target	Performance in FY23	Performance in FY24	Progress status	Reference URD
CIRCULAR MAKING (E)						
Reduce Scopes 1 and 2 non-FLAG GHG emissions by 54% (in absolute value) vs FY22	2030	-54%	-11%	-30%		3.4.1.5.3
Use only renewable electricity on production sites and in administrative offices	2025	100%	76%	91%		3.4.1.5.3
Reduce Scope 3 FLAG GHG emissions by 30.3% (in absolute value) vs FY22	2030	-30.3%	3%	-9%		3.4.1.5.3
Reduce Scope 3 non FLAG (purchased goods and services, upstream transportation and distribution) GHG emissions by 25% (in absolute value) vs FY22	2030	-25%	-3%	-6%		3.4.1.5.3
Reduce Scopes 1 and 2 GHG non-FLAG GHG emissions by 90% (in absolute value) vs FY22	2050	-90%	-11%	-30%		3.4.1.5.3
Reduce Scope 3 non-FLAG GHG emissions by 90% (in absolute value) vs FY22	2050	-90%	-3%	-6%		3.4.1.5.3
Reduce Scopes 3 FLAG GHG emissions by 72% (absolute value) vs FY22	2050	-72%	3%	-9%		3.4.1.5.3
Reduce overall water consumption intensity (per unit of distilled alcohol) by 20% vs FY18	2030	20%	-8.1%	-11.8%		3.4.3.1
Replenish water in watersheds for production sites and dedicated copackers located in high-risk areas	2030	100%	58.3%	73.6%		3.4.3.1
Apply eco-design principles (directives on sustainable packaging and point of sale material) to all NPD	2022	Compliance	In progress	In progress		3.4.3.2.1
Ensure all packaging is recyclable, reusable, or compostable	2025	100%	98%	99%		3.4.3.2.1
Reach 50% of post-consumer recycled content for glass	2025	50%	35%	37%		3.4.3.2.1
Reach 25% of post-consumer recycled content in PET bottles	2025	25%	17%	20%		3.4.3.2.1
Certify 100% of cardboard and paper used according to standards ensuring sustainable forest management	2025	100%	43%	74%		3.4.3.2.1
Reduce by 5% the weight of virgin plastic used vs FY21	2025	-5%	-23%	-29%		3.4.3.2.1
Pilot R&D projects on circular distribution of Wine & Spirits	2030	5	2	2		3.4.3.2.1
Support recycling in key markets with low recycling rates ⁽⁹⁾	2030	9	4	4		3.4.3.2.1
Ban single-use plastic in point of sale materials	2021	100%	100%	100%		3.4.3.2.1
Ensure all point of sale material spend is recyclable, reusable or compostable	2025	100%	98%	99%		3.4.3.2.1
RESPONSIBLE HOSTING (S)						
Maintain all Group employees trained on alcohol & responsible drinking (through MOOC)	Ongoing	100%	94%	96%		3.5.1.4
Train sales staff and brand ambassadors on responsible sale of alcohol	2025	100%	19%	27.5%		3.5.1.4
Train bartenders on all aspects of S&R through the Group's 'Bar World of Tomorrow' programme	2030	10,000	12,310	18,057		3.5.2.3
Feature the three responsible drinking logos on all Pernod Ricard products	2024	100%	41% ⁽¹¹⁾	95% ⁽¹¹⁾		3.5.3.1
Feature a digital label on all Pernod Ricard products informing consumers on product contents, potential health risks, and how to enjoy them responsibly	2024	100%	41% ⁽¹¹⁾	95% ⁽¹¹⁾		3.5.3.1
Have no complaint upheld against Group marketing campaigns	Ongoing	0	1	0		3.5.3.2
Comply with the IARD Digital Guiding Principles (DGPs)	2024	95%	95.5%	98.6%		3.5.3.2

Commitment	Target year	Performance target	Performance in FY23	Performance in FY24	Progress status	Reference URD
Reach full completion rate on the e-learning ⁽¹⁰⁾ for the Code for Commercial Communications	N/A	100%	80%	90.6%		3.5.3.2
Implement age-gating on direct to consumer Pernod Ricard websites	2022	100%	100%	98%		3.5.3.2
Roll out at least 12 marketing campaigns ⁽³⁾ (by strategic brands) to promote responsible drinking behaviour among consumers	2027	12	5	10		3.5.3.3
Contribute to at least one global or local responsible drinking initiative to fight alcohol misuse in all Group markets	2025	100%	94%	94%		3.5.3.4
Obtain the Responsible Host certification for Group brand homes	2025	100%	Self-assessment	53%		3.5.3.4
Raise awareness of responsible drinking for visitors through Responsible Host certified brand homes	2030	10M	-	280,374		3.5.3.4

In progress On plan Achieved

(1) Defined by annual spend.

(2) For comparability purpose, this KPI was calculated using the same scope and Group structure as for the FY23 reporting.

(3) Cumulative figures.

(4) External service providers consider a < 1% pay gap to be equivalent to 0 and in line with best practices.

(5) A team is considered balanced when it achieves a 40 to 60% share of men/women.

(6) Internal definition: Band C and above.

(7) Employees and interim staff.

(8) The internal risk mapping tool is used for all suppliers providing dry goods (packaging), wet goods (agricultural raw material), point of sale material and the terroirs risk mapping tool for key agricultural raw materials and priority terroirs.

(9) India, USA, Canada, China, France, Brazil, Spain, South Africa and Poland.

(10) Employees with a permanent contract, at least three months' seniority and belonging to a relevant job family.

(11) Performance excluding India, caused by complex state-by-state regulatory validation, and China, where a new local regulation required a project pause for regulatory review. Excluding India and China, we expect full achievement by the end of Calendar Year 2024.

3.3.2 Pernod Ricard sustainability risks & opportunities

In line with Directive 2014/95/EU on non-financial reporting as transposed into French law⁽³⁾, Pernod Ricard publishes a “Non-Financial Statement”. This regulation requires the Group to disclose its business model and information on key non-financial risks in this statement. These include risks related to the environment, employment, society, Human Rights, tax evasion⁽⁴⁾, and corruption.

- For more information on Pernod Ricard’s business model see Section 1.

- For more information on the Group’s key non-financial risks see subsections 3.3.2.1 and 3.3.2.2 below.
- For more information on the Group’s key risks see section 4. Risk management.

3.3.2.1 Presentation of the risk mapping methodology

Last updated in FY21, the Group’s risk mapping presents and classifies the risks based on their potential impact and probability of occurrence across the Group’s activities⁽⁵⁾. Some of these risks are specific to sustainability. To ensure such risks and any opportunities are properly identified and mapped, Pernod Ricard uses the following methodology:

- every three years, the main risks faced by Pernod Ricard are:
 - mapped by direct affiliates and HQ functions, and
 - then consolidated at HQ level by the Group’s Internal Audit Department;
- the same Group risk mapping methodology and tool are used to identify the main sustainability risks for the “Non-Financial Performance Statement”;
- these sustainability risks are subject to in-depth analysis led by the S&R Department through research, competitive benchmarking, and internal and external stakeholder dialogue (see subsection 3.2.2 Building sustainable & responsible relationships with our stakeholders across the value chain). Other key HQ experts, including from Operations, Legal, HR, Public Affairs, and Finance departments, were also involved in confirming the top 13 risks and opportunities;

- the identified sustainability risks and opportunities were then cross-referenced with the 2021 Group Risk Mapping for confirmation and to ensure consistency with the Group’s major risks listed in Chapter 4;
- the resulting thirteen non-financial risks and opportunities were subsequently presented to, and signed off, by the S&R Senior Steering Committee (formerly Executive Committee and Global Sustainable Business CODI members) and the Board of Directors’ CSR Committee.

In FY24, Pernod Ricard started to work on the implementation of the new Corporate Sustainability Reporting Directive (CSRD). The Sustainable Business and Finance teams, along with Tech and Data teams and other key functions have performed a double materiality and gap analysis to better understand the needs and implications for Pernod Ricard’s compliance with the CSRD and identify opportunities to accelerate the S&R roadmap and improve business resilience.

⁽³⁾ Article R. 225-105 of the French Commercial Code.

⁽⁴⁾ Pursuant to Act No. 2018-898 on combating fraud.

⁽⁵⁾ The Group’s major risks and the process for identifying them are described in Section 4.

3.3.2.2 Definition of the key sustainability risks & opportunities

Like any company, Pernod Ricard may be exposed to external or internal risks while also potentially benefiting from opportunities. It is thus essential to identify such potential risks and opportunities and ensure the roll-out of adequate action and/or mitigation plans.

What follows is a list of the 13 relevant key sub-risks that have been identified and their definitions, as well as opportunities where applicable.

Given the nature of Pernod Ricard's activities, the Group does not consider "tax evasion" to be a major non-financial risk. It was therefore not deemed necessary to explore it in this "Non-Financial Statement". Nevertheless, "tax evasion" is discussed in subsection 3.7.2 "Tax policy".

Risk category & description	Chapter 3 subsections
LEGAL AND REGULATORY RISKS	
<p>Responsible supply chain <u>Description:</u> Beverage industry supply chains are inherently diverse and fragmented due to the multiplicity and diversity of actors, from agriculture to merchandising. As such, Pernod Ricard may be legally involved with suppliers whose practices do not comply with Human Rights (child labour, forced/bonded labour, health and safety, etc.); environmental standards (GHG emissions, toxic emissions etc.); or compliance and business regulations (corruption, fraud etc.). <u>Potential impacts on the Group:</u> Reputational damage, financial loss and legal liabilities.</p>	<p>3.5.2.1 Procuring responsibly 3.5.1.5 Acting for Human Rights</p>
<p>Sustainable agricultural supply chain <u>Description:</u> Agricultural practices in Pernod Ricard's supply chain may have various negative effects on the environment (soil degradation, poor water quality and availability, GHG emissions, biodiversity loss and deforestation) and the human rights of farmers or local communities (remuneration of farmers, health and safety, child or forced labour, land grabbing). <u>Potential impacts on the Group:</u> Reputational damage, legal liabilities.</p>	<p>3.4.2 Preserving nature & biodiversity</p>
<p>Anti-corruption & antitrust <u>Description:</u> Given the international scope of its activities, Pernod Ricard may be exposed to compliance issues related to anti-corruption laws and other regulations. This may be in its own operations or through its supply chain. <u>Potential impacts on the Group:</u> Reputational damage, criminal fines.</p>	<p>3.6.2.1 Preventing corruption and anti-competitive practices 3.6.2.2 Responsible lobbying</p>
<p>Data privacy <u>Description:</u> The digital transformation of its activities and the increasing number of regulations may result in Pernod Ricard facing compliance issues related to data protection regulations⁽¹⁾ and failing to protect the personal data of its consumers. <u>Potential impacts on the Group:</u> Reputational damage, legal liability, financial loss.</p>	<p>3.6.2.3 Data protection</p>
<p>Harmful use of alcohol by consumers <u>Description:</u> Pernod Ricard's reputation may be impacted by consumers' misuse of alcohol. Its activities may also be impacted by ongoing anti-alcohol sentiment or excessive and/or punitive regulations. <u>Potential impacts on the Group:</u> Lower revenues and profits without effectively reducing the harmful use of alcohol</p>	<p>3.5.1.4 Educating employees on alcohol and responsible drinking 3.5.2.3 Training and empowering bartenders</p>
<p>Excessive and/or punitive alcohol regulations implemented by Government to tackle harmful alcohol use <u>Description:</u> Such regulations may be spurred by harmful use of alcohol by consumers. The Group's activities may also be impacted by anti-alcohol sentiment or excessive and/or punitive regulations⁽²⁾. <u>Potential impacts on the Group:</u> Lower revenues and profits without reducing the harmful use of alcohol. <u>Opportunity:</u> <i>Pernod Ricard's Premiumisation ambition is about drinking less but better. This supports its responsible drinking goal. The Group's digital marketing drive enables better targeted advertising. This allows even better self-regulation and prevents the inadvertent exposure of minors or non-drinkers.</i></p>	<p>3.5.3 Raising consumer awareness on responsible drinking 3.6.2.2 Responsible lobbying</p>

Risk category & description

Chapter 3 subsections

RISKS RELATING TO BUSINESS ACTIVITIES

Talent management

Description:

Pernod Ricard may have difficulties attracting and retaining skilled people it needs due to: the competitive talent market; changes in the aspirations of younger generations; new global work outlook as a consequence of a) the pandemic and b) the future of work that may require a new set of skills or skill-scarcity in specific domains.

Potential impacts on the Group:

Reputational damage, operational difficulties, reduced financial performance.

Opportunity:

Diversity and inclusion are a strategic priority for Pernod Ricard. Its goal is to have management teams and a workforce that reflect the diversity of its consumers globally. This will be achieved by fostering an inclusive organisational culture; creating an environment of equity, engagement and empowerment that facilitates everyone's involvement in support of its business strategy.

3.5.1.1 Diversity & Inclusion (D&I)
3.5.1.2 Supporting our employees to grow

Working conditions and Health & Safety at work

Description:

Pernod Ricard's employees and contractors in production sites may be exposed to occupational injuries⁽³⁾ or potentially permanent disability and death due to industrial processes or as a result of major industrial accidents or natural disasters. In addition, repeated lockdowns and remote working measures may have caused disruptions in the social ties and work-life balance of employees.

Potential impacts on the Group:

Reputational damage, operational difficulties, reduced financial performance.

3.5.1.3 Health, safety & wellbeing
3.5.1.4 Educating employees on alcohol and responsible drinking
3.5.1.5 Acting for Human Rights

INDUSTRIAL AND ENVIRONMENTAL RISKS

Quality, food safety and product compliance

Description:

Pernod Ricard's product quality may be subject to an undetected deterioration (toxic contamination, alteration of taste, introduction of foreign objects into the bottles etc.).

Potential impacts on the Group:

Health hazards, reputational damage, financial liabilities and product recalls.

3.6.1 Ensuring quality, food safety & product compliance

Physical risks of climate change & environmental damage for Pernod Ricard production sites and suppliers

Description:

Severe weather events or natural disasters may damage physical assets at production sites. Moreover, rising temperatures and changing seasons may alter industrial processes and the availability of ingredients. Pernod Ricard might be slow to react to such climate change and fail to adapt its supply chain. Moreover, climate change may alter crop quality and areas of production leading to increased prices or even the inability to source in a specific area or produce a specific brand. These phenomena may also damage suppliers' physical assets and affect the quality, quantity and geographical location of agricultural raw materials, resulting in operational disruptions.

Potential impacts on the Group:

Financial losses and operational disruptions.

3.4.1 Mitigating and adapting to climate change
3.4.2 Preserving nature & biodiversity

Greenhouse gas (GHG) emissions

Description:

Due to the industrial nature of its activities and fast-changing environmental regulations, Pernod Ricard may fail to be fully compliant with new regulations and respond to stakeholder expectations. Moreover, distilleries emit GHG through the energy they use. Pernod Ricard may be impacted by energy supply and price volatility.

Potential impacts on the Group:

Reputational damage, operational disruptions.

Opportunity:

By reducing energy consumption and associated GHG emissions and by building an offsetting and insetting strategy for its residual carbon emissions, Pernod Ricard can reduce its operating costs and anticipate carbon regulations in a volatile market.

3.4.1 Mitigating and adapting to climate change
3.4.3.3 Environmental management systems

Water management & Waste management

Description:

Pernod Ricard's most water-intensive activities may impact water availability in certain areas, causing operational disruption and financial losses. This is especially true in water-stressed areas.

Potential impacts on the Group:

Operational disruptions and financial losses.

Opportunity:

By implementing a water efficiency & virtuous circular mindset, Pernod Ricard could minimise waste at each step of its value chain and help preserve natural resources.

3.4.3 Using resources responsibly
3.4.3.1 Preserving water resources
3.4.3.2 Circularity: limiting and eliminating waste

Packaging and point of sale material lifecycle management

Description:

Packaging and point of sale material are some of the Group's most carbon-intensive activities. They generate large quantities of post-consumer waste. Inadequate sustainable packaging policies or innovation might limit Pernod Ricard's ability to attract clients and consumers. The lack of recycling infrastructure or consumer awareness in some markets might hinder the Group's efforts to address packaging end-of-life locally.

Potential impacts on the Group:

Reputational damage, financial loss.

Opportunity:

By minimising waste at each step of its packaging life cycle and exploring the use of alternative distribution mechanisms, Pernod Ricard can preserve natural resources and reduce costs.

3.4.3.2 Circularity: limiting and eliminating waste

(1) General Data Protection Regulation, California Consumer Privacy Act, etc.

(2) Restrictions on sales and marketing, availability of its products, increased taxes and duties.

(3) Burns, physical trauma, falls, toxic inhalation, etc.

3.4 Our environmental sustainability

Pernod Ricard is highly dependent on natural ecosystems: all the Group's brands come from nature, in some 350 terroirs around the world. All the Group's activities, such as sourcing, production or packaging, require natural resources and impact these ecosystems by generating carbon emissions and waste. Therefore, environmental sustainability is crucial to Pernod Ricard and its many stakeholders in the face of climate change, biodiversity loss, and resource overexploitation. Having embedded S&R at the core of its business, Pernod Ricard is committed to act in the long-term along its supply chain to foster a resilient, regenerative, and circular business model.

In order to build on the study carried out in FY23 to evaluate the vulnerability and resilience of its business in light of the latest scientific evidence and consumer insights, the Group has shared with its affiliates a breakdown of the study per region and conducted a more granular analysis of physical risks in each terroir.

This work forms the basis of this section, which covers the following topics:

- (i) mitigating & adapting to climate change;
- (ii) preserving nature & biodiversity;
- (iii) using resources responsibly.

3.4.1 Mitigating and adapting to climate change

Climate change is one of the most urgent challenges facing this generation, and Pernod Ricard's business is particularly vulnerable to its impacts on terroirs, impacting yields and quality of raw materials. Moreover, Pernod Ricard generates emissions contributing to climate change in a range of ways:

- directly, by using fossil fuels on sites (Scope 1) and consuming electricity that generates GHG emissions (Scope 2);

- indirectly, through upstream and downstream activities (agricultural raw materials, packaging, logistics, etc.) (Scope 3).

Mitigating and adapting to climate change is a major area of focus for Pernod Ricard's environmental policy. The Group is working on reducing the greenhouse gas emissions generated throughout its supply chain and on adapting its business to ensure resilience to climate-related risks.

3.4.1.1 Alignment with TCFD recommendations

For greater transparency, and to put its operations in perspective with the reality of climate change and its consequences, Pernod Ricard follows the recommendations of the WRI⁽⁶⁾/WBCSD⁽⁷⁾ GHG Protocol for carbon accounting, and of the Task Force on Climate-related Financial Disclosure (TCFD) for climate risk assessment and disclosure. These guidelines provide a framework to disclose exposure, share information concerning the Group's mitigation plans, and assess the Group's effective response to climate-related risks. Regarding the setting of climate targets, the Group is committed and aligned to SBTi guidance. For more information on Pernod Ricard's reporting in accordance with TCFD recommendations in FY24 and where areas of improvement remain, refer to subsection 3.8.2 "Task-Force on Climate related Financial Disclosures (TCFD) reporting recommendation alignment table".

into its future exercises. Additionally, thoroughly quantifying the financial impacts at stake remains a work in progress, and the methodologies used in this process are undergoing constant improvement.

3.4.1.1.2 Disclaimers concerning risks and scenario-led analysis

The scope of this TCFD section focuses on the main risks and includes forward-looking statements based on current high-level estimates and assumptions about anticipated events and other variables.

Climate scenarios are developed by combining information on future GHG emissions, corresponding atmospheric concentrations, and other factors such as economic activities, emission reduction policies, and technological changes. These projections of future events and the scenario analyses that follow are based on publicly available information as well as information held by Pernod Ricard. Although the Group strives to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will remain so in the future. These analyses are performed using sophisticated climate models based on assumptions and variables that, given the level of uncertainty related to climate modelling, may or may not materialise in the coming decades. Many of these assumptions relate to factors that are beyond Pernod Ricard's ability to control or precisely estimate, such as future market and economic conditions, the behaviours of other market participants, changes in consumer preferences, costs of raw materials, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, and the actions of government regulators.

3.4.1.1.1 Next steps in the Group's reporting approach

Pernod Ricard follows TCFD recommendations to inform stakeholders of its climate-related risks and how these are being managed in the short-, medium-, and long-term. Due to the wide geographical footprint of Group operations, it is crucial to monitor and analyse the impacts of climate change at a regional level. One of the Group's primary objectives is to make the management of climate change-related risks and opportunities an essential component of its operating model across its organisation.

Pernod Ricard will continue to develop its assessment of climate-related risks and opportunities, improve the quality of its scenario modelling and impact quantification, and to further embed its approach to risk management and mitigation throughout the organisation. The Group will continue to improve its strategic responses to the changing future outlined in the latest IPCC⁽⁸⁾ report. For instance, the Group's analysis involved a first consistent screening of climate-related risks and opportunities. This first iteration could not tackle the highly complex modelling task of analysing compound and cascading risks, as this analysis approached each risk separately without including retroactive feedback loops (e.g., the way repeated, combined heatwaves compounded by water scarcity can increase the risk of facility business disruption). In the near future, the Group will integrate a wider compound view

⁽⁶⁾ WRI: World Resources Institute.

⁽⁷⁾ WBCSD: World Business Council for Sustainable Development.

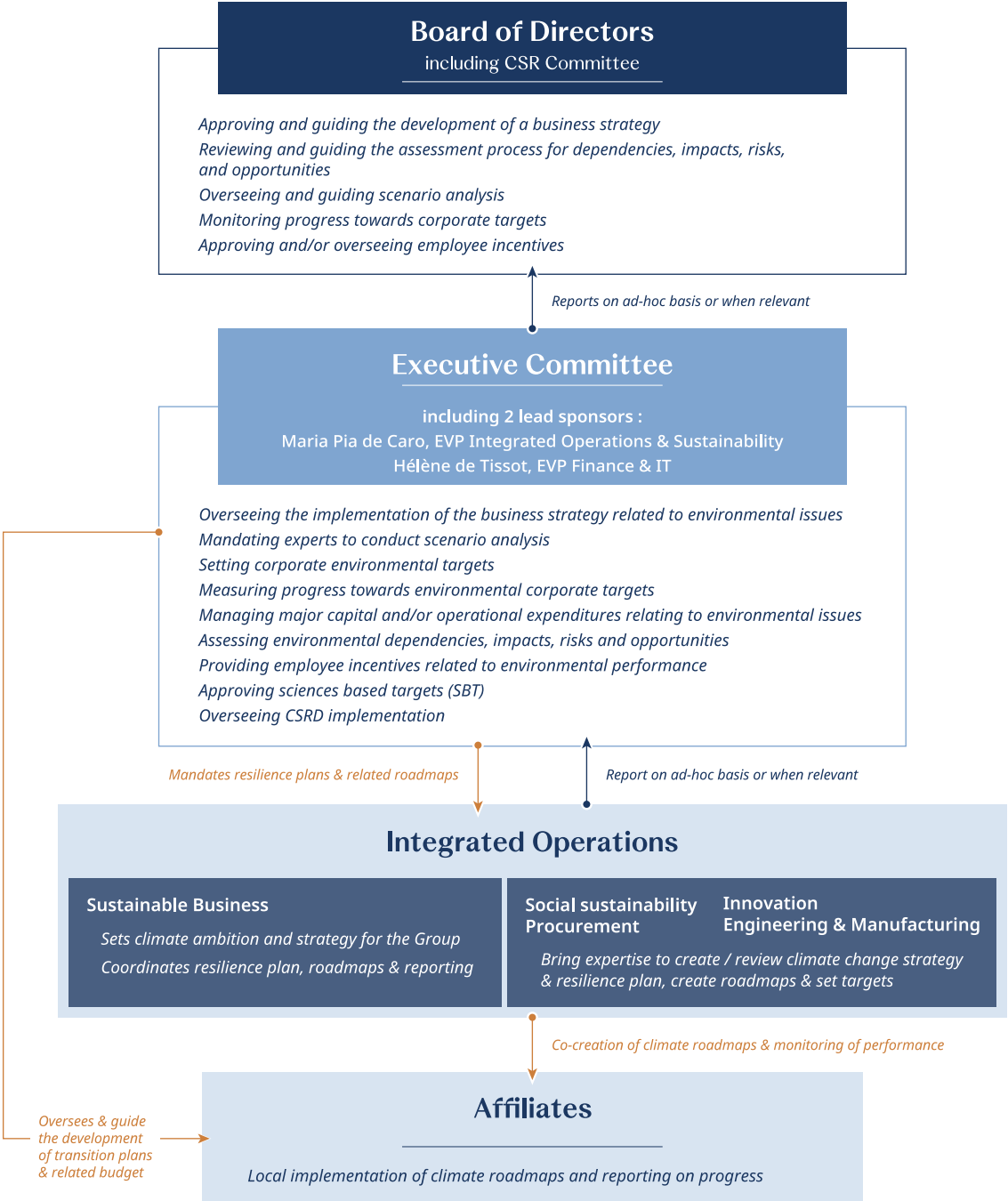
⁽⁸⁾ IPCC: Intergovernmental Panel on Climate Change.

3.4.1.2 Climate governance

Pernod Ricard has a governance and organisational structure to ensure that climate change issues are fully incorporated into its strategy.

3.4.1.2.1 Board oversight and management role in assessing and managing climate-related risks and opportunities

FIGURE 3 – PERNOD RICARD CLIMATE GOVERNANCE STRUCTURE



The Global Sustainable Business team is responsible for defining, driving and overseeing the implementation of the S&R strategy. With a strong expertise on climate & nature and circularity, the team defines environmental targets for the Group and co-constructs local action plans with affiliates. Sustainability & Responsibility Leads within affiliates ensure that sustainability risks and opportunities are embedded into local strategies and that the performance is properly monitored. The Sustainable Business team, along with other departments (Procurement, Innovation,...) oversees the execution of the roadmaps, the development of relevant policies and procedures e.g., carbon reduction, responsible sourcing, sustainable CapEx, and the definition of metrics (scope and calculation methodologies). For more information on the Group's governance instances relating to sustainability issues (including climate), refer to subsection 3.2.3 "A new integrated governance structure".

Last year, the Group also held the **Climate Leadership Day**, an executive-level event on climate-related issues. This first-of-its-kind event brought together the Executive Committee members to discuss and agree on initiatives with large-scale potential to improve the Group's climate resilience and implementation

roadmaps relating to high-priority climate-related issues. Topics of discussion on the agenda included resilience of agricultural raw materials to climate change, decarbonisation of operations and supply chains, as well as appropriate governance and operating models to implement them.

3.4.1.2.2 Executive remuneration related to climate change performance

The non-financial part of the Chairman and CEO's annual variable compensation includes CSR criteria including KPIs related to carbon, nature and climate.

In terms of Long Term Incentives, the allocation of performance shares is subject to internal performance conditions, including a non-financial criterion in addition to the internal financial performance criterion. One of the four objectives to meet this criterion is to implement the roadmap towards achieving Scopes 1&2 GHG emissions reduction targets on the Group's own production sites by 2030. This is applicable to performance shares granted to the Chairman and CEO and to all the Top Executives.

3.4.1.3 Pernod Ricard approach to risk management

3.4.1.3.1 Integrated monitoring of climate risks and opportunities

Climate-related risks and opportunities are identified as part of the Group's global risk mapping. The global risk mapping, based on local risks identified by Group affiliates and on functional risks identified by Group functions, is updated every three years by the internal audit team. This team reports to the Chairman and CEO, and also presents its results to the Executive Committee and the Audit Committee. The Group's major risks are monitored annually. For more information on the Group's major risks, refer to Section 4 "Risk Management".

FIGURE 4 – 19 CLIMATE RISKS AND OPPORTUNITIES IN PERNOD RICARD RISK UNIVERSE



* Emissions Trading System.

To integrate climate-related risks and opportunities within Pernod Ricard’s multidisciplinary, company-wide risk management process, the Group started by identifying all potentially relevant risks and opportunities across its operations and value chain, upstream and downstream.

Climate risks have been identified based on the work of a panel of TCFD Taskforce members. A risks and opportunities universe was defined following a multi-criteria analysis based on the likelihood and severity of impacts, weighted by all representatives during ad-hoc TCFD workshops. The highlighted risks during these preliminary steps were then assessed in terms of qualitative gradation scale, physical units impacts, and/or financial impacts, depending on the risk considered. The results of the analysis of climate-related risks and opportunities were then integrated into the Group’s global risk mapping.

3.4.1.4 Pernod Ricard climate risk strategy

3.4.1.4.1 Identifying climate-related risks and opportunities

Use of scenario analysis in the present disclosure

In FY23, the Group conducted its first scenario analysis for a selection of climate risks following the TCFD recommendations using various narratives. These are all-encompassing prospective views used to guide the decision-making process, which are further refined into physical scenarios and transition scenarios for operational purposes. They integrate both internal (growth rate, business evolution, Pernod Ricard’s decarbonisation strategy, etc.) and external drivers (regulations & policies, technological improvements, etc.). In FY24, a dedicated climate scenario report was provided to each of Pernod Ricard largest affiliates. In parallel, to deepen the understanding of the impact and possible mitigation actions related to agricultural supply chains, a granular study on physical risks was conducted for each of Pernod Ricard’s main terroirs.

Three IPCC scenarios - Representative Concentration Pathways (RCPs) - focused on physical impacts have been considered when assessing physical climate risks and Pernod Ricard activities exposure:

Scenario RCP2.6 (+1.5°C by 2100)
Scenario RCP4.5 (+2.4°C by 2100)
Scenario RCP8.5 (+4°C by 2100)

These three scenarios were used to derive gross financial estimates, before considering any impact of mitigation measures. These results will inform the implementation of Pernod Ricard’s resilience plan. External data providers were used regarding agricultural impacts (through FAO⁽⁹⁾ portals) and ad-hoc climate-related extreme events (such as water stress and coastal/riverine flooding from the WRI Aqueduct data platform), all aligned with the RCP4.5 and RCP8.5 scenarios. Physical risks related to the reduced availability of raw materials and the impacts on operations of climate-related events have been considered using those physical scenarios.

Environmental risks and their mitigation plans are under the responsibility of the EVP Integrated Operations and S&R. The Group’s environmental roadmap also encompasses environmental action plans for the main environmental risks. At Brand level, each Brand Owner with manufacturing activities is required to implement an ISO 14001 certified Environment Management System for its production activities, and therefore has identified the impacts and risks of its activities on the environment, climate change being one of the most material. At site level, local Business Continuity Plans that include climate change-related considerations are periodically updated and reviewed.

For the transition risks and opportunities studied, two NGFS⁽¹⁰⁾ scenarios were used and further customised to provide a comprehensive view of the evolution of energy-related drivers (energy mix per geography, carbon price, the evolution of emission factors, developments in energy efficiency, etc.):

NGFS “Delayed Transition” (+1.6°C by 2100)
NGFS “Net Zero 2050” (+1.4°C by 2100)

Two transition narratives were drawn from this that differ in policy reaction, steepness, and homogeneity across geographical areas, while ensuring to keep a stringent below 1.5°C scenario. This difference was translated into divergent carbon price pathways and policy implementation rate, for instance, across time horizons and geographies, which led to differentiated outcomes per scenario.

It must be noted that scenario analysis is a process identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and are not designed to deliver precise outcomes or forecasts. Instead, scenarios provide a way for Pernod Ricard to consider how the future might look if certain trends continue or certain conditions are met.

⁽⁹⁾ FAO: Food and Agriculture Organisation.
⁽¹⁰⁾ NGFS: Network of Central Banks and Supervisors for Greening the Financial System.

3.4.1.4.2 Table of identified climate-related risks and opportunities

Climate-related risks and horizon	Area of business impacted	Potential financial impact and magnitude of impact	Impact on the Group's strategy and financial planning
TRANSITION RISKS			
Policy and legal			
Long-term risk: <ul style="list-style-type: none"> Increase of carbon pricing mechanisms and ETS strengthening coverage along Pernod Ricard's value chain (risk #9) Strengthening of other climate related regulations (risk #10) 	Supply chain & Operations	Medium impact: <ul style="list-style-type: none"> Regulations may have an impact on direct costs should, for example, the Group be required to buy carbon quotas. In Europe, the Group's four largest distilleries are subject to the EU-ETS Indirect impacts may occur through the cost of compliance with new regulations and increases in raw material prices (especially for glass manufacturing, which is energy-intensive) 	Pernod Ricard takes measures to reduce GHG emissions: <ul style="list-style-type: none"> directly at production sites through energy efficiency and renewable energy indirectly with its suppliers and by optimising the logistics chain
Reputation			
Long-term risk: <ul style="list-style-type: none"> Rising customer expectations regarding responsible products (risk #11) Rising concerns or negative feedback among employees and other stakeholders regarding Pernod Ricard's activities (risk #12) 	Products & Services Operations	Medium impact: <ul style="list-style-type: none"> The Group believes a shift in consumer preferences might lead to a fall in market share Reputational damage <i>e.g.</i>, in the event of negative media coverage This may reduce its ability to attract and retain talents 	<ul style="list-style-type: none"> The risk of shifting consumer preferences is factored into the Group's marketing strategy. For example, Pernod Ricard's eco-design policy aims to make products more sustainable (see subsection 3.4.3.2 "Circularity: limiting and eliminating waste") There is also a dedicated tool and research performed by the consumer insights team Internal engagement strategy from communication, to e-learning, workshops and events such as Responsib'All Day
FINANCING AND VALUATION RISKS			
Long-term risk: <ul style="list-style-type: none"> Increasing investor expectations on business climate performance (risk #13) 	Finance	Medium impact: <ul style="list-style-type: none"> This could reduce the Group's access to capital due to increased expectations of investors 	<ul style="list-style-type: none"> The Group includes ESG updates in its investor relations and progressively reports in line with the TCFD Framework
PHYSICAL RISKS			
Chronic			
Long-term risks: <ul style="list-style-type: none"> Impact of water, drought, and temperature variability on agricultural raw materials (risk #1) Impact of the degradation of key ecosystem services on raw materials (risk #2) Impact of climate change leading to migration of workers (risk #3) Impact of climate change on safety and workability (risk #4) Impact of climate change on conflicts tied to resource usage (risk #5) Impact of water stress on operations and dry goods suppliers (risk #6) Impact of heat stress on operations (risk #7) 	Supply chain & Operations	High impact: <ul style="list-style-type: none"> The financial implications of agricultural supply chain disruption could be significant. It could lead to higher prices for raw materials It could also increase instability in the local workforce and reduce availability due to migration, increase accidentology, and reduce labour productivity due to the degradation of workers' livelihoods Water stress may lead to disruptions in water-intensive activities (<i>e.g.</i>, distilleries, bottling), as well as heatwaves on operations (<i>e.g.</i>, temperature regulation of spirits and wine maturation processes) 	<ul style="list-style-type: none"> To face extreme variability in weather patterns, the Group uses hedging to limit the extent of seasonal volatility due to climate factors The Group supports more resilient regenerative agricultural systems (see subsection 3.4.2.4 "Regenerative agriculture & biodiversity programmes") It also includes environmental factors in its Pernod Ricard Supplier Standards and Responsible Procurement process as well in its Key Sustainable Agriculture Principles (see subsections 3.4.2 "Preserving nature & biodiversity" and 3.5.2.1 "Procuring responsibly") Water management is a significant component of the Group's environmental strategy (see subsection 3.4.3.1 "Preserving water resources")

Climate-related risks and horizon	Area of business impacted	Potential financial impact and magnitude of impact	Impact on the Group's strategy and financial planning
Extreme			
Long-term risk: <ul style="list-style-type: none"> Impact of extreme events (fire, hurricanes, flooding, etc.) on operations and logistics (risk #8) 	Supply chain & Operations	High impact: <ul style="list-style-type: none"> This risk could lead to the loss of a strategic industrial site. The impact could result in a significant operating loss and hence a sharp drop or prolonged shut-down in the supply of certain products. This might prevent the Group from meeting consumer demand 	Implementation of preventive measures and physical protection systems: <ul style="list-style-type: none"> audit of industrial sites along with insurers establishment of business continuity management systems
RESOURCE EFFICIENCY OPPORTUNITY			
Short-term opportunity <ul style="list-style-type: none"> Optimisation of energy usage and consumption (opportunity #14) Development of alternative materials through rethinking, reusing, and recycling (opportunity #15) 	Supply chain & Operations	Medium impact: <ul style="list-style-type: none"> Efficiency programmes can reduce operating costs and provide the Group with a competitive advantage Alternative materials and low carbon energy sourcing can reduce dependence on limited natural resources and exposure to carbon pricing, and increase the optimisation of logistics 	<ul style="list-style-type: none"> Climate change is an important part of one of the key pillars of the Group's S&R roadmap. The Group will continue to roll out energy efficiency programmes (see subsection 3.4.1.5 "Ensuring business resilience through a decarbonisation roadmap") The lower operating costs are factored into financial planning
ENERGY SOURCE OPPORTUNITY			
<ul style="list-style-type: none"> Increase of low carbon energy sourcing (opportunity #16) 	Supply chain & Operations	High impact: <ul style="list-style-type: none"> Alternative materials and low carbon energy sourcing can reduce dependence on limited natural resources and exposure to carbon pricing, and increase the optimisation of logistics 	<ul style="list-style-type: none"> Production sites consistently increase their operational energy efficiency through frequent investments, detailed energy analysis and consumption monitoring (see subsection 3.4.1.6.3 "Carbon footprint reduction initiatives on Scopes 1 and 2 emissions")
RESILIENCE OPPORTUNITY			
Long-term opportunity <ul style="list-style-type: none"> Development of regenerative agriculture practices and strengthening of wet goods suppliers' climate resilience (opportunity #17) Strengthening of dry goods suppliers' and subcontractors' climate resilience (opportunity #18) 	Supply chain & Operations	Medium impact: <ul style="list-style-type: none"> Establishing cooperative relationships with suppliers is a source of value creation but also of innovation 	<ul style="list-style-type: none"> The Group supports more resilient regenerative agricultural systems (see subsection 3.4.2.4 "Regenerative agriculture & biodiversity programmes")
PRODUCTS AND SERVICES OPPORTUNITY			
Short-term opportunity <ul style="list-style-type: none"> Market share gains induced by increased demand for products or services oriented towards greater sustainability (opportunity #19) 	Product & Services	High impact: <ul style="list-style-type: none"> This will generate new product and service offerings. The Group believes this might result in greater market share 	<ul style="list-style-type: none"> Innovation and digital are considered strategic priorities; different entities are working on innovative projects

The 19 risks and opportunities in the risk universe have been prioritised following a materiality analysis based on two criteria:

- the probability of occurrence;
- the severity of the financial impact such an occurrence would generate.

High-priority risks were then subjected to in-depth analysis under various future climate scenarios and time horizons. The Group conducted assessments for its own sites and those of key suppliers and logistics and over three timeframes – short-term

(2030), medium-term (2040), long-term (2050):

- Pernod Ricard sites underwent high-level analysis of the risks to which they are likely to be exposed; those of either greatest strategic importance or at greatest risk received more detailed assessments;
- supply chain and logistics (factories and warehouses of key suppliers and key agricultural commodities) were analysed to determine those that might be exposed to physical risk in the future.

3.4.1.4.3 Assessment of risks

Following the method described above, the most material risks were selected from the list of highly-rated risks, and summarised into three encompassing priority risks (see table below). Other risks and opportunities identified as potentially material are monitored and will be further assessed during the next stages of the TCFD analysis.

Risk category	Risk from risk universe
Agricultural raw materials availability shortage <i>Physical chronic risk</i>	Risk n°1: Impact of the climate change on agricultural raw materials procurement
	Risk n°2: Additional/mitigated impact of climate change depending on alternative levels of soil quality and ecosystem preservation
	Risk n°5: Impact of climate change on resources usage conflicts
Business interruption risks on production sites <i>Physical acute risk</i>	Risk n°8: Impact of extreme events on operations & logistics
Carbon price mechanisms strengthening <i>Transition risk</i>	Risk n°9: Impact of carbon pricing strengthening along the value chain

Agricultural raw materials availability shortage

Scope and methodology

Approximately 80% of FY21 agricultural raw material purchases were selected for the analysis. A total of 16 commodities and their derived products in 34 terroirs were selected for in-depth analysis.

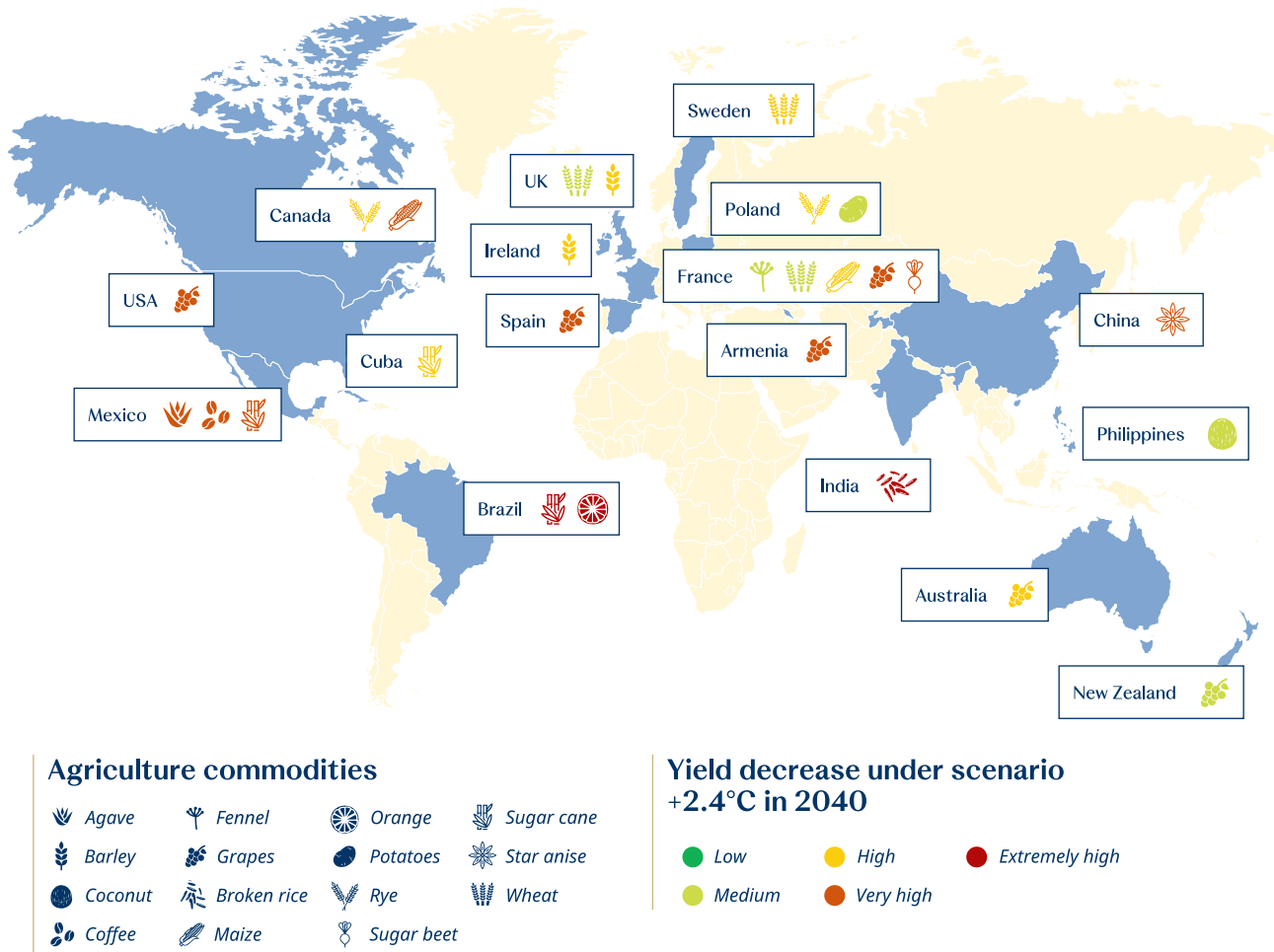
The FAO GAEZ-type⁽¹¹⁾ agroclimatic portal⁽¹²⁾ was used to obtain yield variations (t/ha) per region and commodity studied according to different horizons and scenarios. A distinction between yield variations due to pure agroclimatic factors and variations due to

soil quality and degradation was made to drive the Group's response plan. The outcomes are undergoing an assessment process to translate them into financial impacts in the upcoming disclosures.

Key findings

The analysis results show that agricultural crop yields are significantly impacted in 2040, Indian and Brazilian terroirs being the most exposed (see figure below).

FIGURE 5 – EVOLUTION OF AGRICULTURAL CROP YIELDS BY TERROIR BETWEEN 2021 AND 2040 UNDER THE RCP4.5



⁽¹¹⁾ GAEZ: Global Agro-Ecological Zones.
⁽¹²⁾ <https://www.fao.org/gaez/en>.

Carbon price mechanisms strengthening

All results are displayed across three time horizons (2030, 2040, 2050) and three different scenarios.

All Pernod Ricard European and UK-located operations are already subject to carbon pricing mechanisms, directly through Pernod Ricard's own operations, as well as indirectly through its suppliers' increased costs that further pass on these cost increases to the Group. The continued recent spikes in EU and UK carbon allowance prices, as well as the expansion of the implemented and planned EU-ETS⁽¹³⁾ to most major countries, adding to cross-border international mechanisms such as CBAM⁽¹⁴⁾, Corsia (for air emissions) and IMO⁽¹⁵⁾ (maritime emissions) could all form a major financial risk for Pernod Ricard. These trends are further supported by IEA⁽¹⁶⁾ and NGFS transition scenarios confirming the need to bind ubiquitous carbon mechanisms at a sound level to reach emissions pathways aligned with 1.5°C or even a 'well below' 2°C scenario (WB2DS).

Scope and methodology

The analysis covers both direct impacts related to Pernod Ricard Scopes 1 and 2 emissions, and indirect impacts related to Scope 3 emissions for the following emission sources: agricultural raw materials, dry goods, upstream and downstream transportation. As such, the analysis covers 100% of Scopes 1 and 2 emissions and 85% of Scope 3 emissions, based on the FY22 Pernod Ricard carbon footprint.

Based on two transition scenarios outputs (NGFS "Delayed Transition" and "Net-Zero 2050" scenarios), Pernod Ricard modelled the impact of carbon price evolution through various scenarios and time horizons on its business, including both direct operations (Scopes 1 and 2 emissions). Three prospective drivers were considered:

- carbon price (€/tCO₂e);
- carbon mechanisms coverage rate (*i.e.*, the share of emissions that is truly subject to non-free allowance and is being taxed per activity - glass sector, transportation, etc.);
- supplier carbon pass-through rate (*i.e.*, suppliers' ability to pass their increased operating costs on to Pernod Ricard by raising their own prices).

The Group's FY22 carbon footprint was divided into different geographies based on affiliate and suppliers' locations, to differentiate between several carbon price and coverage rate pathways. Carbon price prospective values were taken from the above-listed public transition scenarios outputs in 2030, 2040 and 2050.

Key findings

In all scenarios, carbon policies will continue to differ between mature markets (OECD⁽¹⁷⁾) and the rest of the world, resulting in wide variations in carbon prices by geography.

Carbon prices are expected to reach their highest levels in the "Delayed Transition" scenario, wherein most of the transition is led by regulatory strengthening (contra the "Net-Zero 2050" scenario, wherein regulatory strengthening is lower due to international cooperation).

Business interruption risks on production sites: focus on water scarcity and heatwaves

The scenarios used for the current analysis are IPCC RCP climate scenarios RCP4.5 and RCP8.5. RCP2.6 has been discarded from the analysis as being the less stringent and meaningful from a physical risk assessment perspective.

The increased severity and frequency of extreme weather events induced by climate change will impact Pernod Ricard's operations and industrial facilities, leading to direct damage to stock and content as well as to periods of business disruption periods. Given the nature of the Group's business, cyclones and flooding, as well as extreme heatwaves and water stress, constitute the most material hazards. While Pernod Ricard has already adapted and prepared to cyclones and flooding events through appropriate business continuity plans, construction design, and repeated monitoring, dealing with water scarcity and heatwaves remain the main challenge to deal with. For more information regarding the Group's commitments, policies, and programmes relating to water management, see subsection 3.4.3.1 "Preserving water resources".

Scope and methodology

The scenarios were used to determine the exposure level of a selection of 117 sites considered as most impactful for the Group (54 Group-owned production sites and 63 supplier and co-packers facilities) to four hazards: cyclones, flooding, heatwaves, and water stress. This made it possible to analyse the relationship between the intensity of these hazards and the asset and stock value at risk, or the loss of production they would generate. This analysis was performed for several scenarios, time horizons, climate hazards, by type of site (distillery, bottling, warehouse) and by Group affiliate. As mentioned, Pernod Ricard chose to focus on water scarcity and heatwaves in this year's report as they represent the most material impacts.

The impacts of drought & water stress events are highly complex since they depend both on climate-related factors (*i.e.*, the intensity & frequency of drought events) and socioeconomic factors (*i.e.*, the level of pressure put on available water resources). To define water stress levels, Pernod Ricard used the outputs provided by the WRI Aqueduct data platform, at a catchment level. Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Higher values indicate more competition among users, and hence a higher risk of water shortage and business disruption in case of major drought event.

The impact of heatwaves can be translated in terms of labour productivity, using climate indicators quantifying the level of heat stress caused by heatwaves on people. While there is extensive literature on the impacts related to heat stress on people and labour productivity, papers diverge highly as there is no clear consensus depending on the sector, activity type, geography, etc.

⁽¹³⁾ ETS: the European Union's Emissions Trading System.

⁽¹⁴⁾ Carbon Border Adjustment Mechanism.

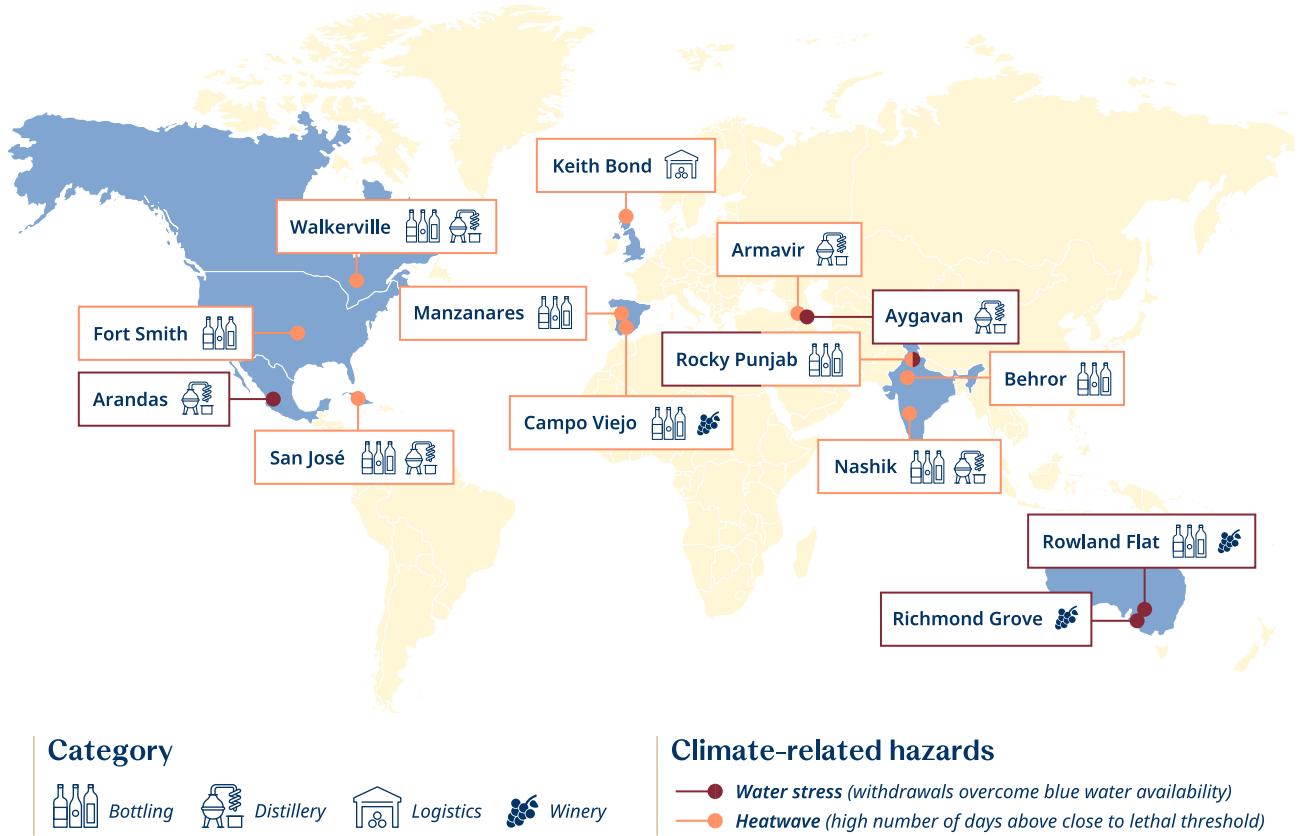
⁽¹⁵⁾ International Maritime Organisation.

⁽¹⁶⁾ International Energy Agency.

⁽¹⁷⁾ OECD: Organisation for Economic Cooperation and Development.

Key findings

FIGURE 6 – PERNOD RICARD SITES HIGHLY EXPOSED TO CLIMATE-RELATED HAZARDS BY 2040 (RCP4.5 SCENARIO: +2.5°C BY 2100)



Business interruptions in facilities could halt part of the Group’s supply chain for related Brands and products, and thus reduce its production. 27 of the 117 sites selected for the analysis are highly exposed to at least one extreme event (flooding, cyclones, water stress, heat wave), 70% of which are located in India. Currently, based on analyses performed through the WRI Aqueduct data platform, 12 facilities along the Group’s value chain are located in highly water-stressed areas. This figure could increase up to 13 facilities by 2040 following an RCP8.5 scenario, highlighting the need to continue adaptation planning efforts and to integrate water management policies into Group operations.

Scenario	Water stress		Heatwaves	
	RCP4.5	RCP8.5	RCP4.5	RCP8.5
Annual potential production volume loss due to business interruption in 2040 (k9Lcs)	2,244	2,244	1,850	7,134

3.4.1.5 Ensuring business resilience through a decarbonisation roadmap

3.4.1.5.1 A transition plan in action

In June 2019, the Science-Based Targets initiative (SBTi) approved the first Pernod Ricard's GHG emission reduction targets. In July 2021, Pernod Ricard joined the "Business Ambition for 1.5°C" to align its climate mitigation objectives with the Paris Agreement: to achieve net-zero global emissions by 2050 at the latest to limit global warming to 1.5°C. In May 2024, a new set of targets aligned with 1,5°C Net Zero was validated by the SBTi, following the recommendation to set Forest Land and Agriculture (FLAG) targets over the medium- and long-term:

- **In the near-term:** Pernod Ricard commits to reducing absolute scope 1 & 2 emissions by 54% by FY30 from a FY22 baseline. The Group also commits to reducing absolute scope 3 FLAG emissions by 30.3% and non-FLAG emissions (purchased goods and services, upstream transportation and distribution) by 25% within the same timeframe. Pernod Ricard also commits to no deforestation across its primary commodities linked to deforestation by the end of 2025.
- **In the long-term:** Pernod Ricard commits to reducing its absolute scope 1 & 2 emissions and its scope 3 non-FLAG emissions by 90% by FY50 from a FY22 baseline. Pernod Ricard also commits to reducing absolute scope 3 FLAG emissions by 72% within the same timeframe.

A decarbonisation roadmap has been defined for all Group production sites. This is based on major CapEx projects and renewable energy initiatives implemented at the main Group distilleries. On Scope 3, the Group is working alongside its main suppliers and building lasting relationships to accelerate their decarbonisation pathways, through e.g., co-constructing roadmaps and conducting pilots.

For more information on the Group's carbon footprint, see subsection 3.4.1.6 "Overview of Pernod Ricard's carbon footprint".

To achieve these objectives, the Group has launched actions addressing each of its main emission sources and adopt new tools to accelerate its decarbonisation and climate resilience through the use of Artificial Intelligence.

Scopes 1 and 2 – Own sites' emissions

The reduction of emissions from production sites relies mainly on two levers:

- **improving energy efficiency;**
- **using low-carbon energy sources.**

For more information, see subsection 3.4.1.6.3 Carbon footprint reduction initiatives on Scopes 1 and 2 emissions.

Scope 3 – indirect GHG emissions

The Group is undertaking initiatives to reduce its main Scope 3 emissions, namely:

- **agricultural raw materials;**
- **packaging and point of sale materials;**
- **logistics & transport.**

This involves not only in-house innovation efforts, but also a strong commitment to suppliers. For more information, see subsection 3.4.1.6.4 Carbon footprint reduction initiatives on Scope 3 emissions.

3.4.1.5.2 An adaptation plan in action

Agricultural raw materials procurement adaptation plan

Pernod Ricard's adaptation plan is mainly based on the Group's policies in support of regenerative agriculture and biodiversity preservation.

Implementing regenerative agricultural practices and using technical and technological tools helps increase local resilience to climatic events. Pernod Ricard is scaling up and extending its regenerative viticulture pilot projects, which are already underway in eight wine regions around the world. The Group also supports similar projects with its grain suppliers, with ongoing research and collaboration efforts to encourage sustainable practices. Various levers are considered:

- establishing a diversified and resilient cropping system;
- selecting and managing climate resistant grape varieties;
- agricultural practices that maintain and improve soil health;
- reducing and optimising the amount of water needed for agricultural production;
- supporting and training farmers on regenerative agriculture practices;
- varietal selection targeting resilience and resistance.

For more information on the Group's policies related to terroirs, see subsection 3.4.2 "Preserving nature & biodiversity".

Preserving water resources

To preserve water resources in its direct operations, the Group focuses its efforts on two main drivers: reducing water consumption by implementing solutions to save, reuse, and recycle water and supporting water replenishment in high-risk watersheds. For the next few years, the Group has consolidated the water reduction roadmaps from the main contributing affiliates and identified associated investment plans to achieve its 2030 targets. It must:

- reduce water consumption, particularly in water-stressed areas;
- support replenishment in water-stressed basins where production sites operate;
- preserve water quality by monitoring pollutants released by production sites;
- fully comply with evolving environmental regulations.

For more information on Pernod Ricard's commitments related to water management, see subsection 3.4.3.1 Preserving water resources.

3.4.1.5.3 Measures and objectives

To ensure it has the means to meet its targets and new regulatory obligations, Pernod Ricard has set up a robust governance structure dedicated to Sustainability & Responsibility issues as well as detailed targets. Reporting and monitoring tools covering all the indicators in all Group affiliates make it possible to check on its progress and ensure all the involved functions are aligned in achieving these objectives.

Indicators related to transition risks

As defined in the TCFD guidance and other regulatory framework requirements, the following indicators are monitored regularly, enabling the Group to assess and manage climate change risks, guide the definition of its low-carbon strategy, and increase transparency and accountability to its stakeholders:

- Energy consumption and mix, see subsection 3.4.1.6.2 "Breakdown of Pernod Ricard's energy consumption";
- Scope 1, 2, 3 and total GHG emissions, see subsection 3.4.1.6 "Overview of Pernod Ricard's carbon footprint";
- GHG financial intensity;
- GHG removals in own operations and the value chain.

Indicators related to physical risks

- water efficiency on own operations vs. targets, see subsection 3.4.3.1.1 "Water use in operations & wastewater";
- number of sites under high/very-high water stress levels, see subsection 3.4.3.1.2 "Water resources preservation strategy";
- number of terroirs assessed under risk terroir mapping, see subsection 3.4.2.2 "Mapping the Group's terroirs".

Pernod Ricard's environmental objectives, whether directly or indirectly related to climate change, are detailed in the subsequent pages of this section:

- carbon footprint reduction targets are displayed below;
- water-related targets are listed in subsection 3.4.3.1 "Preserving water resources";
- agricultural raw materials related targets (risk mapping, certification, programmes, etc.) are listed in subsection 3.4.2 "Preserving nature & biodiversity".

Policy	Commitment	Target year	Performance target	FY23	FY24	Progress status
2030 S&R roadmap	Reduce Scopes 1 and 2 non-FLAG GHG emissions by 54% (in absolute value) vs FY22	2030	-54%	-11%	-30%	On plan
<i>Integrated in green financing</i>	<i>Reach FY25 Scopes 1 and 2 reduction target*</i>	<i>2025</i>	<i>220 ktCO₂e</i>	<i>264 ktCO₂e</i>	<i>208 ktCO₂e</i>	<i>On plan</i>
	<i>Reach FY30 Scopes 1 and 2 absolute emissions target*</i>	<i>2030</i>	<i>138 ktCO₂e</i>	<i>264 ktCO₂e</i>	<i>208 ktCO₂e</i>	
	Use only renewable electricity on production sites and in administrative offices	2025	100%	76%	91%	On plan
	Reduce Scope 3 FLAG GHG emissions by 30.3% (in absolute value) vs FY22	2030	-30.3%	3%	-9%	On plan
2030 S&R roadmap	Reduce Scope 3 non FLAG (purchased goods and services, upstream transportation and distribution) GHG emissions by 25% (in absolute value) vs FY22	2030	-25%	-3%	-6%	On plan
	Reduce Scopes 1 and 2 GHG non-FLAG GHG emissions by 90% (in absolute value) vs FY22	2050	-90%	-11%	-30%	On plan
	Reduce Scope 3 non-FLAG GHG emissions by 90% (in absolute value) vs FY22	2050	-90%	-3%	-6%	On plan
	Reduce Scopes 3 FLAG GHG emissions by 72% (absolute value) vs FY22	2050	-72%	3%	-9%	On plan

* Referring to Scopes 1 and 2 GHG emissions for production sites only, in line with Pernod Ricard's sustainability linked financing framework (September 2023).

3.4.1.6 Overview of Pernod Ricard's carbon footprint

The Group's overall carbon footprint in FY24 amounted in total to 4,604,845 tonnes of CO₂e (Scopes 1, 2 and 3, all GHG types included), of which 237,989 came from the direct use of energy (Scopes 1 and 2) and 4,366,856 were related to upstream and downstream activities (Scope 3).

The table below presents Pernod Ricard's carbon footprint, based on data and methodology submitted and approved by the SBTi. As per SBTi guidance, any modification in perimeter, base year data or methodologies must be validated by the SBTi once a 5% significance threshold is reached. Another version of Pernod Ricard's FY22, FY23 and FY24 carbon footprint, with more up to date data and methodologies can be found in annex 3.8.3. This version will be submitted to the SBTi once the 5% significance threshold is reached.

Metrics	Unit	FY22	FY23	FY24
ABSOLUTE METRICS				
SCOPES 1 & 2 NON-FLAG				
Non FLAG Scope 1, 2 emissions		333,085	297,083	234,055
Non FLAG Scope 1 GHG emissions (100% included in scope 1 and 2 SBTi target)*	tCO ₂ e	295,979	257,131	211,397
Non FLAG Scope 2 indirect GHG emissions (Market-based, 100% included)		37,105	39,952	22,659
Non FLAG Scope 2 indirect GHG emissions (Location-based)*		81,277	83,825	77,159
SCOPE 3 NON FLAG EMISSIONS				
Non FLAG Scope 3 GHG emissions**	tCO ₂ e	2,721,582	2,791,865	2,717,003
Non FLAG Scope 3 emissions included in SBTi Non FLAG target		2,033,979	1,971,298	1,904,561
FLAG EMISSIONS				
FLAG Scope 1 emissions (100% included in FLAG SBTi target)		4,927	4,043	3,933
FLAG Scope 3 Emissions		1,814,160	1,861,847	1,649,853
FLAG Scope 3 Emissions included in SBTi FLAG target	tCO ₂ e	1,750,170	1,802,831	1,596,541
FLAG Total emissions (Scopes 1 and 3)		1,819,087	1,865,890	1,653,786
FLAG Total emissions (Scope 1 and 3) included in SBTi FLAG target		1,755,097	1,806,874	1,600,475
INTENSITY METRICS				
Non FLAG Total Scope 1 and 2 GHG emissions intensity	tCO ₂ e/kLAA	1.16	1	0.88
Total Scope 3 GHG emissions intensity**	tCO ₂ e/€m	1,500	1,390	1,401

* Non-FLAG scope 1, 2 includes industrial sites, offices and Vineyards.
** POS excluded.

Pernod Ricard's GHG emissions across the value chain are mostly related to:

- the production of raw materials from agricultural origin (46.8%);
- the production of packaging - mainly glass - (23.3%).

These are followed by emissions from:

- upstream transportation (7%);
- acquisition of fixed assets (5.6%);
- energy used on own sites (Scope 1 + Scope 2) (5.2%);
- Purchased services (4.8%);
- other activities such as employee commuting (5.5%).

3.4.1.6.1 Breakdown of Pernod Ricard's carbon footprint by category

	FY24 emissions (tCO ₂ e)	% of total
Purchased goods (raw materials from agricultural origin) - based on generic emissions factors - FLAG	1,649,853	35.83%
Purchased goods (raw materials from agricultural origin) - based on generic emissions factors - non FLAG	506,544	11.00%
Purchased goods (packaging)*	1,075,220	23.35%
Purchased services	218,586	4.75%
Capital goods (CapEx)	258,141	5.61%
Fuel-&-energy-related activities	73,551	1.60%
Upstream transportation and distribution	322,796	7.01%
Waste generated in operations	787	0.02%
Business travel	16,100	0.35%
Employee commuting	33,695	0.73%
Upstream leased assets	0	0.00%
Use of sold products	758	0.02%
Investments	6,857	0.15%
Total Upstream Scope 3 GHG emissions*	4,162,889	90.40%
Downstream transportation and distribution	178,012	3.87%
End-of-life	25,955	0.56%
Total Downstream Scope 3 GHG emissions	203,967	4.43%
Total Scope 3 GHG emissions*	4,366,856	94.83%
Total Scopes 1 and 2 GHG emissions	237,989	5.17%
TOTAL GHG EMISSIONS*	4,604,845	100.00%

* POS excluded, representing around 1.7% of FY23 total GHG emissions.

For more information on Pernod Ricard's carbon footprint in line with its sustainability-linked financing framework, please refer to section 3.8.3 "Appendix tables on carbon footprint".

3.4.1.6.2 Breakdown of Pernod Ricard’s energy consumption

Energy	Unit	FY23	FY24
PRODUCTION SITES			
Total electricity	MWh	300,860	294,149
% renewable electricity	%	79%	93%
Total biofuels	MWh	162,347	206,823
Total renewable energy	MWh	399,988	472,941
Total energy	MWh	1,607,476	1,440,808
Energy consumption per unit	MWh/kIPA	5.39	5.44
ADMINISTRATIVE SITES			
Total electricity	MWh	16,634	14,965
% renewable electricity	%	31%	44%
Total fuel consumed for vehicles	MWh	76,728	66,855
Total biofuels	MWh	0	2,176
Total renewable energy	MWh	5,130	8,813
Total energy	MWh	98,527	89,291
PRODUCTION & ADMINISTRATIVE SITES			
% renewable electricity	%	76%	91%
% renewable energy	%	24%	31%

N.B. This year, fuel consumed by owned and controlled vehicles used for business concern has been incorporated in our administrative sites total energy consumption, as part of the Group’s new SBTi targets. For comparison purpose, FY23 have been amended accordingly.

FIGURE 8 – BREAKDOWN OF ENERGY CONSUMPTION BY ACTIVITY AT PRODUCTION SITES

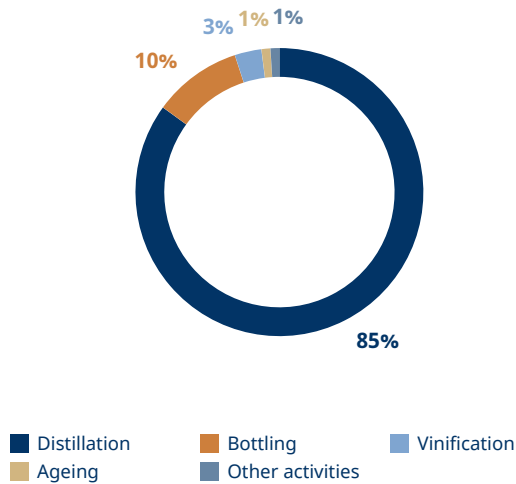
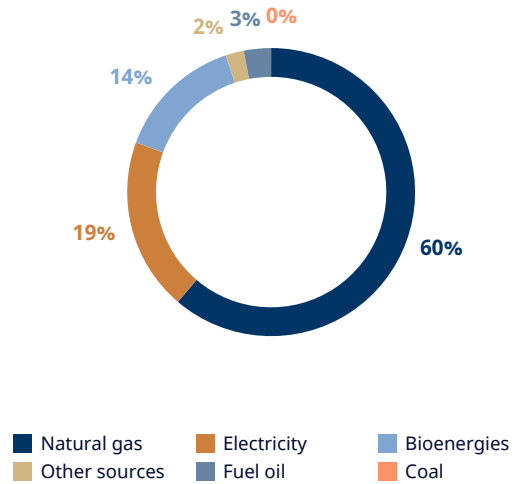


FIGURE 9 – SOURCES OF ENERGY USED BY PRODUCTION SITES



3.4.1.6.3 Carbon footprint reduction initiatives on Scopes 1 and 2 emissions

Scopes 1 and 2 – Production site emissions

On production sites, the Group is working on two fronts:

- **improving energy efficiency:** operationally, production sites are continuously improving their energy efficiency by monitoring consumption and performing in-depth energy assessments as well as regular investments. The rationale is to set energy-efficiency targets and launch programmes to reduce consumption (*i.e.*, renewing processes, new technologies, etc.). Several large sites have implemented ISO 50001 certified energy management systems;
- **using low-carbon energy sources:** the Group is working to reduce fossil fuel use and switch to renewable energy, with the aim of using 100% renewable electricity by 2025 (either through direct sourcing or Renewable Electricity Certificates).

This year, as part of its carbon reduction roadmap, the Group has continued investing heavily in the decarbonisation of its distilleries, with a total of 43 million euros dedicated to this in FY24. The main projects are the following ones:

- in Ireland, development of the MVR (Mechanical Vapour Recompression) strategy across the Midleton distillery, in order to increase the energy efficiency and substitute the use of fossil natural gas by renewable electricity;
- in Scotland, development of the MVR strategy in malt distilleries (Glentauchers, Allt a’ Bhainne, Dalmunach);

- in Scotland, adapting the grain distillery in Glasgow, in order to handle wet draff instead of drying it into dry feed (which uses fossil gas), and also implementing MVR technology on the columns;
- installation of electric boilers in small or remote distilleries (such as Plymouth gin or Scapa malt distilleries) to eliminate use of fossil gas;
- in Canada, installation of a MVR evaporator in the Hiram Walker distillery, which will minimize use of fossil gas for the treatment of by-products.

In India, the Group was able to eliminate its direct emissions thanks to the conversion of the distillery from coal to biomass, which reduced its GHG emissions from over 45.900 tonnes in FY21 to 530 tonnes in FY24.

The share of renewable electricity used this year increased from 76% in FY23 to 91% in FY24 (production sites and administrative sites), taking into account electricity generated internally on production sites and self-consumed (co-generation or photovoltaic production). This increase is in line with the RE100 by FY25 commitment and was allowed by a more centralised procurement of renewable electricity.

To encourage these transitions, the Group uses an internal carbon price (shadow cost of carbon) to prioritise low carbon CapEx projects by improving the economic business case compared to a pure economic analysis. In FY24, the price used has been €80 per tonne of CO₂ equivalent.

PERNOD RICARD INVESTS TO DECARBONIZE ITS DISTILLERIES

The Group has made major investments to lead the way on low-carbon whiskey and whisky production in Ireland and Scotland. Two of the Group’s major Brand Companies are investing in breakthrough emissions reduction technologies: **Irish Distillers** is investing €300 million with plans to use mechanical vapour recompression (MVR) at the Midleton distillery in County Cork, Ireland (expected to save up to 35 ktCO₂e per year by 2030), and **Chivas Brothers** is allocating €100 million including for using bioenergy in two single malt distilleries in Scotland (expected to save up to 15 ktCO₂e per year by 2030).

To leverage the growth of its premium **American Whiskey** portfolio, the Group is investing \$250 million for a distillery and ageing facilities in Marion County, Kentucky, which aims to eliminate use of fossil fuels. The facility is also expected to be the first distillery of its size in the U.S. 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 such low carbon technologies as electrode boilers powered by certified renewable electricity, enabling the distillery to avoid fossil fuels during bourbon production.

Compared to FY22, the Scopes 1&2 GHG emissions of the Group’s production sites decreased by 31% in absolute value, while the carbon intensity of direct activities (measured by the Scopes 1 and 2 emissions per kl of alcohol distilled) improved by 25% versus FY22 and 38% compared to the FY18 base year. Achievements made in FY24 reflect the efforts initiated by the Group in the recent years to reach its 2030 target.

EMBEDDING SUSTAINABILITY INTO GROUP FINANCING AND INCENTIVE PLANS

Having successfully issued its inaugural sustainability-linked bond (SLB) for an aggregate amount of €750 million and a seven-year maturity in FY22, Pernod Ricard continued integrating sustainability commitments to its operations and financing strategy in FY23.

This included two **sustainability-linked financings** which, in line with the Group's first SLB, feature targets linked to its commitments to reduce absolute GHG emissions (Scopes 1 and 2) and decrease water consumption per unit in distilleries:

- in October 2022, the Group issued its second **SLB**, for an aggregated principal amount of €1.1 billion across a six-year €600 million tranche and a 10-year €500 million tranche;
- in May 2023, the Group signed its first sustainability-linked **Revolving Credit Facility (RCF)** totalling €2.1 billion to refinance its existing facility expiring in June 2024. This new credit facility has been committed to by 22 banks, with an initial maturity at April 2028, and includes two one-year extension options.

Moreover, the Group added criteria to its **long-term incentives plan**, which were extended in FY22 to include KPIs relating to carbon reduction (scopes 1 & 2), diversity & inclusion, responsible drinking, and water consumption.

For more information on Pernod Ricard's long-term incentives plan, please refer to Section 2 of the present document, subsection 2.6.5 "Other aspects of the compensation policy".

For more information on Pernod Ricard's credit agreements, including sustainability-linked bonds and the Euro Medium Term Notes (EMTN) programme dated October 2022 and updated in June 2023, please refer to Section 5 of the present document, subsection 5.6.2 "Financing contracts".

3.4.1.6.4 Carbon footprint reduction initiatives on Scope 3 emissions

Scope 3 – Engaging with suppliers

Pernod Ricard firmly believes in the value of collaboration and recognises that addressing Scope 3 GHG emissions requires collective action and a holistic approach. As such, the Group is actively engaging with its suppliers to create a more sustainable future for its industry and the planet. It prioritises building strong partnerships to develop effective strategies for carbon reduction based on the following core principles:

- **improving the quality of primary CO₂ data across Pernod Ricard's supply chain.** The Group understands that accurate and comprehensive data is the foundation for informed decision-making. Closely collaborating with suppliers encourages them to refine their data collection processes and provides the Group with a clearer understanding of their carbon emissions. This, in turn, makes it possible to identify areas of improvement and develop targeted initiatives to reduce their environmental impact;
- **providing suppliers with the necessary tools and resources to measure their carbon footprint effectively.** Not all suppliers may benefit from the same level of expertise or have access to advanced measurement techniques. The Group thus provides support by sharing best practices and deploying user-friendly measurement tools, which enhances suppliers' capabilities when it comes to assessing their carbon footprint and identifying reduction opportunities;
- **open and collaborative discussions with suppliers.** The Group complements these data-driven approaches with a strong emphasis on ensuring suppliers have a platform to exchange ideas, share experiences, and set ambitious CO₂ reduction targets in collaboration with the Group. Involving suppliers in decision-making processes ensures their expertise and perspectives are considered and leads to exploring innovative and more ambitious projects with significant impact potential;

- **a commitment to pushing the boundaries and exploring new possibilities.** Pernod Ricard firmly believes this is key to true sustainability, and strives to embrace ambitious projects that challenge the status quo – whether they concern implementing renewable energy sources, optimising transportation logistics, or adopting circular economy principles.

Scope 3 – Agricultural sourced materials

Agricultural sourced materials are the main contributor to the carbon footprint of Pernod Ricard's value chain. Given the inherent reliance of its products on agriculture, establishing and supporting improved agricultural practices is a strategic priority for the Group. The Group has been running regenerative viticulture pilot projects in its own vineyards to test new practices. It is also working with suppliers of agricultural raw materials to establish the best pathways to lower carbon emissions and increase carbon sequestration within the terroirs.

In these endeavours, the first step is to identify the baseline by collecting specific emission factors for the Group's main contributors and then to identify carbon emission drivers. In FY24, the protocol written and validated last year to refine the emissions related to broken rice and distillation in India by taking into account state and supplier specific data has been deployed at greater scale. The Group has also modelled the decarbonisation pathways for its most contributive terroirs by taking into account the deployment of agricultural practices defined in its regenerative agriculture framework.

Agricultural materials are a highly challenging area when it comes to supporting change. Chief among these challenges will be to limit the risk carried on the return and to gradually implement less-emitting practices. As such, the Group integrates economic considerations from the start of discussions in order to finance the transition (tests, training, financing of new equipment or inputs) as well as premiums aimed at encouraging and then compensating for any additional production costs.

Scope 3 – Packaging and point of sale materials

Packaging and point of sale materials (promotional items) account for the second-largest share of GHG emissions in Pernod Ricard's value chain. To reduce their carbon impact, the Group focuses on:

- enhancing its eco-design approach to packaging, mainly focusing on weight reduction and increasing recycled content;
- collecting primary data on its suppliers' carbon footprint to achieve a better understanding of its makeup, pinpoint issues, and develop relevant action plans to address them;
- encouraging suppliers to produce CO₂ reduction roadmaps aligned with the Group's Scope 3 Science-Based Target;
- as per its CO₂ reduction roadmap, implementing joint actions with suppliers to reduce emissions connected to their manufacturing operations (see subsection 3.4.3.2 "Circularity: limiting and eliminating waste");
- exploring new technologies and innovative low-carbon methods to meet Group packaging production requirements;
- exploring alternative packaging and distribution models.

Scope 3 – Logistics & transport

Pernod Ricard seeks to optimise land transport by:

- improving vehicle loading;
- adjusting schedules;
- using multi-modal options whenever possible (train, barge, etc.);
- using alternative biofuels for truck transportation and more efficient vehicles.

Pernod Ricard uses the EcoTransIT World software solution to accurately calculate its logistics CO₂ emissions, using a data-modelled methodology. This allows the Group to achieve quality routing accuracy, and a clearer picture of its logistics providers' transport performance. Adopting reliable carbon emission tracking is key for decision-making processes in order to select the best transport mode, route, carrier, and/or port for each leg of a shipment's journey.

IMPLEMENTING LOGISTICS EMISSIONS TRACKING WITHIN PERNOD RICARD BRAND COMPANIES

In FY24, the Group has been working on the **Short Sea and Road European Tender** to select the best suppliers and transport modes for the flows from Brand Companies to Market Companies, with contracts spanning FY25 and FY26. It was a collaborative effort involving multiple key players: Logistic and Customer Service Teams, Global Legal Team, Sustainability Team, Global Supply Chain Team and Global Procurement Team. Significant GHG emissions reductions have been achieved by selecting more sustainable modes of transport (biofuel trucks or intermodal rail).

Pernod Ricard has joined the **Zero Emission Maritime Buyers Alliance (ZEMBA)**, a non-profit buyer's group within the maritime sector which aims to accelerate commercial zero-emission shipping, enable economies of scale, and help cargo owners maximize emissions reduction. This initiative will take effect from FY26.

Martell Mumm Perrier Jouët is a partner of **TransOceanic Wind Transport (TOWT)**, a company implementing innovative logistics solutions for low-carbon transport by sail since 2011. The construction of the TOWT vessel, Anemos, is progressing in Concarneau, with the first shipments of Martell cognac, Mumm and Perrier-Jouët champagnes to the US scheduled from August 2024.

3.4.2 Preserving nature & biodiversity

All Pernod Ricard products take their character from the land where they were grown. The Group is committed to nurturing every terroir and its biodiversity, in a manner meeting the challenges of climate change, to secure quality ingredients now and for generations to come. As such, the Group works hand in hand with farmers, suppliers, and communities (see subsection 3.5.2.2 "Supporting farmer communities") to develop sustainable and regenerative agriculture practices in its terroirs, including its own vineyards. These practices aim to:

- protect ecosystems, enhance biodiversity and natural capital (wild or cultivated) by preserving habitats and trophic chains;

- reduce greenhouse gas emissions and explore potential carbon sinks within Pernod Ricard agricultural chains, which also involves adapting crops and agricultural practices.

This subsection covers the following topics relating to Pernod Ricard's endeavours in this area:

- the Group's agricultural footprint;
- mapping the Group's terroirs;
- sustainable sourcing & certification;
- regenerative agriculture & biodiversity programmes.

3.4.2.1 Pernod Ricard’s agricultural footprint

Pernod Ricard produces and sources around 100 natural ingredients from around 60 countries. Each ingredient is grown in a terroir defined by its unique climate conditions, soil type, ecosystems, and know-how specific to local people and communities.

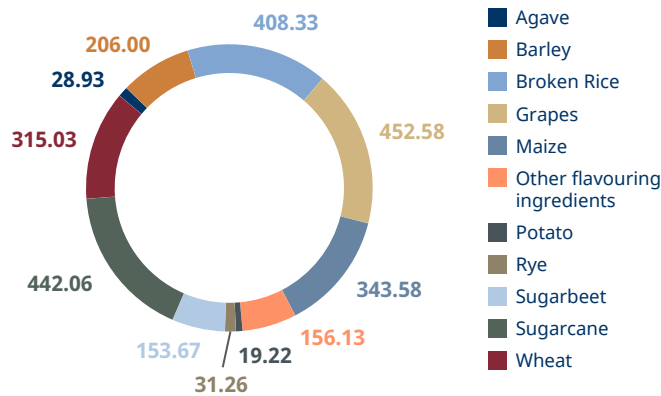
PERNOD RICARD AGRICULTURAL FOOTPRINT

Terroirs	Ingredients
350+ terroirs in ~60 countries	Around 100 natural ingredients sourced
~372,000 hectares total estimated footprint, of which, directly operated by Pernod Ricard:	Around 2,660,000 tonnes of raw agricultural materials sourced, including: grains ⁽¹⁾ , grape, sugar cane, agave and sugar beet, and flavouring ingredients ⁽²⁾ .
<ul style="list-style-type: none"> • 1,316 hectares used for agave crops in Mexico; • 5,375 hectares dedicated to vineyards in eight different terroirs: <ul style="list-style-type: none"> • New Zealand: 46.1% • Australia: 24.2% • France: 12.2% • Argentina: 8.4% • Spain: 5.7% • China: 2% • USA: 1% • Canada: 0.4% 	

(1) Wheat, barley, rye, maize, rice.

(2) Coffee, coconut, fennel, star anise, green anise, liquorice, juniper, coriander, gentian and orange.

FIGURE 10 – PERNOD RICARD AGRICULTURAL FOOTPRINT (Kt)



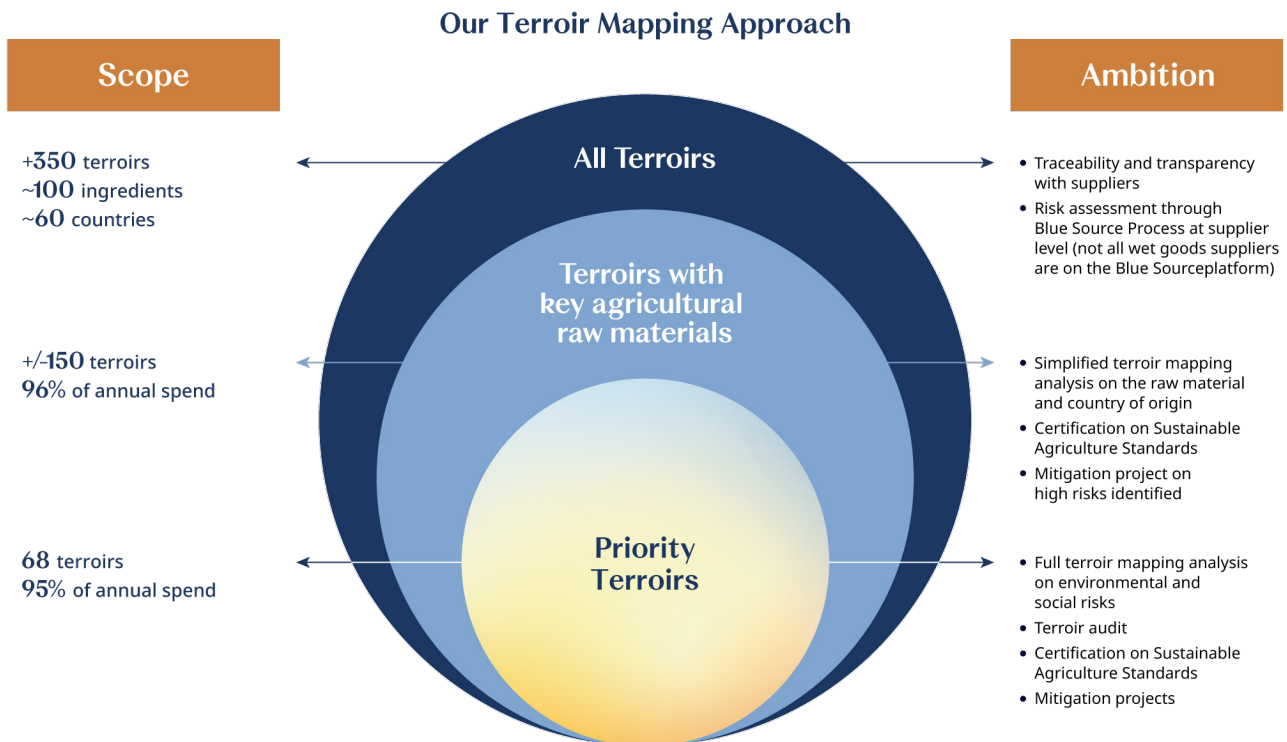
Although Pernod Ricard has observed a decrease this year in volumes used of raw materials, the land footprint has remained approximately the same as FY23. It is explained by a methodological evolution relying now on more granular conversion factors for industrial performance and agricultural yields.

3.4.2.2 Mapping the Group’s terroirs

Policy	Commitment	Target year	Performance target	FY23	FY24	Progress status
2030 S&R roadmap	Cover all key agricultural raw materials (annual purchases) by risk mapping	2022	100%	100%	100%	Achieved

To manage risks within agricultural supply chains, address its duty of care and achieve its ambition of nurturing terroirs, the Group has implemented a three-level action plan. The action plan helps with the mapping of the various terroirs to achieve traceability, assesses environmental and social risks to these terroirs, and implements sustainability programmes, according to their level of importance.

FIGURE 11 – PERNOD RICARD NURTURING TERROIRS ACTION PLAN



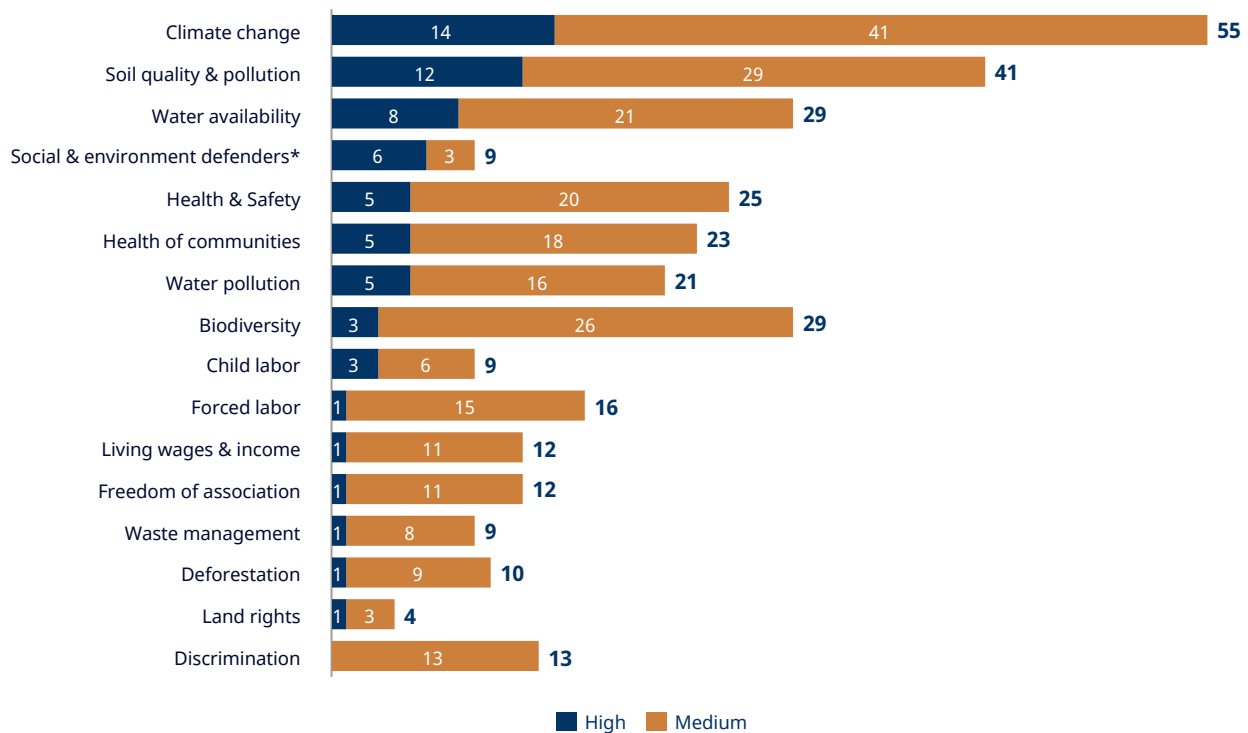
Since FY21, 68 terroirs have been identified as strategic priorities in the action plan as they account for the largest share of Group annual purchases (95% of annual spend) and represent key or iconic raw materials. All identified terroirs have undergone to a comprehensive risk-mapping analysis, addressing both environmental and social issues:

- 27 were assessed as high potential risk;
- 32 were found to be medium potential risk; and
- 9 were judged to be low potential risk.

Learnings from the terroir risk mapping process highlight the crops’ high sensitivity to the effects of climate change, particularly to drought, and its impact on ecosystems, including biodiversity, soil and water as well as on communities.

After identifying and analysing the priority terroirs in FY21, an in-depth review was conducted to include all remaining terroirs, aiming to achieve 100% risk-mapping coverage for key agricultural raw materials. To ensure ongoing monitoring of evolving local dynamics and potential new threats, the terroir risk mapping was repeated for all terroirs in FY24.

FIGURE 12 – FREQUENCY OF POTENTIAL RISKS IN THE GROUP'S PRIORITY TERROIRS



* High risks are identified in India exclusively.

The scope of the risk assessment also encompasses the critical global issue of deforestation, which is closely linked to climate change and may result from agricultural expansion within Pernod Ricard's terroirs. In alignment with the Science Based Targets initiative (SBTi) trajectory, Pernod Ricard commits to achieving zero deforestation across its primary commodities linked to deforestation by December 31, 2025.

This commitment underscores the aim to avoid causing or contributing to the loss of natural forests or ecosystems, reinforcing the Group dedication to sustainable practices and environmental stewardship.

3.4.2.3 Sourcing ingredients sustainably

Policy	Commitment	Target year	Performance target	FY23	FY24	Progress status
2030 S&R roadmap	Produce or source all key raw materials ⁽¹⁾ in line with sustainability standards ⁽²⁾	2030	100%	34%	39%	On plan

(1) Defined by annual spend.

(2) Standards defined by Group benchmarks & affiliates.

Pernod Ricard recognizes the intricate link between its terroirs and key environmental and social challenges, such as land use change, biodiversity erosion from pollution, land competition among food production, energy production, carbon storage, and human rights and working conditions. In response, the Group is dedicated to implementing sustainable sourcing practices that mitigate these risks and foster positive impacts and mutual benefits for both terroirs and local communities.

To achieve this, Pernod Ricard is committed to certifying all its key raw materials according to recognized sustainability standards. The Group has developed a comprehensive benchmarking tool to identify the best standards aligned with its Sustainable Agriculture Key Principles. This tool also enables affiliates to collaborate with

local partners to develop tailored standards that address specific local needs. All chosen standards undergo third-party verification and are selected based on their coverage of the high and medium risks identified through the terroir risk mapping.

In FY24, Pernod Ricard has made significant strides in developing detailed certification roadmaps for its most critical terroirs. For supply chains already engaged in the certification process, key milestones were established to ensure timely progress towards the 2030 objectives. In a context where the certification journey has yet to begin, thorough analyses have been carried to identify challenges and barriers.

SUSTAINABLE SOURCING AND NATURE PRESERVATION PARTNERSHIPS

Pernod Ricard values dialogue and collaboration with other stakeholders of the agri-food field. To do so, the Group takes part as an active member of several groups and associations promoting sustainable development. These include, among others, the **Union for Ethical BioTrade (UEBT)**, **Bonsucro**, **Pour une agriculture du vivant (PADV)** and **Sustainable Wine Roundtable**.

Next steps and future commitments

In the years ahead, focus will be placed on accelerating the implementation of sustainable agriculture certifications across all key agricultural raw material terroirs. When challenges to achieving this goal are identified, suitable alternative solutions will be evaluated and implemented.

3.4.2.4 Regenerative agriculture & biodiversity programmes

Policy	Commitment	Target year	Performance target	FY23	FY24	Progress status
2030 S&R roadmap	Implement in all direct affiliates ⁽¹⁾ a regenerative agriculture or biodiversity programme (supply chains or landscape, usually addressing both agriculture and biodiversity) linked to priority terroirs	2030	100%	82%	100%	Achieved
	Test local models for regenerative farming systems in the Group’s vineyards in 8 wine regions to increase soil carbon capture & share knowledge with the industry (cumulative)	2025	8	7	8	Achieved

(1) For comparability purpose, this KPI was calculated using the same scope and Group structure as for the FY23 reporting.

The Group’s core business is inextricably linked to well-functioning ecosystems. As disruptions to one component (e.g., soil, water, climate, landscape) directly impacts the others, Pernod Ricard pays close attention to ecosystems’ constitutive parts to better understand the mechanisms at work and restore natural balances.

It is in this spirit that the Group intends to gradually move away from conventional models to reduce pressure on resources and promote regenerative agricultural models to generate positive outcomes.

PERNOD RICARD & REGENERATIVE AGRICULTURE

Regenerative agriculture is a holistic system that aims to maximise positive impacts on climate, ecosystems, and biodiversity as well as on the well-being of agricultural communities. It involves combining agroecological practices at the field, farm, and landscape level to improve the health and natural fertility of the soil, restore ecosystems, and improve water retention capacity and water stress resistance. In the long term, this model also aims to reduce GHG emissions, increase carbon storage and improve resilience.

A defining feature of regenerative agriculture is that it is people-centric: it aims to provide health and a balanced life for farming communities as well as long-term economic viability. In turn, this improves the overall resilience of the terroir, and secures ingredient yields and quality of ingredients.

In practical terms, this translates to a range of farming practices, such as:

- regular crop rotation;
- planting cover crops to protect soils;
- managing water sustainably;
- minimising chemical fertiliser usage;
- diversifying landscapes and crops;
- minimising soil disturbance;
- fostering equitable relationships.

For Pernod Ricard, regenerative agriculture and nature regeneration are a joint solution at terroir level to address major areas of impact, including climate change mitigation and adaptation, biodiversity, water balance, and community inclusivity.

Given Pernod Ricard's global presence, the diverse terroirs from which the Group sources key raw materials exhibit significant environmental, social, and cultural differences. Each supply chain is unique, possessing its own distinct characteristics. Recognizing this, Pernod Ricard adopts a bottom-up approach to regenerative agriculture, meticulously designing projects that consider local circumstances.

To ensure initiatives are effective and contextually appropriate, collaboration with leading local organizations in each terroir is necessary. For instance, in France, Pernod Ricard has joined the PADV (Pour une Agriculture Du Vivant) movement. Using PADV's regeneration index, the Group assessed the initial conditions of

the partner farms and implemented strategies to enhance the resilience of these terroirs. In Mexico, the partnership with the Centro Mario Molina focuses on conducting a baseline assessment of the local footprint and developing an innovative regenerative agriculture project for Blue Agave production.

In FY24, Pernod Ricard implemented 29 regenerative agriculture and biodiversity programmes across various regions. Additionally, in all of the Group vineyards (eight in total), sustainable farming practices are pioneered, from agroforestry to the introduction of pollinator gardens, and from the use of different mixes of cover crops to sheep grazing.

PERNOD RICARD BRAND & AFFILIATES REGENERATIVE AGRICULTURE PROGRAMMES

Martell cognac and Mumm and Perrier-Jouët champagne

Following a comprehensive diagnosis of the two French terroirs, Martell Cognac and Mumm and Perrier-Jouët Champagnes set up a pilot programme to explore three main areas: soil life, plant health and nutrition, and landscape management. Working with expert agroecologists, the programme involves training the Group's own winegrowers as well as its partners on better understanding the complexity of natural ecosystems and how they can transition to more sustainable practices.

Irish distillers

Pernod Ricard Irish Distillers & Heineken Ireland have just launched a three-year collaboration project to support 15 malting barley farmers adopt regenerative agricultural practices on their farms. Emphasis on knowledge-sharing and involvement of key players including malting company Boortmalt and global non-profit Earthworm Foundation.

Pernod Ricard North America

Pernod Ricard North America collaborates with their main grain suppliers to embed more sustainable and regenerative agricultural practices tailored to their farms' unique needs and terroir. One such approach is cover-cropping, which introduces specific plants into farmers' seasonal agricultural field rotation. Real improvements in soil health, carbon sequestration and nitrogen fixation have been recorded.

Next steps & future commitments

Through its pilot projects, the Group aims to identify the most suitable set of practices for each local context. Once the most appropriate solutions are identified, the consequent step is to scale up regenerative agriculture. To achieve this, dialogue and collaboration with other relevant off-takers within the same supply chain is essential to ensure the necessary support for producers and their successful transition to sustainable farming practices.

3.4.3 Using resources responsibly

The world's finite resources are under massive pressure and the traditional linear production model has reached its limits. Circularity is one of Pernod Ricard's key priorities, with the Group especially focusing on:

- preserving and restoring water resources used for the Group's operations;
- designing circular packaging and fostering circular distribution models;
- minimising & recovering the Group's production waste.

Such a shift will see fewer resources consumed, less waste generated, and ultimately reduce Pernod Ricard's environmental impact and carbon emissions.

3.4.3.1 Preserving water resources

Policy	Commitment	Target year	Performance target	FY23	FY24	Progress status
2030 S&R roadmap	Reduce overall water consumption intensity (per unit of distilled alcohol) by 20% vs FY18	2030	-20%	-8.1%	-11.8%	On plan
<i>Integrated in green financing</i>	<i>Reduce the water consumption intensity in distilleries only (per unit of distilled alcohol) by 20.9% vs FY18</i>	<i>2030</i>	<i>-20.9%</i>	<i>-3.7%</i>	<i>-13%</i>	<i>On plan</i>
2030 S&R roadmap	Replenish water in watersheds for production sites and dedicated copackers located in high-risk areas	2030	100%	58.3%	73.6%	On plan

Water is an essential component of the products manufactured by Pernod Ricard. From irrigating crops to processing raw materials, distilling, blending *eaux-de-vie* and formulating products, water is involved at every stage of a product's life cycle.

The Group thus faces several challenges. It must:

- reduce water consumption in its operations;
- support replenishment in water-stressed basins where production sites and co-packers operate;
- preserve water quality by monitoring pollutants released by production sites;
- fully comply with evolving environmental regulations.

PERNOD RICARD PARTNERSHIPS FOR WATER CONSERVATION AND MANAGEMENT

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, promote sustainable and regenerative resource management, while securing the livelihoods of disadvantaged communities such as smallholder farmers, women and young people.

The **River Within** is a new long-term program between Chivas Brothers, the River Trusts and the Spey Catchment Initiative to help protect and restore some of Scotland's iconic waterways. Projects will focus on direct activity along riverbanks and waterways designed to help increase biodiversity and overall health of the river ecosystem. This in turn will help limit the rise of water temperatures, preserve floodplain resilience and increase river security.

Regarding the agricultural supply chain, the drip irrigation technique is used in all irrigated vineyards operated by the Group. This reduces the water used to what is strictly necessary. Moreover, given the predominance of agricultural raw materials in Pernod Ricard's water footprint, the Group works locally with the affiliates' suppliers to establish sustainable agriculture standards that minimise water consumption (see subsections 3.4.2.4 Regenerative agriculture & biodiversity programmes and 3.4.3.1.2 Water resources preservation strategy).

3.4.3.1.1 Water use in operations & wastewater

Water use in vineyards

Pernod Ricard sources grapes from 17 wine-growing countries, seven of which have vineyards directly operated by the Group.

As perennial crops, vineyards are particularly sensitive to the effects of climate change and in particular droughts, fires or even frost. The trend towards the increasing frequency and severity of such events has been confirmed over the past three years in the Group's vineyards. In FY24, the water consumption of the Group own vineyards amounted to 10.5 million m³; this represents a slight increase compared to the FY23 values, but is in line with the

global downward trend already observed in the past years. The improvement of the resilience of vines to water scarcity stays at the heart of the strategy implemented in the pilot programmes on regenerative viticulture across the vineyards.

Overview of the Group's water use in operations

To reduce direct water consumption at production sites, the Group focuses its efforts on two main drivers:

- improving systems to measure and monitor water use;
- implementing solutions to save, reuse and recycle water.

The Group's Long-Term Incentives Plan (LTIP) includes CSR criteria, one of them being linked to the implementation of the water roadmap (*i.e.*, a 20.9% reduction in water consumption intensity in distilleries by 2030 compared to FY18). In FY24, there is a decrease of water intensity in distilleries (-10% compared to FY23), mainly driven by the implementation of water saving projects at the Middleton distillery (construction of a rainwater harvesting system and recycling of treated waste water), the Glenlivet distillery (installation of a closed loop cooling water system) and the Nashik distillery (reuse of effluent treatment plant water).

TABLE 2 – PERNOD RICARD PRODUCTION SITES WATER CONSUMPTION AND PERFORMANCE

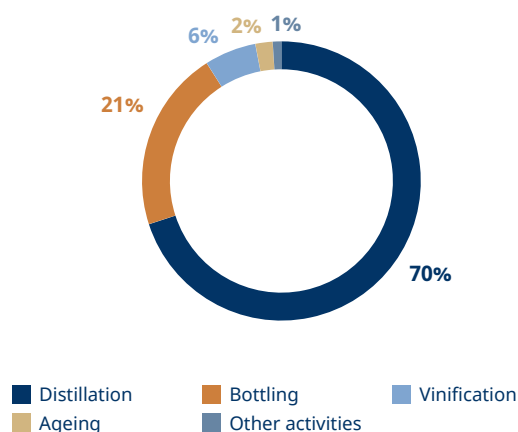
	Unit	FY18	FY23	FY24
Total water abstraction	m ³	25,011,450	28,099,389	26,957,082
Total water consumption (all production sites)	m ³	5,824,258	6,860,194	5,849,939
Total water consumption (distilleries only)	m ³	4,427,980	5,472,409	4,387,096
Water consumption intensity (all production sites)	m ³ /klAA	25.0	23.0	22.1
Water consumption intensity (distilleries only)	m ³ /klAA	19.0	18.3	16.6
Total waste water released	m ³	4,390,900	5,500,062	4,730,710

Note: the FY23 data on waste water released has been recalculated, taking into account the correction of an error on a site (representing 1% of Group overall data).

TABLE 3 – ORIGIN OF THE WATER CONSUMPTION AT PRODUCTION SITES (m³)

	FY24 (all areas)	Of which areas with high water stress	% of water consumption from areas with high water stress
Water consumption from groundwater or springs	2,567,274	279,279	11%
Water consumption from river, dam, lake or other source	1,476,324	291,300	20%
Water consumption from public network	1,806,342	194,185	11%

FIGURE 13 – BREAKDOWN OF WATER CONSUMPTION PER ACTIVITY AT PRODUCTION SITES



Treatment of wastewater

Production sites are fitted with various technologies depending on wastewater quality requirements⁽¹⁸⁾ to reduce the pollutants released into the natural environment. They also ensure that water discharged by production sites does not damage surrounding ecosystems or other natural resources. The Group is also exploring innovative projects for recycling effluents from treated wastewater.

This year:

- 81% of waste-water was discharged into a public sewage system;
- 13% was discharged into the environment following treatment; and
- 6% was recycled for vineyard irrigation.

Next steps and future commitments

The Group will continue to investigate and roll out water reduction initiatives at production sites, mainly at large distilleries. The forthcoming Corporate Sustainability Reporting Directive (CSRD) will be the opportunity for the Group to update its water stewardship strategy with a review of the levers and its ambition.

Water accounting methodology

Pernod Ricard's water accounting covers water usage at production sites entitled to the environmental reporting in the current fiscal year (see definition in subsection 3.9.1 Methodology note on non-financial reporting). Water consumption related to Pernod Ricard's directly operated vineyards is not included in the consolidated data.

⁽¹⁸⁾ Such as aerobic, anaerobic treatments, filtration, etc.

3.4.3.1.2 Water resources preservation strategy

As water resources are unevenly distributed, risk levels vary depending on the location of the Group's production sites. To better understand and identify priorities, sites were categorised as extremely high-risk, high-risk and medium-low risk, using an internal Water Risk Index calculated with indicators from the Aqueduct Water Risk Atlas Tool (see definition in subsection 3.9.1 "Methodology note on non-financial reporting"). The Group aims

to replenish the water used by its production sites (Group own sites and dedicated co-packers) in high-risk and extremely high-risk areas through local projects to preserve the water ecosystems. This leads to support watershed management by:

- improving access to safe water and sanitation;
- promoting sustainable water use; and
- integrating water resource management among communities.

Area's risk level	Pernod Ricard situation
Extremely high-risk	9 company-owned sites (India, Armenia, Mexico, China, South Africa). 8% of the Group's total water consumption.
High-risk	8 company-owned sites (Armenia, Australia, Spain, Greece and France). 5% of the Group's total water consumption.
Medium-risk	26 company-owned sites. 10% of the Group's total water consumption.
Low-risk	51 company-owned sites. 77% of the Group's total water consumption.

Sites	FY24 Water consumption (m ³)	FY24 Water credits (m ³)	Level of replenishment completion
Company-owned sites	686,535	473,695	69%
Dedicated co-packers	321,400	268,348	83%
TOTAL	1,007,935	742,043	74%

The water resource preservation strategy has been rolled out to sites in "extremely high-risk" and "high-risk" areas.

In FY24, 2,718,756 m³ of water were returned to the environment thanks to "replenishment" projects. Out of this quantity, 742,043 m³ compensate the volumes of water consumed by returning the water in the exact same watershed where the consumption occurred, representing 74 % of the Group replenishment objective. The methodology used to calculate water returned to the environment is verified by a third party/external expert for each project.

Pernod Ricard India has implemented multiple watershed protection and restoration projects, with over 150 projects completed since 2015, such as ponds with recharge wells and tanks development. It is actively engaged with communities to support water conservation and provide or improve access to safe water and sanitation. Seven Indian dedicated co-packers located in high-risk areas are covered by the Group's water resource preservation strategy.

In Armenia, Yerevan Brandy Company developed a project intended to reduce drinking water wastage in Yerevan City. Pernod Ricard Mexico has joined a collaborative project led by the Beverage Industry Environmental Roundtable (BIER) called "Charco Bendito" in the Guadalajara basin to improve water availability and eliminate unsustainable water use with reforestation and restoration actions. In China, Helan Mountain financed a project in the Yinchuan Baohu Wetland Park to implement water efficiency and reduction measures such as the repair of leaking pipelines and the installation of drip-irrigation systems. Pernod Ricard Winemakers Australia stores and reuses treated waste water from the winery to irrigate its own vineyards. In FY24, Pernod Ricard España selected water replenishment projects to be implemented in the coming years. Pernod Ricard France will continue to investigate replenishment projects to meet the Group's requirements.

3.4.3.2 Circularity: limiting and eliminating waste

Circularity is among the Group’s key priorities. Pernod Ricard is committed to evolving its business towards a circular making model that fosters reduction, reuse, and recycling. Such a shift will see fewer resources consumed, less waste generated and ultimately reduce Pernod Ricard’s environmental impact.

3.4.3.2.1 Group packaging & POS circularity performance

Policy	Commitment	Target year	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Ensure all packaging to be recyclable, reusable, or compostable	2025	100%	98%	99%	On plan
	Certify 100% of cardboard and paper used according to standards ensuring sustainable forest management ⁽¹⁾	2025	100%	43%	74%	In progress
	Reach 50% of post-consumer recycled content for glass	2025	50%	35%	37%	In progress
	Reach 25% of post-consumer recycled content in PET bottles	2025	25%	17%	20%	On plan
	Reduce by 5% the weight of virgin plastic used vs FY21	2025	-5%	-23%	-29%	Achieved
	Apply eco-design principles (directives on sustainable packaging and point of sale material) to all New Product Development (NPD)	2022	100%	-	-	In progress
	Pilot R&D projects on circular distribution of Wine & Spirits	2030	5	2	2	On plan
	Support recycling in key markets with low recycling rates	2030	9	4	4	On plan
	Ban single-use plastic in point of sale materials	2021	100%	100%	100%	Achieved
	Recyclable, reusable or compostable point of sale materials	2025	100%	98%	99 %	On plan

(1) Since FY23, cardboard gift boxes are included in the reporting. They were not included in FY22 data.

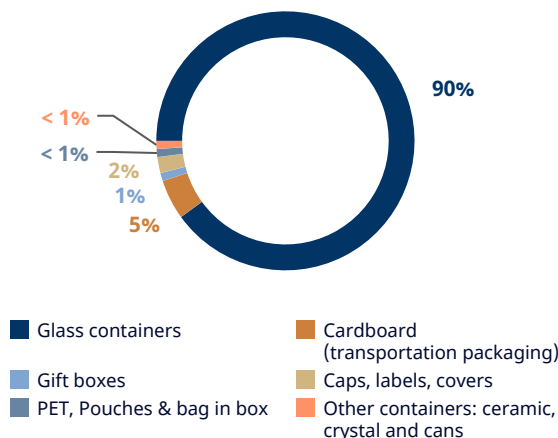
The environmental impact of the Group’s activities begins with product, packaging & point of sale (POS) material design and continues throughout the life cycle. The packaging and POS material development phases represent a key means of minimising end of life waste and reducing the Group’s environmental footprint. For this reason, Pernod Ricard adopts circular design principles when designing new packaging and POS materials.

Glass and cardboard are the main materials used (more than 95% of total weight). Plastic packaging accounts for less than 1% of primary packaging and Pernod Ricard strives to limit the quantities used, as illustrated by the Group’s commitments to the New Plastics Economy vision of the Ellen MacArthur Foundation, of which the Group is a signatory and partner.

3.4.3.2.2 Programmes & partnerships to collect packaging for recycling and reuse

Pernod Ricard aims to play a key role in defining industry standards for the circularity of packaging. Pernod Ricard also participates in local packaging collection and recycling schemes to address packaging end-of-life. The internal sustainable packaging and POS guidelines underpin the Group’s ambition and design-for-recycling guidelines for packaging and POS materials. While the Group is pushing for the respect of the guidelines through regular training of packaging team and central expertise support to affiliates, the Group is looking for a system to measure applicability at scale. The Sustainable Packaging guidelines are based on the five eco-design principles described below.

FIGURE 14 – BREAKDOWN OF THE WEIGHT OF PACKAGING



Eco-design Principles	Definitions	Achievement examples over the past years
Rethink	Think outside the box to challenge the need for each packaging component and POS and explore new circular solutions.	<ul style="list-style-type: none"> • Beefeater has redesigned its Beefeater24 range with improved sustainability credentials: 90% plastic reduction on the closure and back label, as well as 30% less aluminium and a 22% glass reduction (on the 70cl format).
Reduce	Optimise the design to reduce size and weight. Limit the number of items, nothing unnecessary.	<ul style="list-style-type: none"> • The Group is pursuing its gift boxes suppression on some product categories, including major brands like Jameson (Jameson Original, Jameson Black Barrel) or Chivas Regal (Chivas 12). • Major brands (Absolut, Jameson and Wyborowa) are working to switch multi-material plastic based closures to simple aluminium ones, resulting in a reduction of 5t of plastic in 2024, and to be pursued in 2025. • Havana Selección de Maestros and 15yo glass bottle have been restaged and lightweighted by 18%.
Reuse	Move away from single-use to keep packaging and POS reusable as long as possible. POS should be designed to be reused for the same purpose.	<ul style="list-style-type: none"> • Imperial Blue and Royal Stag bottles in India are being collected from bars and restaurants before being washed, refilled and reused by consumers. Pernod Ricard India works continuously to improve this system and its reuse rate. • The Group has expanded its partnership with EcoSPIRITS circular distribution system by firstly deploying it in Cuba for Havana Club, by integrating an EcoPLANT bottling unit inside the distillery, and secondly by signing a 5year global licensing around the globe. The initiative in Cuba anticipates concrete outcomes, including reduced bottle imports and glass waste, which will translate into an 88% reduction of the carbon emissions footprint related to premium spirits packaging and distribution and a reduction of glass waste by 99%.
Recycle	Design packaging & POS with a recyclable mindset: using mono-materials when possible and avoiding non-separable material solutions, choosing recyclable materials only and checking if there is a recycling collection bin for this item in the main markets of use and existing recycling infrastructure.	<ul style="list-style-type: none"> • Malibu has launched its ready to serve products in 1L Tetra brick, instead of the flexible 1.75L plastic pouches. The carton of the Tetrabrick is recyclable in the US market where the product is sold, which was not the case of the flexible pouch.
Respect	Ensure materials are responsibly sourced, with recycled content and sustainable origins.	<ul style="list-style-type: none"> • Malibu has integrated in all its PET sleeves 30% of recycled content post-consumer.

PERNOD RICARD'S INVOLVEMENT TO SUPPORT RECYCLING & REUSE AROUND THE WORLD

Most packaging waste produced by the Group's activities is generated after final consumption of products. The key issue is therefore to improve waste sorting solutions for consumers so that packaging can be recycled or reused. Pernod Ricard has set up or joined various programmes worldwide to improve recycling:

- **Europe:** Group contribution of around €12 million to national schemes designed to improve the collection and recycling of domestic packaging, including glass;
- **United States:** it joined the "Glass Recycling Coalition" to foster efficient and economically viable recycling channels by involving all players in the chain (glass manufacturers, bottlers, recycling service providers, etc.);
- **Brazil:** it joined the "Glass is Good" project, designed to increase the glass recycling rate by involving all industry players.

Projects are currently being explored with local partners in nine key markets (India, US, Canada, China, France, Brazil, Spain, South Africa and Poland) to increase glass collection and recycling.

In FY23, Pernod Ricard's venture capital fund, Convivialité Ventures has taken a minority share in ecoSPIRITS, a circular economy technology startup focusing on low carbon, low waste distribution systems for the premium wine and spirits industry, after the launch of two pilots in 2022 in Asia (Hong Kong and Singapore) with Absolut vodka, Beefeater gin and Havana Club rum. In FY24, the Group has taken an other step towards circularity with the successful launch of an ecoSPIRITS pilot for Havana Club in Cuba, allowing to reduce by 88% the carbon emissions and 99% glass waste of the brand. Moreover, Pernod Ricard reaffirmed its engagement to leverage innovation and enhance circularity at scale, by signing a five-year global licensing agreement with ecoSPIRITS, to promote circularity in the spirits industry by replacing 75cl bottles with 4.5l containers.

3.4.3.2.3 Reducing waste in Group operations & improving recycling on industrial sites

Policy	Commitment	FY23	FY24
Waste management ambition	Zero tonnes of waste sent to landfill at production level	132 tonnes	192 tonnes

Limiting waste across the production chain and at end-of-life is an integral part of Pernod Ricard's circular economy approach. The Group's policy is focused on limiting food waste and eliminating landfill waste, ensuring all waste generated on industrial sites is recycled.

The Group takes steps to minimise food waste throughout its value chain:

- in upstream agriculture, this involves reusing by-products from food production to produce alcohol e.g. broken rice in India or sugarcane molasses in Cuba;
- in developed countries, where the Group sources most of its agricultural raw materials, the quality of infrastructure and short supply routes prevent products such as cereals from perishing;
- at production sites, the majority of waste generated by the transformation of raw agricultural materials (e.g. spent grains, vinasse and grape pomace) is reused to make animal feed, biogas, farm compost, or for other industrial purposes;
- at the consumer level, waste generation is very low as wine & spirits have a long shelf life and Group packaging is designed to last until the product is fully consumed.

Production sites mostly generate non-hazardous waste (hazardous waste represent 1% of total waste generated). Non-hazardous waste include:

- packaging waste (glass, paper, cardboard and plastics);

- waste from the transformation of agricultural raw materials not recovered as by-products (grape marc, stalks, lees, etc.);
- waste produced by the site's activities (sludge from treatment plants, office waste, green waste, etc.).

Hazardous waste includes products used for site operations (chemical product containers, used oils, solvents, electrical and electronic waste, neon tubes, batteries, etc.).

To achieve Pernod Ricard's overall waste reduction goals, affiliates are pursuing efforts to reduce the quantity of waste generated and to identify recycling and energy recovery processes. The Group will continue to identify appropriate treatment processes locally for hazardous waste requiring the use of a specific treatment process to prevent environmental risks.

This year, the quantity of non-hazardous waste sent to landfill has increased by 60 tonnes, reaching 192 tonnes. This increase is mainly due to punctual generation of non-recycled waste. Hazardous waste landfilled amounts to 28 tonnes, bringing the total amount of waste generated by production activities sent to landfill to 192 tonnes. Overall, 80 industrial sites out of 94 have achieved zero waste to landfill, and 93% of total waste is recycled. It remains a significant reduction from the 10,253 tonnes in FY10, and the result of the Group's zero-waste-to-landfill policy implemented across all production sites.

TABLE 5 – BREAKDOWN OF GROUP HAZARDOUS & NON-HAZARDOUS WASTE GENERATION (TONNES)

	Unit	FY23	FY24
NON-HAZARDOUS WASTE			
Total non-hazardous waste recycled	t	32,974	30,834
Total non-hazardous waste incinerated	t	2,201	1,657
Total non-hazardous waste landfilled	t	119	163
TOTAL QUANTITY OF NON-HAZARDOUS WASTE	t	35,293	32,654
HAZARDOUS WASTE			
Total hazardous waste recycled	t	320	115
Total hazardous waste incinerated	t	57	50
Total hazardous waste landfilled	t	13	28
Total hazardous with other treatment	t	79	318
TOTAL QUANTITY OF HAZARDOUS WASTE	t	469	512
TOTAL WASTE⁽¹⁾			
Total waste landfilled	t	132	192
% of waste recycled	%	93 %	93 %
TOTAL WASTE	t	35,762	33,166
ORGANIC BY-PRODUCTS⁽²⁾			
TOTAL QUANTITY OF ORGANIC BY-PRODUCTS	t	1,209,259	1,062,139

(1) Excluding waste generated in the construction and demolition activities.

(2) Organic by-products are secondary or incidental products deriving from the manufacturing process which can be sold or used for the production of other products, or transformed into biogas. These are not considered waste.

3.4.3.3 Environmental management systems

Pernod Ricard strives to implement strong environmental management systems (EMS) throughout the business. Based on the ISO 14001 Environmental Management Systems criteria, these EMS are the cornerstone of the Group’s strategy and help with:

- tackling long-term environmental risks;
- reducing Pernod Ricard’s environmental impact; and
- seizing opportunities at every level.

These EMS are designed to disseminate the Group’s environmental standards throughout the business and embed environmental considerations into its management practices, which in turn helps manage risks and create a more circular business.

Pernod Ricard EMS operate along the following principles:

- (i) the Headquarters’ Operations Division oversees and coordinates measures at Group level by:
 - a. setting shared goals,
 - b. monitoring performance,
 - c. circulating guidelines with minimum requirements,
 - d. sharing best practices.

Each Brand Company is required to evaluate its performance against these requirements annually. Where necessary, compliance action plans must be implemented;
- (ii) Pernod Ricard’s activities, both for the Brand Companies and the Market Companies, must comply with the environmental requirements outlined in the Group’s environmental guidelines:
 - a. affiliates are accountable for complying with local legal requirements. They must also report any local incidents or non-compliance to Headquarters,

- b. affiliates are accountable for assessing their long-term risks. They must thus identify ways of reducing their own environmental impact and apply the Group’s policy locally;
- (iii) major production sites are required to be ISO 14001 certified. In FY24, 84% of production sites were ISO 14001 certified (covering 99.4% of production);
- (iv) Group employees and administrative sites are required to follow the “S&R Office” guidelines regarding different topics such as green offices, governance, energy, water, waste and business travel.

In FY24, 3 environmental incidents were reported to local authorities. Incidents include all possible potential impacts from an industrial site. This year, two incidents were related to spillage or leakage events, either of alcohol or waste water affecting soils or water. The other reported incident was related to a start of fire near a bottling line. A root cause analysis was conducted for all these events and corrective action plans drawn up. Operational procedures are in place to prevent and control various forms of incidents, and limit their impact on the environment.

As of FY25 the Group will implement a new system for the tracking of such incidents, ensuring real-time traceability of actions and mitigation measures across the Group.

	FY23	FY24
% of production sites certified ISO 14001	86% ⁽¹⁾	84%
Number of environmental incidents reported to authorities	16	3

⁽¹⁾ Covering 99.4% of production

3.5 Our social sustainability

True to its vision of “*Créateurs de convivialité*”, Pernod Ricard believes in sharing, warmth, care, and respect for people everywhere – employees, consumers, communities. The Group is committed to creating a diverse, inclusive, healthy, safe, and responsible environment for its own employees, and those throughout its value chain. This section explains how Pernod Ricard puts these commitments into practice by:

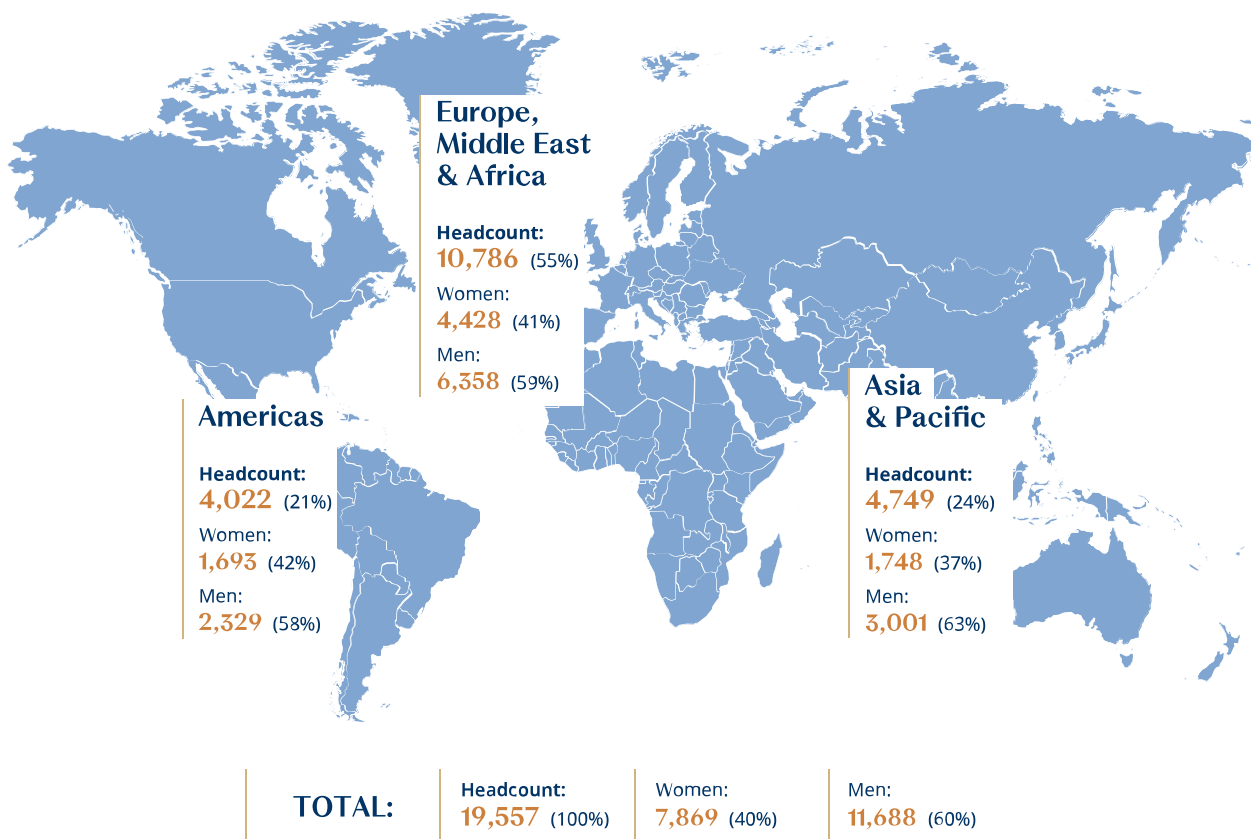
- supporting the wellbeing of its employees and their experience within the workplace;

- promoting a responsible supply chain with lower risks and empowered stakeholders;
- ensuring consumers are well-informed and ensuring the responsible use of alcohol.

3.5.1 Fostering the best work environment for our employees

Pernod Ricard employs 19,557 people around the world.

TABLE 6 – PERNOD RICARD EMPLOYEES WORLDWIDE AS OF 30 JUNE 2024



3.5.1.1 Diversity & Inclusion (D&I)

Pernod Ricard views diversity as a source of prosperity and strives to foster an inclusive culture where everyone is valued for who they truly are, and drive collective performance through their combined experiences, perspectives, and uniqueness. Moreover, as a consumer-oriented company, the Group believes that its employees must reflect the world in which it operates and the diversity of its consumer base. As such, Pernod Ricard is committed to a strong Diversity & Inclusion (D&I) agenda, and to creating an environment where its teams feel valued, heard, and safe in order to thrive.

To continue accelerating the D&I journey, the Group created a dedicated Global D&I Director role (CDO equivalent) at the beginning of FY24 and renewed its Global D&I council through the year, composed of 12 senior leaders from the organization representing the diversity of the global presence in Management Entities, Brand companies and the HQ, with the sponsorship of two Executive Committee members (EVP Integrated Operations & S&R and EVP Finance & IT). This diverse group representing different affiliates comprises global top senior executives with the objective of accelerating the Group's global D&I journey while acting as global ambassadors of this commitment.

While continuing to accelerate Diversity - with a special continued focus on Gender balance in senior leadership positions, FY24 marked a new impulse with a revised governance, vision and priorities placing an emphasis on inclusion, at the heart of conviviality and fully linked to the expected behaviours of the revamped values.

The Group sees D&I as a real business catalyst for Social Sustainability now and in the future, making an impact not only on the employees but also on the suppliers, consumers and communities with the brands. Pernod Ricard's Global Diversity & Inclusion Framework allows Market and Brand Companies to share a common D&I ambition and global objectives, while empowering all affiliates and respecting local specificities and business needs in their respective markets. This framework is comprehensive, driving D&I directly in the Group's ways of working, complete with detailed KPIs to provide direction with regards to its four global priorities - equitable talent processes, convivial culture, innovation & growth and enhanced reputation - translated into improved business performance. This complements the work already achieved by management in local affiliates to establish their own D&I agendas and plans.

FIGURE 15 – PERNOD RICARD D&I FRAMEWORK



As measuring progress and employee experience are key to progressing the D&I journey, Pernod Ricard also added an Inclusion Index to "I Say", the Group's annual employee feedback survey (see subsection 3.5.1.2.5 Employee engagement). The question "I feel a sense of belonging at my affiliate" scored 75 in I Say 2023 (+2 vs. Glint's Global External Benchmark).

Furthermore, after having conducted a D&I maturity model assessment in FY23, Pernod Ricard globally launched a voluntary inclusion self-assessment for all employees at the end of March 2024, with a double objectives:

- First, to get a real measure of the level of inclusion at Pernod Ricard, calculated in aggregate data by the employee's answers when being confronted to D&I related situations in

order to identify stereotypes and unconscious bias regarding micro aggressions, working relationships, and behaviours in a manager position. Almost 3,000 employees benefited from the self diagnosis and at Group level, nearly 70% were shown to be inclusive in their working relationships.

- Secondly, to give an opportunity to the employees to self-identify on a voluntary basis, to help Pernod Ricard better measure the percentage of workers who feel diverse in the organization. 25% of Pernod Ricard's employees self-identify their diversity and feel part of a minority group.

This knowledge will help the Group and affiliates go further to ensure everyone feels included in the organization.

3.5.1.1.1 Gender diversity

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Gender pay equity ⁽¹⁾	Ongoing	1%	1.3%	1.6%	On plan
<i>Additional metrics</i>	<i>Adjusted pay gap⁽²⁾</i>	-	-	1.3	1.6	-
<i>Additional metrics</i>	<i>Raw pay gap⁽³⁾</i>	-	-	-	-2	-
2030 S&R roadmap / Long Term Incentive Plans	Gender balanced ⁽⁴⁾ Top Management ⁽⁵⁾	2030	40-60%	36%	38%	On plan

(1) Fixed-term and permanent contracts only (excluding Cuba and Comex, excluding seasonal and casual contracts).

(2) Gap in remuneration between men and women restated from variables that can significantly influence the level of remuneration (grade, performance...).

(3) Difference between the arithmetical average remuneration of men and the arithmetical average remuneration of women.

(4) Balanced teams considered achieved with a range of 40-60% men and women.

(5) Internal definition: Band C and above.

The Group's D&I strategy goes beyond representation in the sense that it strives to ensure everyone is treated in a fair and equitable way. For example, in terms of **gender pay equity**, the Group has conducted a global initiative involving an annual audit of over 70 countries since FY19. This initiative aims to identify the behavioural drivers and roots causes of gender pay gaps to ensure pay equity across the Group through a long-term systematic compensation review. Following the results of these audits, all Group affiliates have been implementing gender pay equity initiatives over the years. The strategy has consisted of adjusting the lowest salaries (negative outliers) to achieve a reduction in pay gap globally. Beyond merely adjusting remuneration, affiliates have also included other actions in their **Gender Pay Equity strategy**, including in terms of hiring policies, promotion & retention strategies, employee assessment and development, pay for performance linkage, review of any bias in their talent management and performance management process. Thanks to this set of initiatives, the results have demonstrated significant improvement at Group level over the past few years.

In FY24 :

- raw gender pay gap is -2%, thus in favour of women;
- both adjusted and raw pay gaps were maintained within a -2 / +2 range;
- the adjusted pay gap significantly decreased in countries with high headcount;
- strong reduction of the gap in countries where it was significantly in favour of women. This had a negative impact on the Group's results but is consistent with its global objective.

In keeping with these commitments, Pernod Ricard's D&I strategy also directly connects with **talent management and development**. It is firmly embedded in the annual global strategic talent review process and succession planning. It is a strategic business priority for senior management, and it is also a key enabler to growing a diverse global talent pipeline. These talent processes focus on assessing, identifying and preparing the future leaders in the business with a D&I angle in mind.

Furthermore, the "TransfoHRm" HR Strategy announced in 2018 is inherently a diverse-centric strategy ensuring that key processes such as **talent development and management** are fair, objective, consistent and equitable. From TransfoHRm, Let's Talk Talent was born as a consistent global performance and talent management process based on an objective assessment of performance and potential, with a common language and methodology across all affiliates. As part of this programme, Managers and HR are supported and trained in performance evaluation and calibration to ensure common understanding, objectivity, and consistency in the way that it is applied across the business. These global processes are designed to overcome the traditional pitfalls of talent management practices, and ensure diversity and inclusion continues to be promoted throughout the Group while also making sure all employees benefit from equal opportunities for a successful and fulfilling career at Pernod Ricard.

From a **generational diversity** perspective, the Group is also committed to attracting and hiring young talents on various development contracts (*i.e.*, apprenticeships, training, etc.). The Group also recruits and develops young graduates through VIE (international volunteers in industry) and international young graduate programmes, such as the Jameson International Graduate Programme.

Pernod Ricard sponsors the **Youth Action Council (YAC)**⁽¹⁹⁾ with the objective to create a direct link between the next generation of employees and consumers and the Group's Top Management to bring shared value to Pernod Ricard.

⁽¹⁹⁾ Founded in 2013, YAC is a think tank comprising nine employees under 30. They are asked to provide Top Management with their generation's view on the Group's strategic issues. YAC has a three-year mandate to develop cross-company initiatives such as the "Green Office Challenge" and "Talent 4 Talent".



GLOBAL RECOGNITIONS & CORPORATE PARTNERSHIPS FOR DIVERSITY & INCLUSION

In September 2022, Pernod Ricard became a Gold Partner of **LEAD Network (Leading Executives Advancing Diversity)**, a non-profit group that aims to attract, retain and advance women in the retail and consumer goods industry in Europe through education, leadership, networking and business development.

In March 2023, Pernod Ricard signed the **UN's Women Empowerment Principles**, a set of principles offering guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace, and community.

In 2024, the Group was recognized in the **TOP 100 Equileap**, placing Pernod Ricard as the 6th French company in terms of Gender Balance. Additionally, Pernod Ricard for the second year in a row was ranked as Forbes' World Best Employers, out of 700. Pernod Ricard has increased its visibility in the diversity sphere by actively participating in the main event at the Global Women's Forum in Paris between 2018 to 2022, with speakers, delegates and sponsorship.

EXAMPLES OF PERNOD RICARD AFFILIATES PROMOTING D&I

Pernod Ricard continues its engagement in ensuring an inclusive, safe and convivial workplace for all its employees, with a focus being put on 'Inclusion' this year.

Pernod Ricard UK has launched in FY24 a reverse mentoring program, with the objective to enable people in leadership positions to learn from and understand issues from the perspective of people of under-represented groups, and hence increase the adoption of inclusive practices. The totality of Pernod Ricard UK leadership team has benefited from this program.

Irish Distillers, Pernod Ricard Brazil and Pernod Ricard Headquarters have hosted several conferences this year to raise awareness and continue to educate employees on inclusion. Examples of some of the themes presented this year: Unconscious biases, The Art of being yourself at work, How we can all become more Inclusive to all.

Pernod Ricard India has been working on enhancing representation of women across the workforce. In their Sales team, they have built one-to-one connections and ensured a safe and inclusive work environment for women.

Pernod Ricard France reinforced its support for people in vulnerable situations by joining the steering committee of FACE (Foundation pour l'inclusion), alongside six other companies.

(1) DEI: Diversity, Equity and Inclusion.

REPRESENTATION OF WOMEN AT 30 JUNE (PERMANENT CONTRACTS)

Number and %	FY23	FY24
Group employees	7,741 (40%)	7,414 (40%)
Non-managers	4,022 (35%)	3,792 (35%)
Managers	3,719 (46%)	3,622 (46%)
Middle Management	-	975 (48%)
Top management (19% in 2015)	220 (36%)	219 (38%)

BREAKDOWN OF POSITIONS WITH PERMANENT CONTRACTS FILLED BY WOMEN

Number and %	FY23	FY24
Internal transfers	243 (54%)	386 (54%)
External hires	1,479 (44%)	832 (45%)

This breakdown reflects the Group's strong presence in countries where the labour market is male-dominated, such as India where men represent 80% of the workforce. However, the proportion of women amongst managers has been constantly rising over the last decade, from 30% in FY12 to 46% in FY24.

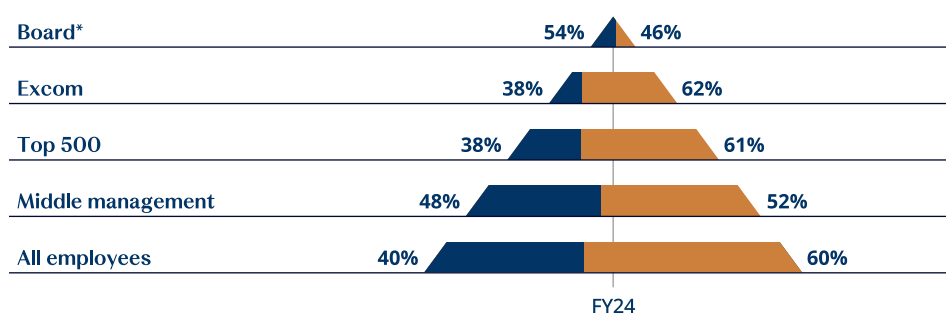
Pernod Ricard is committed to welcoming and developing talents of all ages and generations. As careers are becoming longer, each generation has a key role to play in the business success and the Group is proud to have a well-balanced workforce in term of age. Its mission is to unlock the magic of human connection and as a result, four generations co-exist in the workplace, bringing intergenerational value to all.

TABLE 7 - BREAKDOWN OF PERNOD RICARD EMPLOYEES AS OF 30 JUNE 2024

	AVG Age	Total ⁽¹⁾	Less or equal than 19	20 to 29	30 to 39	40 to 49	50 to 59	60 and more
Pernod Ricard Group	41.67	19,557	0.36%	14.9%	35.9%	27.3%	16.9%	4.6%
Female	40.4	7,741	60.6%	48.9%	42.8%	37.3%	34.1%	30.5%
Male	42.58	11,678	39.44%	51.1%	57.2%	62.7%	65.9%	69.5%

(1) Permanent & temporary contracts.

FIGURE 16 - PROGRESSION OF GENDER REPRESENTATION AT PERNOD RICARD



* Calculation based on Board composition at 30 June 2024

■ Women ■ Men

Pernod Ricard continues to progress on gender balance, increasing the number of women in senior leadership positions by 2 points compared to last year.

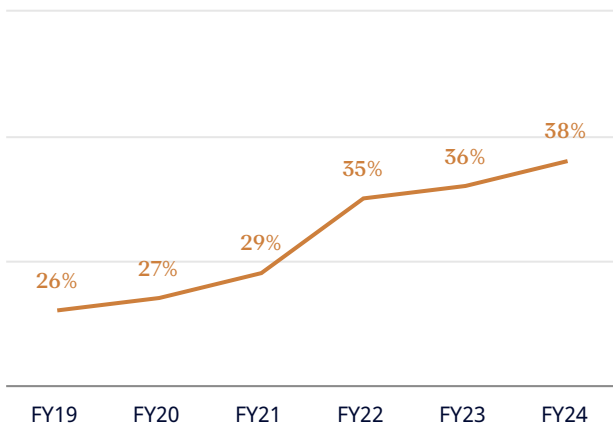
A key explanation for this is the Pernod Ricard Strategic Talent Review process focused on planning and preparing a more diverse talent pipeline for specific leadership roles or functions currently identified as not balanced enough.

The Group continues developing and supporting women talent across several initiatives:

- leadership programs & Talent assessment;
- mentoring;
- EVE inter-enterprise seminar: launched in Europe in FY24 and in FY25, with Talent from Asia too;
- the creation of a Global Women ERG called “Women in Tech” that supports STEM women and builds allyship.

Pernod Ricard continues to work on gender diversity and parity across the Company, designing and implementing internal programmes and processes to accelerate the development of diverse talents globally (see subsections 3.5.1.2.2 Talent management and 3.5.1.2.3 Training our employees).

Evolution of women representation among Pernod Ricard’s Top Management (target 40-60% by 2030)



3.5.1.1.2 Hiring & employability of workers with disabilities

Pernod Ricard’s commitment to a welcoming and inclusive environment entails striving to ensure its workplace culture, environment and ways of working are as adapted as can be to the needs of each employee. Where workers with disability are concerned, affiliates’ compliance with local laws is the starting point, not the end goal of the policy. A number of initiatives across the Group are helping to make work environments friendlier to workers with disabilities, including:

- adapting premises and investing in appropriate equipment;
- providing training;
- raising employee awareness;
- conducting joint projects with specialised establishments;
- participating in dedicated forums; and
- recruiting workers with disabilities.

In line with local needs and requirements, affiliates also put in place relevant initiatives for accessibility. For example, in the UK, employers are obliged within reason to make sure that disabled workers have the same access to everything involved in doing and keeping their job as non-disabled workers. In FY24, Pernod Ricard sent affiliates a global survey to gather information on detailed local regulations on Disability aiming to accelerate the collective efforts for employability of workers with disabilities. Thanks to this first step in FY24, the Group will go a step further in FY25 and will implement a Global Disability plan.

In France, the share of employees with a declared disability reached 3.5% in 2022 and remained around 3.4% in 2023, including Martell Mumm Perrier Jouet at 4.8%.

GROUP PARTNERSHIPS FAVOURING EMPLOYABILITY OF WORKERS WITH DISABILITIES

Affiliates of Pernod Ricard have established robust local partnerships to enhance the employment opportunities for individuals with disabilities.

- **Irish Distillers** has collaborated with Together Academy and Ability @Work, resulting in the meaningful employment of young individuals as Brand Ambassadors.
- **Pernod Ricard** in France seeks to facilitate access to its job opportunities for workers with disabilities by advertising careers and open positions on the website of the Agefiph public organisation dedicated to developing inclusivity. Also, Pernod Ricard Talent Acquisition French Team welcomed disabled student supported by the organisation ARPEJH for a workshop aiming to give them advice for successful interviews. Since two years, the Group Legal teams and Havana Club participates to the Step up program to welcome every year interns during one month internship.
- **Pernod Ricard Spain** continued its plan to welcome more people with disability by searching new specific recruitment sources and continued to evolve the accessibility of its offices and awareness session for internal employees and promotion of volunteering in order to make disability more visible.

3.5.1.1.3 Actions to counter discrimination & unconscious bias

Pernod Ricard remains committed to fighting all forms of discrimination and ensuring equal opportunities for all. As part of its anti-discrimination efforts, the company has undertaken an initiative to measure unconscious bias, microaggressions, and workplace relations in both quantitative and qualitative terms.

In FY24, Pernod Ricard launched Horizons, a significant and transformative initiative combining further transparency, equity and visibility on careers and development opportunities, and help reduce any potential bias in internal recruitment and career management and development. The initiative seeks also to ensure more equitable talent development processes and equal opportunities. Employees participating in this year's pilot were given access to a new Talent Marketplace. This platform, powered

by AI, matches skills with open positions and development opportunities, suggesting career and development paths. This favours equitable opportunities for growth, based on an employee's skills.

In addition, Pernod Ricard is conscious that discrimination can start by non-intentional micro aggressions in the workplace, and a such creating awareness and training are critical. Therefore, in addition, in March, the Group launched a global inclusion self-assessment designed to promote inclusive behaviours. Almost 3,000 employees worldwide have participated in this assessment, equipping themselves with the tools to be true allies. Thanks to self-identification, Pernod Ricard increased its awareness on diversity to drive further actions on Inclusion.

SAMPLE ACTIONS FROM GROUP AFFILIATES AGAINST DISCRIMINATION

- **PR Winemakers** launched the first Reconciliation Action Plan in Australia that outlines our commitment to building connections with Aboriginal and Torres Strait Islander Peoples, deepening our cultural understanding and establishing partnership opportunities for Aboriginal and Torres Strait Islanders.
- **French affiliates of Pernod Ricard** have endorsed the 'Stop to ordinary sexism in the workplace' Engagement Charter, committing to a zero-tolerance policy and actively promoting awareness. French employees started to benefit from an insightful e-learning to understand what everyday sexism is, how it manifests and how to respond it. The goal was to equip individuals with the ability to recognize a sexist comment or action and to respond effectively, whether they are a victim or a witness.
- At **Pernod Ricard HQ**, the PR-ide Network for the inclusion of LGBTQIA+ colleagues partnered with "têtu.Connect" to raise awareness continuously throughout the year, and mostly recently on 'Being yourself at work'. The yearly Pride Party serves as an opportunity to engage with the lives of LGBTQIA+ colleagues, drawing on the knowledge and expertise of organizations such as SOS Homophobie and L'Autre Cercle.
- **Irish Distillers**: As part of the Work Life Balance & Miscellaneous Provisions Act 2023 in Ireland, employees are allowed to request up to 5 days of unpaid leave to care for family members with a serious medical condition. Irish Distillers went a step further by making it 5 days paid leave for Family Carers.
- **Pernod Ricard Spain** recognized its talent with seniority by creating a Hall of fame displayed in all the offices and sites and employee's video to make visible all the advantages and social benefits available around seniority share career path, in complement to a reverse mentoring ensuring knowledge sharing and inclusion of everyone.
- **Pernod Ricard South Africa** supports disadvantaged individuals in local communities to access new opportunities for education, employment and financial independence, changing the trajectory of their lives through opportunities which were previously denied to them. Among the initiatives: a university bursary program for almost 80 students across 4 universities, a disabled learnership for 5 years positively impacting almost 20 students living with disability this FY24 and a graduate intern program for the 4th year in a row supporting almost 30 students to provide equal opportunities to them.
- **Pernod Ricard Brazil** continued its plan to increase the visibility of people with diverse ethnic backgrounds in the workforce, and committed to removing barriers for black employees through education by funding language courses for 20 interns only (5% of Brazil's population speaks English).

Around the world, Pernod Ricard employees are organised in a wide network of Employee Resources Groups (ERGs), where employee-led peer groups help foster a diverse, inclusive workplace. These function as cultural advocates, allies, ambassadors, and partners in building open forums to share experiences and celebrate cultural movements across communities. Each Group has its own focus, such as⁽²⁰⁾:

- raising awareness on **LGBTQIA+ causes** and supporting inclusion: PRISM (Pernod Ricard North America), PRIDE (Chile), Fluid (UK), PR-ide (France), True Colours (The Absolut Company), PRIDE (Pernod Ricard Winemakers);

- supporting the integration of **international communities**: Expats in France (France), Se habla español (France), PaRa Amigos (North America), First Nations (Pernod Ricard Winemakers);
- supporting **gender balance** in the IT industry: Women in tech;
- supporting **women and allies**: Libra (UK), Womxn (North America).

As a way to measure relevant D&I indicators and employee engagement, the Group has various feedback tools implemented over the past few years: I Say Employee feedback survey (capturing Inclusion Index), global Wellbeing Pulse Survey, Onboarding & Exit surveys, and the D&I Maturity Self-Assessment for all affiliates.

⁽²⁰⁾ List of a few examples, this is a non-exhaustive list.

3.5.1.2 Supporting our employees to grow

The Group’s strategy for talent attraction, development and retention relies on providing good working conditions, a favourable remuneration policy and benefits, all while supporting people in developing their skills and building successful careers. Talent management is and will remain a key strategic business priority for the Group. As such, the Pernod Ricard S&R roadmap includes key commitments to ensure long-term employability through comprehensive access to training and development opportunities.

3.5.1.2.1 Compensation and benefits for employees

Compensation policy

Group Senior Management’s compensation is overseen by HQ, whereas each affiliate manages its policy locally while upholding a set of common rules. These include developing a performance culture and offering compensation that is competitive locally, leveraging external benchmarking and compensation data. This also involves setting up straightforward, meaningful, and motivating compensation packages. Total payroll is discussed in Note 3.5 *Expenses by type* in Section 6 “Annual consolidated financial statements”. This year, payroll accounted for 14.3% of net sales.

Performance culture: employee profit-sharing policies

Performance is encouraged through favourable profit-sharing and incentive policies. A gross amount of €54 million was paid under such plans to over 7,890 employees, to which contributions⁽²¹⁾ of over €8.9 million were added. Moreover, share-based long-term incentive plans policy (such as allocating performance shares or restricted shares for example) were once again implemented in FY24 for over 500 employees worldwide.

In 2019, the Group launched its first ever Employee Share Ownership Plan called “Accelerate”. The second edition of the Plan was rolled out in 2022 in 24 markets (covering around 80% of Group employees and the initiative once again proved highly successful, with an overall sign-up rate of 45.7%). In 2021, the Group launched Pay for Performance directly linking reward and recognition to performance. This helps building a high-performance culture across the organisation, allowing managers to differentiate the reward and recognition received by their teams based on their contribution and performance both on the “What” and the “How” of their deliverables.

	FY23	FY24
Total gross amount paid under profit-sharing and incentive plans	€50 million	€54 million

Welfare protection and health insurance

In line with the Group’s commitment, all employees are offered a welfare protection plan covering major risks (death and invalidity). Some choose not to be covered or are covered by their spouse’s employer.

Number and %	FY23	FY24
Employees covered by a welfare protection plan (death and invalidity) with a benefit equivalent to at least one year of the employee’s fixed annual salary	93.4%	94.1%
Employees benefitting from health insurance	98.2%	97.9%

Promoting wellbeing & quality of life in the workplace

The Group is committed to offering employees good working conditions and as such it is engaged in upgrading and accommodating workspaces wherever possible. The Group believes its office spaces should offer an opportunity to showcase the belief that humans need to come together in person to create convivial moments. In the years following the Covid-19 pandemic, the value of this human connection is understood all the better. Also, following an internal survey in FY24, 93% of Pernod Ricard’s affiliates have a flexible hours, policy.

Like many of the Group’s offices, Pernod Ricard’s global flagship in Paris, The Island, embodies a “conviviality by design” approach. It was designed to offer the best work environment by incorporating different styles of workspaces and workstations, and giving employees the flexibility to choose. Employees also have access to a range of specialists, activities, fitness equipment and other services, in line with the Group’s broader commitment to health and wellbeing. The Island received HQE certifications (‘Excellent’) for its construction and exploitation recognising that it adheres to the highest environmental and employee wellbeing criteria.

3.5.1.2.2 Talent management

Pernod Ricard’s people development strategy is anchored in the Group’s Leadership Attributes, which were rolled out across the organisation in 2020. Now, as part of the Group values evolution carried out this year, Pernod Ricard has just finished to evolve as well the leadership model (under the name ‘The Way We Perform’) which will be deployed early next fiscal year.

Leadership Attributes

The Leadership Attributes represent the leadership behaviours Pernod Ricard needs to ensure its current and future success. They are embedded in its global Human Resources strategy through various HR processes such as leadership assessment and development programmes, annual performance appraisals, 360 feedback surveys, coaching and mentoring. All these processes and programmes help Pernod Ricard’s employees grow their leadership skills and be better prepared to master challenges and drive change to deliver its business goals.

TransfoHRm/Workday

The Group-wide HR strategy TransfoHRm is powered by a single Group-wide HR management system, the global digital platform Workday, introduced in 2018. This has been very successful in helping manage the key group HR processes in a consistent way across all the affiliates. Pernod Ricard has been able to quantify the return on investment:

- having streamlined business processes;
- established a common language;
- created unified and reliable information worldwide;
- better decision making, leveraging AI as part of the new recently launched Talent Marketplace

⁽²¹⁾ Additional sum paid to employees for investments in the Company savings plan.

It has significantly improved HR efficiency, facilitating decision-making so as to put the right talent in the right positions with the right skills at the right time in their career. Employees and their managers now have a robust and reliable tool to access information about their position, career path, compensation and performance & development information. Employees are fully empowered to be proactive with their career development. Through comprehensive roadmap planning and a strong partnership with IBM for end-user support and technical upgrades, Pernod Ricard kept investing toward a software-powered transformation of Human Resources management.

Pernod Ricard is committed to introducing additional functionality to support the ongoing improvement of the employee experience. In 2024, the group successfully launched “HR buddy”, its first conversational chatbot designed to answer questions from all employees about the yearly performance, talent and performance campaign. Pernod Ricard will continue to investigate and deploy new generative AI use-case linked with HR requirements, to empower both its stakeholders and the internal customers.

To enhance end-user adoption, improve efficiency, and gather bottom-up feedback from all over the Group, Pernod Ricard continued the Workday Adoption Programme initiative, a combination of best practices workshops, user-centric analyses through common Key Process Indicators, and detailed feedback sessions. The group also upgraded its Workday training offer with the new ‘360 Workday Essential’ program, a blended training program for HR employees, designed as a “refresher” on core business processes and good practices. Leveraging group assets and local champions following a train-the-trainer strategy to ensure maximum impact, this program was successfully launched in two geographical zones (LATAM and UK) and shall be expanded in the coming fiscal year to new regions.

Although many initiatives focused on employee and end-users experience, the Group kept on investing in dedicated modules to support the business and streamline the needs in resources to ensure sustainable performance. The Workday Adaptive Insight module continued its expansion during the whole fiscal year 2024, which allowed Human Resources to forecast, plan and manage employee-related costs as these represent the largest overhead. Corresponding information has spread in the organization, enabling closer business monitoring throughout all affiliates. A new milestone was achieved in 2024 as data from Adaptive planning is now available and displayed directly into Workday for top Executives, as part of the “Cockpit” initiative.

Following the objectives to support business and strategy through global solutions, the “Cockpit initiative” aims at providing a simple yet comprehensive depository for people-related performance

indicators. The Cockpit centralizes data from various global data sources at Pernod Ricard and acts as a single stop shop host on the Workday platform. It leverages the various efforts performed over previous years to align and harmonize referentials, allowing top executives to have access to group-wide data on both employees, positions, workforce planning, engagement rates and more to come in the future.

These ambitious initiatives will ensure that HR effectively embeds the new ways of working and proactively partners and supports managers & employees to co-create their unique experience at Pernod Ricard.

Let's Talk Talent

Let's Talk Talent is a global talent management and development framework shared across all affiliates thanks to a common language to assess performance and potential. This assessment focuses not only on “what” has been achieved, but also on “how” achievements were obtained, in line with the Leadership Attributes. This enables Pernod Ricard to assess, provide feedback and develop teams, identifying the skills, competencies and behaviours that are needed to support the strategic plans whilst fostering a diverse, high-performing culture. This process, along with the learning agility assessment of individual growth potential, forms the basis for identifying and developing talent within the Company for career development and succession planning.

As part of this Let's Talk Talent process, the Company fosters a culture of continuous feedback between supervisors and employees. Pernod Ricard offers employees opportunities and resources to grow and empowers them to take steps to advance their careers and to develop within the business.

Embedding a skills-based organization

To support Pernod Ricard's talent management ambition, the Group introduced skills based development through a new Talent Marketplace powered by AI, launched this year. Building on the D&I objectives of creating equitable and fair opportunities, the Talent Market Place creates visibility on employee skills and matches customized development through mentorship, learning, gigs, career opportunities in a single platform.

In January 2024, the Talent Market Place was successfully piloted across HR, Finance and Legal functions reaching 2,200 employees. The global launch planned for the fall of 2024 will reach out all employees, allowing visibility of all the employees' skills and enabling to showcase development and career opportunities to all.

3.5.1.2.3 Training our employees

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Develop employability throughout employees' working lives: offer all employees at least one training session during the FY	2030	100%	99%	99%	On plan
2030 S&R roadmap	Develop employability throughout employees' working lives: offer all employees at least one future-fit training session every 3 years	2030	100%	21%	60%	In progress

Pernod Ricard University

Pernod Ricard’s learning offering is built around co-creation, blended learning and dynamic upskilling initiatives using a 70/20/10 approach to employee development. Pernod Ricard University actively partners with the business and HR Departments to:

- identify Learning & Development (L&D) needs; and
- design programmes with high-end institutions, consultants and internal experts.

The global learning offer is based on a mix of formats – approximately 90% online and hybrid, and 10% in-person. This mix helps the Group to enhance its own strategic delivery through:

1. adequate response to the demand for more customisation, accessibility & convenience using an “anytime, anywhere” approach;
2. personal curation of contents through the Talent Marketplace platform, matching employees’ skills interests with learning opportunities thanks to AI and machine learning
3. the breadth and depth of the offer to address the varying needs across the organisation, functions and locations, and the life stage and growth aspirations of individual employees;
4. inclusive and purposeful development opportunities to help all employees keep up with the changing world, technology advancement and generational differences.

In 2024, the key focus was placed on the following areas.

- **Digital upskilling**, with three main initiatives:
 - “D-Passport Season 3”, focused on increasing knowledge of tech innovation and digital trends for Top Management and key customer- and consumer-facing roles,
 - Next-Generation Marketing, a programme based on external benchmarking and rapid upskilling for digital marketing excellence for the entire marketing community,

- Generative AI discovery”, empowering employees for sustained success in the rapidly evolving digital landscape by understanding the fundamentals of Artificial Intelligence, by mastering the art of writing efficient prompts for Generative AI, by gaining practical hands-on experience;
- **Leadership For Growth**, involving internal customised programmes (Mixers, Shakers) along with a broad portfolio of external programmes from leading academic institutions;
- **accelerating self-learning & continuous development**, by using a global learning platform (Coursera) for both developing existing skills and learning new ones to enhance performance and career growth;
- **continuing the roll-out of Ethics & Compliance and Health & Safety programmes**
- **enhancing functional capabilities**, focusing on prioritised areas with specific programmes in Procurement, Supply Chain and Manufacturing, Finance.

Acting as true growth catalysts, the Group’s holistic offering and L&D customisation efforts effectively contribute to the transformation of the organisation into a more agile, digitally-savvy, innovative and consumer centric one, led by future-fit leaders and employees.

Delivering **future-fit trainings** is about preparing both businesses and individuals to be adaptable, sustainable, and beneficial to all in an ever-changing world, by equipping individuals and organizations with the capability and flexibility to adapt quickly to change (developing a set of skills, mindsets, and behaviours)

In line with the Group’s strategic priorities, the focus in FY25 will be on continuing digital marketing and procurement upskilling, accelerating the Tech massive upskilling.

Number and %	FY23	FY24
% of the payroll invested by the Group in training	1.6%	1.4%
Number of male employees trained	-	11,719
Number of female employees trained	-	8,066
Number of employees trained ⁽¹⁾	20,154	19,785
% of total workforce trained ⁽¹⁾	99%	99%
Training hours - Male	-	301,433
Training hours - Female	-	184,468
Total Training hours ⁽¹⁾	463,179	485,901
Average number of hours of training received by training beneficiaries ⁽¹⁾ per year	23	25
% of male employees who received at least one performance review ⁽²⁾	-	92%
% of female employees who received at least one performance review ⁽²⁾	-	95%
% of employees who received at least one performance review ⁽²⁾	93%	94 %

(1) Fixed-term, permanent contracts and apprentice.

(2) Permanent contracts.

Leadership Assessment and Development programmes

In FY24, the Group ran an RFP to refresh and enhance its existing Global Talent Assessment and Development Framework. The goals were to identify market best practices, integrate benchmarks for better assessment and development of talents, provide clearer assessment and development reports for both business and employees, explore new technologies, and seek scalable opportunities.

This framework targets talents from Band E to the ELT (Executive Leadership Team), aiming to assess and support the development of current and future generations of leaders at Pernod Ricard. Through assessing against the Pernod Ricard leadership model, the framework seeks to provide us with a holistic view of their skills, leadership potential, strengths, and development areas. The assessment outcomes will enable the Group to nurture high-potential individuals and better prepare talents for future leadership roles.

As a result of the RFP, Pernod Ricard partnered with three external global providers to develop a range of leadership assessment and development programmes. The Group successfully piloted these new programmes, involving 158 employees, with 50% of participants being women.

To further support the talents in their leadership development, the Group continued its 'Mixers' and 'Shakers' leadership training programmes in partnership with INSEAD. In FY24, these programmes were updated to include Q&A sessions with Pernod Ricard experts on the topics of D&I, S&R and Health & Safety. A total of 68 talents (of which 50% female) participated in these trainings, held at Pernod Ricard University's campus in La Voisine, France.

3.5.1.2.4 Social dialogue

The Group has a long tradition of social dialogue and promotes freedom of association in every country in which it operates. In addition, it firmly believes in the importance of providing a working environment with optimal working conditions:

EU Works Council

With over 50% of its employees based in the EU, the Group has mainly focused its efforts on EU employee representatives. This council brings together one or more representatives from every affiliate within the EU with over 45 people. It had a total of 24 representatives in FY24.

The EU Works Council meets at least once a year. A Select Committee, elected by their peers, of five members from five different countries, meets at least once a year. The Select Committee may act on its own initiative in response to any social measure that might be taken within the EU involving at least two countries in which Pernod Ricard has local teams. To share information, content is co-written by delegates and the HR Department annually and published on the intranet.

The France Group Committee meets once a year. It brings together employee representatives appointed by the largest trade unions in the French affiliates. The purpose of this meeting is to review the Group's business activities, together with an analysis of employment trends and forecast changes for the year ahead.

The Group Committee and the EU Works Council are chaired by the Group Chairman & CEO, Alexandre Ricard, and moderated by the HR Department.

Signing of labour agreements

Affiliates signed roughly 192 agreements with a range of social partners worldwide. This encourages improved social dialogue. The number of agreements signed reflects changes in local legislation.

The agreements signed by affiliates during the past year mainly covered:

- compensation and profit-sharing;
- Group welfare schemes;
- occupational health and safety.

Number and %	FY23	FY24
Number of agreements signed with social partners	189	192
Number of affiliates signing at least one company-wide agreement during the year	101	106

3.5.1.2.5 Employee engagement

Pernod Ricard has a high level of employee engagement, evidenced since the beginning of the “I Say” Global Employee Engagement Survey. It was reinvigorated in 2021 with **I Say 2.0**, leveraging digital and data in partnership with Glint and moving to an annual global survey.

In FY24, the Group rolled out the eighth edition of **I Say**, its pulse, survey empowering managers and HR to leverage advanced analytics and insights to better understand employees’ needs. Thanks to Glint’s digital platform, it allows them to quickly access, analyse the results and roll out action plans to address the improvement areas identified. The results can then be benchmarked against Glint’s data from external organisations.

- I say remains a key moment in the employees journey at Pernod Ricard, this year again a very high rate of participation (86%) which once again highlight the strong connection of Pernod Ricard employees with the organization.

- Pernod Ricard’s employees said they are happy to work at their affiliate and the majority of the Group’s employees would recommend Pernod Ricard as a great place to work, with a score of 74.

These sentiments have been mirrored externally as well, as Pernod Ricard has been included in the ranking of Forbes’ World’s Best Employers 2023 for a second year in a row.

In FY24, the Group also launched its third edition of the **wellbeing pulse survey** to gather more in-depth feedback from employees on issues like their perception of their work-life balance and how they managed stress.

Following the pandemic, wellbeing and engagement continue to be important areas of focus for the Group.

Scores	I Say 2023			Wellbeing pulse survey	
	Pernod Ricard	Global Benchmark	Food&Bev benchmark	2023	2024
Wellbeing [My affiliate takes a genuine interest in employees’ wellbeing]	70	70	69	70	69
Overall Engagement score	74	74	75	74	72
<i>eSat [How happy are you working at your affiliate?]</i>	73	74	75	73	72
<i>Recommend [I would recommend my affiliate as a great place to work]</i>	74	74	74	74	72

Number and %	FY23	FY24
Total departure rate ^{*(1)}	14.1%	15.1%
Number of departure - Male	NEW	1,604 (14%)
Number of departure - Female	NEW	1,250 (16.6%)
Number of resignations*	1,618	1,473
Number of resignation - Male	NEW	808 (7.1%)
Number of resignation - Female	NEW	665 (8.8%)
Voluntary departure rate ^{*(2)}	8.5%	7.8%
Absenteeism rate**	3.7%	3.9 %

(1) The rate of total departure is calculated by dividing the number of departures by the average workforce with permanent contracts.

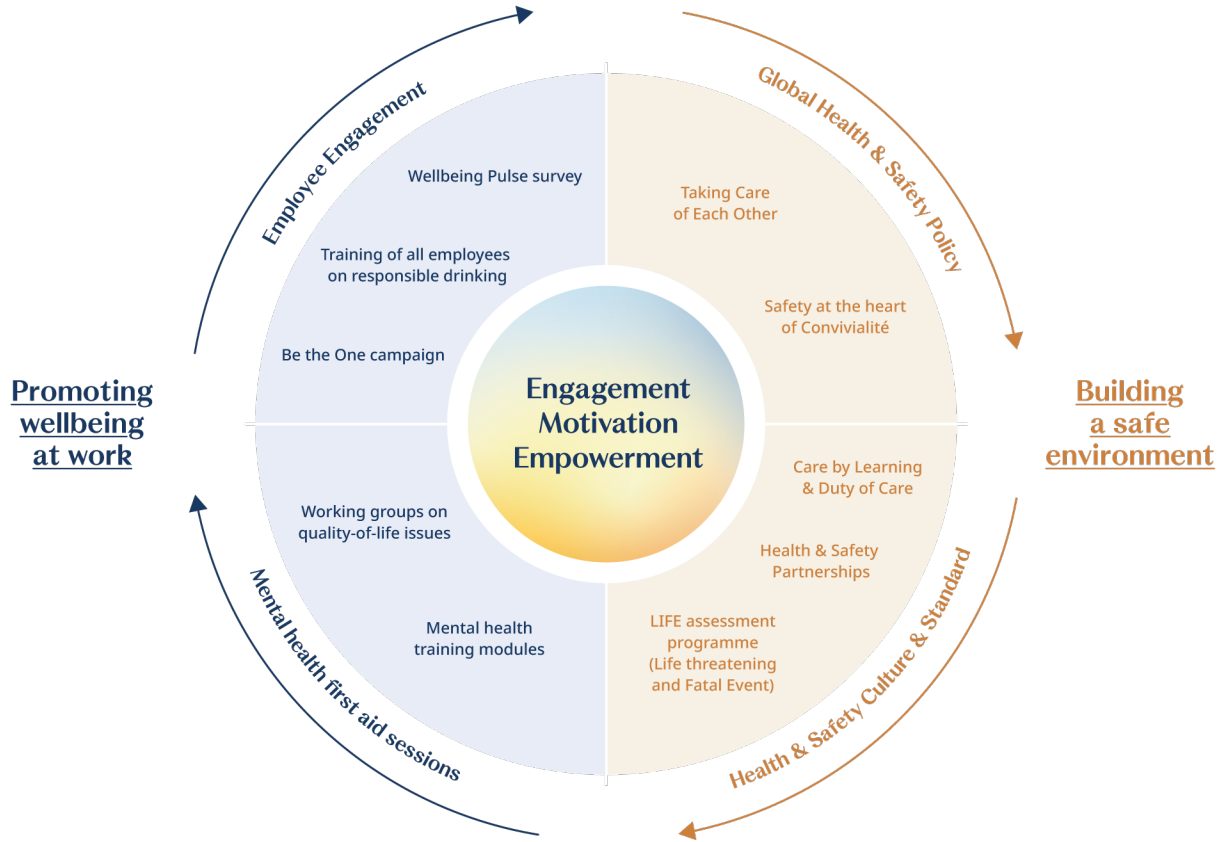
(2) The rate of voluntary departure is calculated by dividing the number of resignations by the average workforce with permanent contracts.

* Permanent contracts.

** Fixed-term and permanent contracts.

The increase of the total departure rate is notably linked to the implementation of the organisation evolution announced by the Group on 30 August 2024.

3.5.1.3 Health, safety & wellbeing



Pernod Ricard constantly strives to build a healthier and safer workplace for employees and contractors. Pernod Ricard’s approach to Health & Safety (H&S) is underpinned by the “Créateurs de Convivialité” vision. Standards and processes are developed to manage employee and on-site contractor activities, from risk assessment to the implementation of mitigation measures, including on-field assessments.

As of FY23, a comprehensive H&S approach has been taken, covering everything from physical to mental health, for those working in an industrial environment as well as administrative (offices) and sales representatives.

3.5.1.3.1 Building a safe environment

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Become “best in class” in the Wines & Spirits industry for Health & Safety: moving towards zero accidents (employees and temporary staff)	2025	Moving towards zero lost time accidents	60	44	On plan

Global H&S policy

The Group is committed to developing a culture in which everyone has a role to play and where employees take ownership by sharing responsibility for their own safety and that of their co-workers.

This vision was turned into a Global Health & Safety Policy called “Taking Care of Each Other” in 2019. The strategic priorities to achieve Pernod Ricard’s goals are :

- **Culture:** to develop a culture where safety is at the heart of *Convivialité*;

- **Leadership:** to develop leadership through engagement, motivation and empowerment;

- **Performance:** to improve business performance through excellence in Health & Safety.

This policy was approved by Pernod Ricard’s Chairman, Chief Executive Officer, the Executive Committee and the Board of Directors. The EVP Integrated Operations and S&R oversees the implementation of the Group’s Health and Safety policy. The management of the local affiliates is responsible for its implementation.

H&S Culture

Delivering on this vision requires management systems. In this regard, the Group's industrial sites are required to be OHSAS 18001/ISO 45001 certified. In addition, Pernod Ricard is committed to, and actively fosters, a H&S culture in which everyone is involved in taking care of each other. To drive this change, third-party audits on safety culture and standards compliance are being rolled out across the major production sites. Each audit gives rise to an assessment of the site's maturity, and an action plan to move to the next level on the maturity scale.

To address high risk situations, Pernod Ricard continuously defines new standards. In FY23, LIFE (Life threatening and Fatal Event) requirements have been developed, covering a wide range of activities (including work at height, chemicals, confined spaces, explosive environments, hazardous gases, fire & evacuation, equipment safety, forklifts, racks & pallets, truck loading/unloading, truck fleets, work permits, and hazardous energy). Specific risks related to sales and head office activities are being tackled through LIFE requirements related to these functions (including responsible drinking, driving, ergonomics, risk assessment, safe events, contractors management, and emergency planning).

All affiliates have implemented prevention measures following a self-assessment of their local practices both on industrial and non-industrial sites. A LIFE assessment programme performed by third parties is currently underway both on industrial and non-industrial sites. All the areas of improvement identified by the third party are addressed through a detailed action plan discussed during follow-up call with the leadership team of the industrial or non industrial sites.

Education and awareness are also critical in the journey and the Group aims to deepen its H&S culture through engagement, motivation, and empowerment. As such, the Pernod Ricard training program "Care by Learning" continues to be rolled out through a pre-defined sequence of modules for both industrial and non industrial population. Also the corporate campaign 'Be the one', launched last year, continues to be rolled out across the Group. It has become a real movement, reflected in strong commitments, creative initiatives to further engage and raise awareness, or concrete tools to help everyone make H&S a priority.

Examples include:

- 2024 resolutions by top management and many workshops in the groups to push the people to make a strong H&S commitment;
- be the one - the card game to start every meeting with a safety moment;
- many local initiatives or videos - for industrial and non-industrial employees - to address all aspects of the health, safety and well-being (rap song in India, video in LATAM, safety events worldwide, etc.).

At Group level, the "Be the one" hero movie was launched internally and externally in January 2024, reinforcing the importance of each of us being the one and taking action at the own level. The communication campaign was awarded a silver prize at the TOP/COM Corporate Business Awards.

PERNOD RICARD H&S PARTNERSHIPS

Pernod Ricard is actively engaged with H&S networks to share best practices and has increased its visibility in this sphere by attending and presenting at various events and conferences, including:

- People Sustainability the Future: conference in London, December 2023;
- HSE Fleming both Health and Safety Director and EVP Integrated Operations and S&R presented "Exploring Leadership Dynamics in Safety Performance Enhancement", April 2024.

Since FY22, the Group's H&S efforts have resulted in a more than 43% reduction in lost time accident frequency rate. Workplace accidents and associated KPIs cover 100% of interim, fixed-term and permanent contracts.

Workplace accidents and % of sites certified	FY22	FY23	FY24
Number of workplace accidents with lost time ⁽¹⁾	70	60	44
Frequency rate ⁽¹⁾⁽²⁾	3.4	2.6	1.9
Severity rate ⁽¹⁾⁽³⁾	83	125	52
Number of fatalities ⁽¹⁾	0	0	0
% of production sites OHSAS 18001/ISO 45001 certified	91%	86%	84%

(1) Employees with interim, fixed-term and permanent contracts.

(2) Frequency rate = number of non-fatal workplace accidents with lost time × 1,000/total number of employees and interim staff expressed in full time equivalents.

(3) Severity rate = number of days of absence for workplace accidents × 1,000/total number of employees and interim staff expressed in full time equivalents.

The accident severity rate has decreased by 58% compared to last FY. This result highlights the commitment to continuous improvement and safety excellence.

3.5.1.3.2 Promoting wellbeing at work

In line with its “**Taking Care of Each Other**” vision, Pernod Ricard believes in a strong connection between H&S and wellbeing, as both are equally supported by a thriving culture of interdependence and mutual support between individuals, teams, and functions. Moreover, there is clear evidence that enhancing wellbeing (broadly defined) makes employees less accident/hazard prone. The Group considers that giving a strong impulse to mental health leads to a virtuous circle benefiting every person in terms of wellbeing and motivation, which can radiate through the company and ultimately drive business in a sustainable way.

These beliefs and commitments were made concrete in FY24 through several initiatives and the development of a global framework.

Be the One

For the World Day for Safety and Health at Work, on the 28th of April, the Group launched a major campaign, “**Be the One**” to care, to flag, to notice, etc. This campaign acknowledges that accidents

start with small details. Easy overlooked, many small factors can lead to risk and accidents if they are not identified and addressed. “Be the One” thus aims to help employees identify hazards, change their habits, and foster a sense of caring about safety, but also about people. Through this new campaign, the Group is laying the foundations of a more holistic approach to preserving the mental, moral, and physical health of its employees.

Mental Health First Aid

In keeping with same, Pernod Ricard began deploying “**mental health first aid**” sessions in France, a programme already deployed in other affiliates such as Pernod Ricard Winemakers in Australia while leading working groups on quality-of-life issues. The next steps involve expanding a network focused on mental wellbeing and peer-to-peer support at the Group HQ level to formally widen the Health & Safety scope to include mental health.

3.5.1.4 Educating employees on alcohol and responsible drinking

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Maintain all Group employees trained on alcohol and responsible drinking through the MOOC ⁽¹⁾	Ongoing	100%	94%	96%	On plan
2030 S&R roadmap	Train sales staff and brand ambassadors on responsible sale of alcohol ⁽²⁾	2025	100%	19%	27.5%	In progress

(1) Employees with a permanent contract, at least three months' seniority and equipped with a professional device.

(2) Employees with a permanent contract, at least three months' seniority and belonging to a relevant job family (Brand Education, Business Development, Commercial Capability, Field Sales, Sales Management, Hospitality, Point of Sales Activation, and Retail Excellence).

Pernod Ricard's employees are the primary and best ambassadors for responsible drinking. The Group enlists its employees worldwide with the common goal of promoting a conscious approach to drinking.

Online training on alcohol & responsible drinking

Launched in 2020 and translated into 21 languages, Pernod Ricard's online training provides information on alcohol and alcohol-related risks to enable employees to make informed decisions as to whether to drink alcohol and how to drink responsibly.

The training also embeds the Group's Global Responsible Drinking Charter. The Group expects all employees to comply with this Charter as a breach could present a risk to the health, safety, and well-being of employees and third parties.

This training has been made compulsory for all Group employees worldwide. Continuing its efforts from past years, in FY24 the Group almost achieved its 100% target by reaching 96% of its active employees trained on responsible drinking and has committed to keeping this target on a yearly basis.

Training of sales staff and brand ambassadors on the prevention of alcohol-related risks

Pernod Ricard's sales staff and brand ambassadors are at the frontline of the Group's business. Because of their job, they might find themselves in challenging situations related to alcohol consumption. To this end, the Group has also been rolling out this past year a dedicated training programme to prevent alcohol-related risks amongst employees of relevant job families. Throughout this training, they learn how to identify alcohol-related risks, prevent potentially conflictual situations, and behave in a professional and safe manner.

To effectively implement the training, a series of train-the-trainer sessions have been organized together with the Sales teams. In each affiliate the Sales Director, a field manager, a sales representative and the S&R manager are trained to then cascade and facilitate this education within their local teams.

These trainings have been further extended this year to also cover all global Brand Ambassadors and to provide a platform of sharing on the topic of responsible drinking to this community.

In FY25, the training will continue to be rolled out to ensure all these employees are trained by the end of the year. This is part of the overall employee journey at Pernod Ricard, which includes offering responsible drinking support to employees when needed.

3.5.1.5 Acting for Human Rights

Policy	Commitment	Target year	Performance target	Progress status
2030 S&R Roadmap	Human rights: align with the United Nations Guiding Principles (UNGPs) on Human Rights	2025	Perform due diligence across the Group's operations and strengthen the Group's responsible procurement processes.	In progress

Pernod Ricard values the employees, suppliers, and communities that make up its many stakeholders. The Group also recognises that it has a responsibility and an ethical duty to ensure Human Rights are respected across its worldwide operations and value chain. Doing so requires adhering to internationally recognised standards and addressing any gaps wherever they are found.

Global Human Rights Policy

Mindful of the new challenges arising from globalisation, Pernod Ricard introduced its first Global Human Rights Policy in FY19. Jointly developed with numerous internal stakeholders, the policy is structured in three key areas:

- "in our own operations";
- "in the supply chain"; and
- "in our local communities".

The commitments therein have, since FY19, featured in the Pernod Ricard Code of Business Conduct and Supplier Standards.

As a global organisation, Pernod Ricard entrusts its affiliates to adopt, abide, and promote the policy. When visiting affiliates, the Group's cross-functional internal audit teams perform some labour evaluations, and Managing Directors' performance evaluations cover labour matters together with societal and financial performance. Any targets are specific to each affiliate.

In FY21, Pernod Ricard launched an assessment questionnaire through its HR network to embed a UNGPs approach. This reflects its Human Rights policy and was focused on its own employees and internal practices. In addition, there was independent country-level screening and mapping of potential Human Rights risks. With these two tools, the goal was to:

- help affiliates raise awareness;
- identify gaps in relation to the eight commitments to the Group's employees in the Human Right policy; and
- develop appropriate action plans.

Overall, the findings demonstrated the implementation of a number of best practices. The findings also pointed to the need for increased communication and best practice sharing of the Health & Safety and Diversity & Inclusion efforts and roadmaps, and better dissemination of the Group's Human Rights policy and whistleblowing tool, Speak-Up. In FY22, the Group developed and promoted a video on Human Rights and the different Group tools and topics associated to raise employee awareness.

The top priorities identified by affiliates were Health & Safety, Discrimination and Diversity & Inclusion, which demonstrated alignment with the Group's growing efforts in developing roadmaps in these areas (see subsections 3.5.1.1 "Diversity & Inclusion (D&I)", 3.5.1.2 "Supporting our employees to grow", and 3.5.1.3 "Health, safety & wellbeing").

In FY24, the Group organised a human rights capacity building workshop with the participation of the Headquarters' Head of Global Functions. Facilitated by Shift, the leading centre of expertise on the UNGPs, the objectives were to raise awareness on the UN Guiding Principles, develop a common understanding of the expectations of Pernod Ricard in respecting human rights and identify next steps. Some of the next steps identified include the building of a strong governance and human rights culture across the organization, reinforcement of due diligence processes and the review of coalitions and partnerships and the exploration of new ones.

In FY25, the Group will start conducting human rights impact assessments and exploring approaches to progressively identifying and address salient human rights issues. Moreover, Pernod Ricard will continue to raise awareness of its employees and develop a training plan to build capability for functions directly related to managing human rights.

3.5.2 Empowering people throughout our value chain

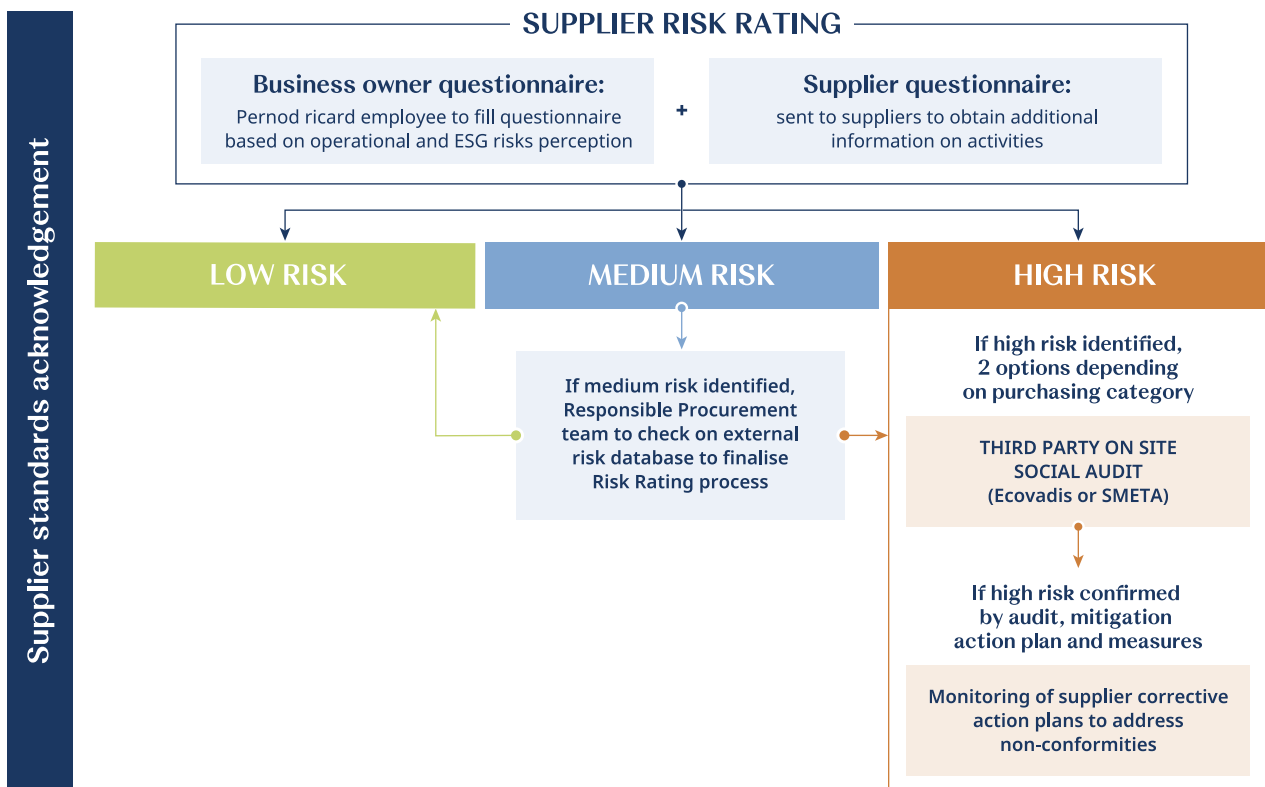
From grain to glass, the Group is committed to ensuring sustainable and responsible practices at every level. To this end, Pernod Ricard has committed to implementing resilient and sustainable practices, by building strong and fair business relationships centred on S&R with farmers, suppliers and its partners in the hospitality sector, including bartenders.

3.5.2.1 Procuring responsibly

Policy	Commitment	Target date	Performance target	Progress status
2030 S&R roadmap	Support all medium and high-risk suppliers ⁽¹⁾ through a mitigation plan	2025	Implement mitigation plans for suppliers identified as risky through the Group risk analysis	In progress

(1) The internal risk mapping tool is used for all suppliers providing dry goods (packaging), wet goods (agricultural raw material), point of sale material and the terroirs risk mapping tool for key agricultural raw materials and priority terroirs.

Pernod Ricard relies on many suppliers across its supply chain, from farming and manufacturing through to distribution and merchandising. This means the Group’s environmental and social impact is inextricably linked to its suppliers and it is crucial for the Group to build strong relationships with them to drive change.



3.5.2.1.1 Product & services supply

Pernod Ricard’s objectives are to:

- have precise knowledge of the sustainability impacts and supply chain risks and collaborate with key suppliers to reduce the impact and accelerate improvements;
- expand Responsible Procurement and due diligence process across the supply chain with a focus on critical suppliers (high-risk and spend).

Pernod Ricard’s responsible procurement actions are driven by the following main policies:

- Pernod Ricard’s Code of Business Conduct establishes rules for balanced and healthy relationships with suppliers as well as the basic sustainability principles. It is available in French, English and Spanish;
- suggested sustainability provisions for contracts. These are available in English, French, Spanish, Portuguese and Mandarin.

The Responsible Procurement process (named Blue Source) applies throughout the Group and is supported by Top Management. Affiliates are responsible for its application and monitor any suppliers or subcontractors identified as risky.

The Blue Source process includes as of today half of Pernod Ricard’s affiliates and is implemented for the following perimeter:

- dry Goods (packaging);
- wet Goods (agricultural raw material);
- point Of Sale material.

3.5.2.1.2 Supplier Standards

The **Blue Source process**, which is implemented throughout the Group, allows affiliates to apply the Responsible Procurement strategy locally with their suppliers and subcontractors.

Supplier Standards are to be signed by all suppliers, either directly on the Partner Up platform for the suppliers that are in the scope (see subsection 3.9.1 “Methodology note on non-financial reporting”) or electronically and saved locally by each entity.

The aim is to increase awareness around:

- human Rights and labour law;
- health & safety;
- environmental impact;
- responsible drinking;
- integrity and fair business practices.

KEY PERFORMANCE INDICATORS

Number of suppliers	FY23	FY24
Who signed the Supplier Standards ⁽¹⁾	1,973	1,959
Analysed using the risk mapping tool	2,190	2,089
Identified as risky (high or medium risk)	1,740	1,700
Identified as risky and covered by an EcoVadis assessment	345	328
Identified as at risk with production sites covered by an audit in accordance with social, environmental and ethical standards	111	51
Identified as at risk following the results of the assessment/audit (EcoVadis, SMETA) but not having started the implementation of the required mitigation plan	43	37

(1) Trading with a supplier can only commence once they have signed the Supplier Standards. In case of refusal, on-going orders are suspended until signature. In last resort, the supplier is phased out from Pernod Ricard supplier database.

This document was updated in 2019 and includes commitments pertaining to “respecting land and water rights of communities”, “environmental regulations”, “animal welfare”, and “tax evasion”.

Moreover, the Group took the opportunity of introducing Supplier Standards to raise awareness amongst suppliers and encourage them to do likewise. Pernod Ricard will suspend dealings with any direct suppliers (Wet and Dry Goods) and key indirect suppliers (POS) who fails to sign the updated version or failed to provide an equivalent commitment.

The Blue Source process also provides the **Risk mapping tool** for each affiliate to identify which suppliers (Wet and Dry Goods, POS) and subcontractors should be assessed first according to set criteria regarding:

- production or service;
- size;
- country footprint;
- net sales;
- dependence of the supplier on the affiliate;
- annual expenditure;
- critical nature of the product;
- social, environmental and supply chain risks of the supplier.

Supplier’s risks are reanalysed every three years for low-risk suppliers, two years for medium risk and every year for high-risk suppliers.

3.5.2.1.3 Sustainability assessment and audits

Pernod Ricard asks for reassessments of its high and medium-risk suppliers in order to identify areas for improvement and review the effectiveness of their action plans. Such assessments include:

- sustainability assessment using the EcoVadis platform around four key topics: environment, labour, ethics and supply chain;
- social and ethical audit standards in line with the SMETA (Sedex Members Ethical Trade Audit) standards and any other similar audits covering the same criteria of analysis.

For this Blue Source analysis, Pernod Ricard assumes that the risk does not stop at the amount of the expense: due to its activity and location, a supplier with a low expense may be just as much at risk as a supplier with a high expense. Accordingly, expense coverage is not calculated in this analysis.

Pernod Ricard makes a number of training tools available to employees on the Group's Responsible Procurement process. These also indicate what actions employees can take to mitigate risks with their suppliers.

For example, Pernod Ricard offers an online learning module covering all fundamental aspects of sustainability and responsibility applied to Procurement which includes interactive explanations of what "buying responsibly" means, why it is an important topic for the Group and how the employees can practice responsible procurement locally. In addition, other trainings are offered in various formats throughout the year, including individual calls with procurement teams, specific workshops and seminars. In order to strengthen Pernod Ricard's affiliates adoption of the Blue Source Process, performance reviews meetings are planned twice a year with each affiliate.

In summary, the Group will take the following steps:

- ask all suppliers, across all categories, to sign up to the Supplier Standards on Partner Up⁽²²⁾ or manually;
- complete an analysis of direct suppliers (Dry Goods and agricultural raw materials) and key indirect suppliers (POS)⁽²³⁾;
- explore partnership plans to engage in a multi-stakeholder programme. Pernod Ricard is already working with Bonsucro, a global multi-stakeholder NGO to promote sustainable sugarcane production, processing and trade worldwide;
- train Procurement Managers or functions on Responsible Procurement processes including labour rights and Human Rights considerations;
- expand Responsible Procurement processes to other key indirect categories.

As a signatory of the UN Global Compact (UNGC), Pernod Ricard also participates in various webinars on Human Rights, decent work and living wages.

3.5.2.1.4 The Amazone Project

In FY22, to reinforce the Responsible Procurement programme, the Company launched the "Amazone project", which aims to enhance procurement-related risk management and contribute to delivering on 2030 S&R targets.

This project aspires to transform Pernod Ricard Responsible Procurement model in terms of scope, methods, technology used and resources involved.

It is divided in two phases:

- 1) a diagnosis phase with the objective to understand the programme maturity, challenge the existing model and get best practices and recommendations adapted to Pernod Ricard organisation;
- 2) a preparation phase to implement the new Pernod Ricard Responsible Procurement model starting FY23 which includes the following workstreams:
 - a. **risk Data Providers:** select and implement external sources and databases for an automated supplier risk rating,
 - b. **risk Mapping Methodology:** review and update the Pernod Ricard's risk mapping methodology and update of supplier risk questionnaires,
 - c. **suppliers onboarding:** review of risk arbitration rules within the Group supplier onboarding process,
 - d. **supplier Standard:** conduct benchmark and review of stakeholder's expectations to identify best practices and gaps,
 - e. **governance:** work on role and responsibilities for the coordination and the implementation of the programme,
 - f. **evaluation and audit strategy:** conduct benchmark and identify best solutions for risk assessment,
 - g. **engagement:** build engagement plan (training, support documentation etc.) externally (for suppliers) and internally (internal stakeholders).

End of FY24, Pernod Ricard launched a pilot with key and strategic suppliers to test the new processes, the new risk mapping and database as well as the new risk arbitration rules.

The objective is to validate the new processes, tools and rules to deploy them starting FY25.

By the end of FY24, the Group has decided to add the Supplier Standards in the Terms and Conditions (T&Cs) and Contracts with the suppliers. This is part of the simplification and reinforcement of its Responsible Procurement ambition.

3.5.2.1.5 Human Rights

As "Créateurs de convivialité", Pernod Ricard cares about the lives the Group impacts and is committed to driving the respect for people's fundamental dignity, treating everyone fairly, celebrating the differences for everyone to thrive throughout the supply and value chain: Human rights considerations feature front and centre of the Group's commitments.

PARTNERSHIPS FOR HUMAN RIGHTS: UN GLOBAL COMPACT

From FY18 to FY22, Pernod Ricard contributed to the UN Global Compact's Decent Work in Global Supply Chains Action platform, an alliance of companies committed to upholding Human Rights and fundamental labour rights and principles. These companies work through their supply chains, taking collective action to foster decent work conditions. This partnership has informed and contributed to the Group's own endeavours regarding the sustainability of its supply chain (see subsection 3.5.2 "Empowering people throughout our value chain").

⁽²²⁾ Partner Up is the Pernod Ricard digital platform which allow employees, before signing on a new contract, to quickly and efficiently check that this third party does not raise any ethical compliance red flag.

⁽²³⁾ The following categories are excluded from this analysis: A&P (Advertising & Promotions), IT, Business Services, Travel, Co-packing and Manufacturing (incl. Logistics).

In FY21, the Group’s risk mapping of priority terroirs through a dedicated tool (see subsection 3.4.2.2 “Mapping the Group’s terroirs”) sought to achieve full traceability, but also to assess environmental and social risks in these terroirs and implement sustainability programmes (see subsection 3.4.2.3 “Sourcing ingredients sustainably”).

Over the past year, the Group conducted an assessment to identify areas of improvement in line with its duty of vigilance, notably in human rights and supplier vigilance. A human rights capacity building with senior management was also organised at Headquarters’ level to develop a common understanding of the

expectations of Pernod Ricard in respecting human rights and identify next steps. Some of the next steps identified include:

- reinforcing the governance and human rights training across the organization, notably within the responsible procurement function;
- enhancing the supplier risk assessment screening and due diligence processes; and
- updating its policies to address salient human right risks of workers in the value chain and affected communities.

3.5.2.2 Supporting farmer communities

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Empower, train or support farmers ⁽¹⁾	2030	5,000	10,506	11,203	Achieved

(1) Cumulative figure.

A terroir is more than the soil and the ingredients it produces: these can only be grown through the local communities and season workers living and working there, whose know-how has been cultivated over generations. To speak of terroirs is to speak of people, communities, and livelihoods, all of which the Group’s commitments to Regenerative Agriculture seek to benefit. As such, Pernod Ricard engages with its farmer communities to:

- develop sustainable practices;
- improve livelihoods;
- increase access to health and education; and
- more broadly, empower local populations and increase their resilience.

For this, Pernod Ricard engages with its communities including by working on the ground to understand farmers’ behaviours and possible barriers to change and provide solutions and incentives to maximise adoption.

The Group’s terroir strategy includes helping new socio-economic models develop, for instance by conducting workshops on production costs linked to the implementation of new practices, and other levers to de-risk agricultural transformation for smallholder communities.

PERNOD RICARD PARTNERSHIPS TO EMPOWER, TRAIN, AND SUPPORT FARMERS

Mexico

In Mexico, Kahlúa works with coffee-producing communities and local NGO Fondo Para La Paz to help them increase their yields without compromising biodiversity. The programme supported new agricultural practices like the planting and development of climate resistant varieties as well as fair compensation, with a specific focus on female empowerment. In FY23, the programme reached an important milestone with the communities now being able to supply all of Kahlúa’s coffee needs while preserving biodiversity and expanding to other customers.

Ireland

In the south of France, where Irish Distillers source their maize, the Group has enrolled 27 farmers in the regenerative index to identify their areas of progress and transform their practices, such as no or low tillage. As part of this project, the Group is also working to develop a fair economic model to ensure long-term mutual commitments.

India

The WAL (water agriculture, livelihood) projects in India operates with major aspects of community empowerment, for instance by training farmers. Engaging with agri-communities, the initiative promotes best practices to improve agricultural production and protecting their terroir, by focusing on locally feasible, climate resilient and low-cost approaches. A key objective of WAL is to empower the small, marginal and tribal farmers to help them go beyond subsistence farming with sustainable farming practices. The WAL projects have reached more than 7000 farmers around India in FY24.

3.5.2.3 Training and empowering bartenders

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Train bartenders on all aspects of S&R through the Group's 'Bar World of Tomorrow' programme, from using fresh ingredients to responsible serving of alcoholic beverages, and waste management	2030	10,000	12,310	18,057	Achieved

The hospitality sector, just like other sectors, has a role to play in the transition to a more sustainable and responsible world. To guide bartenders and bar owners with this transition, Pernod Ricard has created The Bar World of Tomorrow (BWOT).

The BWOT started in 2020 as an online training course, created in partnership with the Trash Collective and the Sustainable Restaurant Association. The course is available worldwide and covers all aspects of S&R from fresh ingredient use to responsible serving of alcoholic beverages to waste management. Directly aligned with the UN SDGs, it focuses on four key areas: ingredients; service; bar; staff.

The free e-learning course is available to all adults of legal-drinking age⁽²⁴⁾. It is available in English, French, Spanish, Portuguese, Russian, German, Polish, Turkish and Mandarin. In FY20, a toolkit was shared on how to run training sessions online or in-person on the key principles of the BWOT. This is aimed at guiding S&R leaders, brand ambassadors and/or advocacy colleagues to train bar owners and bartenders. All training sessions are reported to local S&R leaders to report back the number of attendees to HQ.

In addition, several tools were created to share with participants:

- a detailed checklist for bartenders & bar owners;
- cocktail recipes;
- a responsible serving cheat sheet; and
- a "badge" of completion.

With 2,202 bartenders having completed the BWOT training online and 15,855 bartenders trained in person since the creation of the programme (with 5,747 only in FY24), the Group continues to surpass its initial target to train 10,000 bartenders by 2030. This is the result of a large-scale roll-out of the programme in recent years and the efforts of affiliates to train the hospitality community in bars, hotel chains and other partners. From partnerships with local hospitality schools, to spaces and seminars dedicated to BWOT at global bar shows, the programme continues to strengthen its engagement with bartenders.

BWOT continues to evolve as a broader global movement aiming to create and engage with a community seeking a wider positive impact, especially since its integration with the Group's on-trade advocacy program, SIP (Share Inspire Pioneer), as the sustainability pillar for this hospitality platform.

Next steps and future commitments

In the next fiscal year, the Group will develop an updated global roadmap on the direction and objectives for the programme, especially since it surpassed its initial target. New KPIs will be identified as future targets for the group as affiliates continue to engage with the hospitality community on sustainable and responsible practices.

BWOT & TIMEOUT PARTNERSHIP FOR EMPOWERMENT

Since the last fiscal year, the Group partnered with TimeOut to help launch the 'Bar World of Tomorrow' award at their TimeOut Food & Drinks awards and recognise the most sustainable and responsible bars. With the winners selected by the Sustainable Restaurant Association, the nominated bars are evaluated across all dimensions of the BWOT programme to evaluate and identify the most proactive and impactful establishments. Building on a previous collaboration between TimeOut and Pernod Ricard Hong Kong, the Group sponsored the 'Bar World of Tomorrow' award in Paris and Lisbon in FY24.

⁽²⁴⁾ It is hosted on EdApp and UNITAR's (United Nations Institute for Training and Research) EducateAll platform.

3.5.3 Raising consumer awareness on responsible drinking

Pernod Ricard believes that its products bring people together during genuine, friendly moments of connection and have a valuable place in society. Nevertheless, the Group acknowledges that drinking alcohol can carry health risks when misused.

Pernod Ricard and its 19,557 employees are fully committed to promoting responsible drinking. This stance stems directly from the Group’s vision of being “*Créateurs de convivialité*”, as conviviality is incompatible with excessive or inappropriate drinking. Adult consumers ought to be encouraged to make responsible choices about whether to drink or not, and how much alcohol to drink. Moreover, moderate drinking goes hand-in-hand with Pernod Ricard’s premiumisation strategy.

The Group believes collective action is essential to achieve real and positive change and collaborates with its stakeholders, including industry peers, governments, and local communities to strengthen its responsible practices. The Group’s has a positive role to play in promoting responsible drinking and can be part of the solution to prevent alcohol misuse.

Responsible Drinking Roadmap

Pernod Ricard supports the World Health Organisation’s (WHO) goal of reducing harmful drinking by 20% worldwide by 2030⁽²⁵⁾. However, the Group does not believe that a cut in average *per capita* consumption in itself supports public health needs as this notion is not backed up by facts: pursuing such a strategy in the past has led to lower consumption amongst moderate drinkers without a meaningful impact on the populations that drink at harmful levels.

Consequently, the Group’s responsible drinking roadmap focuses on preventing alcohol misuse and aims to achieve this goal through actions best suited for each target group. It encompasses a wide range of tools, including training, self-regulation, labelling, communication campaigns, and prevention programmes to find the most effective approach for each target audience and context.

The Group’s Responsible Hosting pillar is coordinated by the Alcohol in Society team within the Public Affairs Department and is implemented through the network of S&R and Public Affairs leaders.

In FY25, the Group will continue the deployment of current responsible drinking initiatives while developing a new Responsible Drinking strategy. It will ensure the transition from risk management philosophy to consumer-facing ambition by which will aim at embarking the consumers in responsible drinking journey.

3.5.3.1 Consumer information

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Feature the three responsible drinking logos on all Pernod Ricard products ⁽¹⁾	2024	100%	41% ⁽³⁾	95% ⁽³⁾	On plan
	Feature a digital label on all Pernod Ricard products informing consumers on product contents, potential health risks, and how to enjoy them responsibly ⁽²⁾	2024	100%	41% ⁽³⁾	95% ⁽³⁾	On plan

(1) General exports labels are not directly mentioning the Age Restriction logo on physical labels due to different regulations: this data is available via the eLabel

(2) Calculated based on percentage of renewed labels validated by Brand Companies in “Good to Go” process. The number of labels to be reviewed has been estimated by Brand Companies in 2022 or 2023.

(3) Performance excluding India, caused by complex state-by-state regulatory validation, and China, where a new local regulation required a project pause for regulatory review. Excluding India and China, we expect full achievement by the end of Calendar Year 2024

Pernod Ricard strongly believes that providing clear and comprehensive information is key to empowering consumers to make informed and responsible choices about alcohol consumption. To that end, the Group is committed to disclose the content of its products, the potential health risks of alcohol consumption and relevant responsible drinking information.

Responsible drinking logos

Following implementation guidelines issued in 2021, in FY24, Pernod Ricard kept working on its commitment to feature three responsible drinking logos on all products: an age restriction logo, a logo warning against driving whilst intoxicated, and a logo warning against drinking during pregnancy that the Group has added to labels since 2006.

Digital Labels

In FY24, continuing its efforts as a proactive player in the industry, Pernod Ricard rolled out its digital labels worldwide across its portfolio. This digital labelling system is designed to better inform consumers about the products they purchase and to enable them to make well-informed and responsible choices when it comes to drinking alcohol.

⁽²⁵⁾ Global target 1.1 of WHO Action plan (2022–2030) to effectively implement the global strategy to reduce the harmful use of alcohol as a public health priority.

Every bottle sold by Pernod Ricard will include a QR code on its back label.

Once scanned with a smartphone, it redirects consumers to the product's digital label where they can find:

- health information on the potential risks linked to alcohol consumption, as well as links to local public health websites where additional information can be found;
- national low-risk drinking guidelines for the country where the consumer is located;
- the complete list of the product's ingredients and its full nutritional facts table;
- and, in the future, sustainability information about the product.

Pernod Ricard is the first wine & spirits group to launch digital labels worldwide across its entire portfolio. Digital labels have been successfully implemented in a total of 166 markets:

- 72 markets with geolocated fully-deployed content which enables the consumer to access tailor-made information in local language, including on local regulations;
- 94 countries with a generic content in English or Spanish, depending on geolocation.

More than half a billion bottles with digital labels have been shipped worldwide, and the QR codes have been scanned more than 350,000 times since 2022, the year of the project's launch.

In the upcoming year, the Group aims to raise awareness on this initiative amongst consumers through dedicated communication campaigns.

3.5.3.2 Responsible marketing and sales

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
	Have no complaint upheld against Group marketing campaigns	Ongoing	0	1	0	Achieved
	Comply with the IARD Digital Guiding Principles (DGPs)	2024	95%	95.5%	98.6%	Achieved
2030 S&R roadmap	Reach full completion rate on the e-learning ⁽¹⁾ for the Code for Commercial Communications	Ongoing	100%	80%	90.6%	On plan
	Implement age-gating on direct to consumer Pernod Ricard websites	Ongoing	100%	100%	98%	On plan

(1) Employees with a permanent contract, at least three months' seniority and belonging to a relevant job family (Legal, Communication, Public Affairs, S&R, Marketing, and Trade Marketing (except category management)).

Pernod Ricard is committed to being an industry leader in standards for the responsible marketing of alcoholic beverages. The Group has had its own Code for Commercial Communications (CCC) since 2007 to ensure that the Group's commercial communications do not encourage or condone irresponsible consumption or misuse.

Through continuously revising and consistently applying the CCC, Pernod Ricard continues to deliver a brand experience centred on conviviality and responsibility that complies with industry commitments and advertising authority requirements. In 2020, the Group updated its CCC, strengthening all guidelines (provision mandating models be over 25 years of age and meet certain requirements). In 2021, it added guidelines regarding product placement to keep raising standards. In FY23, the Group added a new "Sustainability Claims" golden rule and launched its first Sustainability Claims Guidelines, designed to avoid "green/social-washing" or misleading consumers. An updated version of the Code will be released in FY25 covering new areas such as RTDs, cross-over products and e-gaming.

Pernod Ricard also has an online training programme to ensure employees in relevant functions are aware of and comply with the provisions of the CCC. In FY24, 90.6% of the relevant population had successfully completed this course, an improvement of 10ppt on FY23 and new digital measures have been introduced in FY25 to improve compliance further.

Responsible Marketing Panel (RMP)

Created in 2005, the RMP is responsible for the ethical oversight of Pernod Ricard's advertising. Its six members and chair are not supervised by the Marketing Department. The RMP reports to the Executive Committee every month. It is sponsored by two Executive Committee members who are consulted on changes to the Code for Commercial Communications (CCC) and the drafting of implementing guidelines to ensure Pernod Ricard complies with the highest standards of responsible marketing.

All marketing campaigns must be submitted to the RMP, which issues an opinion within seven working days. Decisions of the RMP are binding.

In FY24, the RMP assessed 775 requests:

- 523 formal compliance requests, of these:
 - 480 campaigns were approved with no restrictions,
 - 40 campaigns were approved, subject to modifications,
 - 3 campaigns were rejected;
- 252 requests for advice.

In FY24, no complaints were upheld against any global marketing campaign or activation by Pernod Ricard.

Meanwhile, Pernod Ricard exceeded its commitment to achieving 95% compliance with the Digital Guiding Principles. These requirements apply across the most commonly-used platforms (Facebook, Instagram, Twitter, and YouTube) and websites and include requirements for age-verification, responsible drinking statements, transparency, restrictions on user generated content, and adding forward advice notices compliance by 2024. An external audit in FY22, using both manual and AI checks, covered 1,032 URLs and found Pernod Ricard had achieved 95.3% compliance. The FY23 audit covered 1,127 URLs and found compliance had risen slightly to 95.5%. Since then, Pernod Ricard has significantly rationalised its digital sites. In FY24, the external audit covered 806 URLs and found a 98.6% compliance rate.

Raising Global Standards

Pernod Ricard and other IARD member companies have also continued to work in partnership with global and regional online retailers, e-commerce and delivery platforms to raise global standards. In FY24, IARD members and six leading digital platforms, including Google, Meta, Pinterest, Snap, TikTok, and X, announced their collective commitment to further strengthening online safeguards where necessary by 2025 to prevent people below legal drinking age from inadvertently seeing alcohol advertising online and to provide confidence that age-assurance methodologies used by digital platforms are robust.

To prevent the online sale and delivery of alcohol to underage individuals and to reduce harmful alcohol consumption among adults, the Group implements IARD's global standards for online alcohol sales and delivery⁽²⁶⁾. In FY24, 98% of Pernod Ricard Direct-to-Consumer sites were verified as age-gated. The remaining site has been updated. Meanwhile, the Group has begun a pilot programme of mystery shopper checks to verify delivery compliance with age verification checks in key markets.

3.5.3.3 Responsible Drinking Brand Campaigns

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap / Long term incentive plans	Roll out at least 12 marketing campaigns* by strategic brands to promote responsible drinking behaviour among their consumers	2027	12	5	10	On plan

* Cumulative figures since FY22.

Pernod Ricard's commitment to promote responsible drinking involves actions at every step of the consumer journey. This includes the ways the Group address consumers well before the sale of a product. Pernod Ricard believes that marketing can be a force for good by creating social value and helping consumers adopt responsible behaviour regarding alcohol. Brands know how to talk to consumers, and their campaigns can be effective at changing attitudes and social norms for better.

As such, the Group formally committed to leveraging the creativity of its brands to deliver responsibility-minded messages to consumers through dedicated campaigns.

In FY24, 5 campaigns were rolled out covering Poland, Mexico, the UK, and Singapore and Taiwan. Among them, Jameson's "Sip Wisely" campaign was the Group's first responsible drinking campaign broadcasted on a sports stadium as part of the partnership with a football league, notably The English Football League. Additionally, Ballantine's "Real Party" campaign empowered young people to either refuse a drink or drink water instead since binge drinking remains a major issue in Poland. Absolut's "Call It A Night" campaign highlighted the LGBTQ+ community in the UK. It centred on creating a safe environment in night venues and encouraged consumers to spot the signs of when to call it a night before anyone gets verbally hurt.

In total, since FY22, 10 campaigns in 7 different markets have already been launched reaching 108 million people with responsible drinking messages.

Moving forward, the Group is now working on developing a methodology to measure efficiency of such campaigns. They already undergo a pre-test which, on top of standard marketing metrics, assesses whether the responsibility message is well understood and makes consumers want to moderate their consumption. The next step is to develop a robust post-test assessment to evaluate the impact of most extensive campaigns.

⁽²⁶⁾ 01052022Global-standards-for-online-alcohol-sales-and-delivery.pdf (iard.org).

3.5.3.4 Responsible drinking initiatives

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Contribute to at least one global or local responsible drinking initiative to fight alcohol misuse in all Group markets	2025	100%	94%	94%	On plan

Pernod Ricard believes that targeted preventive actions are an effective way of promoting moderation and keeping alcohol consumption a safe and enjoyable experience. As such, the Group has committed that all its affiliates will contribute to a minimum of either:

- (i) one local responsible drinking initiative implemented in partnership with industry peers, civil society, or local authorities; or
- (ii) one global responsible drinking initiative developed by the Group.

In FY24, 94% of Group markets implemented at least one external local or global initiative. The combination of both types of initiatives (in 57% of markets) is considered most effective way to deliver on this commitment.

3.5.3.4.1 Local initiatives

The Group believes that its affiliates are well-placed to identify alcohol-related issues relevant locally and encourages building strong partnerships with local trade associations for more impactful initiatives. This year, most of them (85%) were implemented in partnership, out of which 80% together with trade associations.

3.5.3.4.2 Global initiatives

Global initiatives are coordinated from HQ and aim at strengthening the Group's responsible drinking effort by giving affiliates ready-to-use tools and assets. They address key alcohol-related issues to have a global impact while acting at the local level. In FY24, Pernod Ricard continued to implement the two global responsible drinking initiatives:

- DRINK MORE WATER; and
- Autosobriety Training Programme.

DRINK MORE WATER

Pernod Ricard is committed to fighting binge drinking around the world, notably through its "DRINK MORE WATER" flagship programme which aims to reduce harm linked to this dangerous drinking practice. Building on the Group's historical programme Responsible Party and the partnership with Erasmus Student Network, dating from 2009, "DRINK MORE WATER" targets all young adults globally with its own visual identity and peer-to-peer approach. The "DRINK MORE WATER" digital campaign uses bold visuals to attract attention and give a clear call to action to the Gen Z, by speaking their own language.

Building on the success of the initial "DRINK MORE WATER" campaign in 2021, a new edition was launched in Spring 2024 to refresh the campaign and continue to shake up the status quo by inspiring future generations of smart drinkers. The new edition proved to be equally appreciated by the young adults and has once again gained wide global outreach online. Across the two editions, the digital campaign has reached around 600 million young adults across 60 countries.

The programme is also extended onto the field at many events across the world such as iconic festivals, student parties, carnivals as well as corporate, trade and sports' events. Since 2021, the activations on the field have reached over 32 million young adults, providing them with prevention messages and free water.

Through FY25, the campaign will continue to be rolled out both online and on the field, using the second edition, and the Group will keep building on global partnerships with Tomorrowland, Boiler Room and One Young World to increase global impact. These partnerships will provide platforms to amplify raising awareness on responsible drinking amongst the Gen Z and implementing concrete actions on the field to reduce harm at events where alcohol is consumed.

Autosobriety partnership with UNITAR

Pernod Ricard strongly believes that alcohol-related road traffic crashes are preventable and should never happen. And to this end, education is key: people need to understand how alcohol affects the ability to drive in order to make the right choice not to drive while intoxicated.

For the past four years Pernod Ricard has been partnering with the United Nations Institute for Training and Research (UNITAR) on the roll-out of the Autosobriety training programme. This initiative aims to provide road safety stakeholders with educational tools to raise awareness on the risks associated with drinking and driving. The overall objective is to contribute to the UN Global Road Safety Performance Target #9 to halve the number of alcohol-related road traffic injuries and fatalities by 2030.

Autosobriety’s main asset is an online educational module covering four topics:

- road crash statistics;
- the impact of alcohol on the ability to drive and relevant risks;
- the legal ramifications of drinking and driving; and
- personal responsibility to avoid drink-driving.

In addition, an augmented reality video was developed to simulate the effects of alcohol on driving and the increasing risks of road accidents.

One of the strengths of the program is its whole-of-society approach. Since its beginning, 67 partners have been mobilized to support Autosobriety, including 17 implementing partners from Pernod Ricard and UNITAR’s network (Group’s affiliates and CIFAL centres respectively) and 50 external partners from governmental sector, academics, NGOs, and private sector.

In FY24, the Autosobriety programme was deployed in 10 countries, including South Africa, Dominican Republic, Mexico, Ecuador, Poland, Cambodia, China, Vietnam, Spain and Thailand, and reached 20,318 beneficiaries among which 3,287 trainers and 17,031 final road users.

In FY24, the program has seen an acceleration in China where it targeted university students who are the main force of drivers-to-be through in-depth online education via Autosobriety application and on-the-ground activities. In South Africa, new partnership was concluded with a specialised corporate driving training centre to cover the audience of professional drivers.

In FY25, to complement and strengthen the current training-of-trainers’ modality of Autosobriety implementation, the Group aims at developing new set of assets targeted directly at road users to amplify the outreach of the program.

3.5.3.5 Consumer experience at Brand Homes

Policy	Commitment	Target date	Objective	FY23	FY24	Progress status
2030 S&R roadmap	Obtain the Responsible Host certification for all Group’s public-facing Brand Homes	2025	100%	Self-assessment	53%	On plan
	Raise awareness of responsible drinking for visitors through Responsible Host certified Brand Homes	2030	10M	-	280,374	On plan

As a responsible host, Pernod Ricard wants to offer its guests safe experiences when enjoying its products. The Group’s Brand Homes are the showcase of its brands and the experiences they offer to their visitors should always be associated with responsible drinking. To that end, the Group put in place a Responsible Host accreditation scheme in partnership with the Sustainable Restaurant Association to ensure best-in-class responsible drinking practices in all its brand homes worldwide.

In FY22, the Group had issued its Responsible Host Standards consisting of 18 mandatory criteria among which:

- offering water and snacks to visitors free of charge;
- always using measuring tools used when serving alcohol;
- distributing scratch cards to help guests track how much alcohol they have consumed;
- distributing spittoons and emphasizing the educational component of the tasting;
- helping to prevent drink-driving after the visit.

To obtain “Responsible Host” badge, each Brand Home must undergo a two-phase verification process that ensures application of high standards. In FY23, most Brand Homes performed a self-assessment of their compliance with the standards and put in place necessary remedies.

In FY24, upon completion of the self-assessment, they were audited by a mystery shopper, with findings assessed against all 18 criteria by an independent third-party, The Sustainable Restaurant Association.

In FY24, 16 out of 30 public-facing Brand Homes have been certified “Responsible Hosts”. Among the pioneers are The Glenlivet Distillery, Monkey 47 Distillery, Maison Yellow, TX Whiskey Ranch, Martell Visitor Center, Jameson Distillery Bow Street, and others.

For the upcoming year, the Group aims to enhance external communications on this initiative, and building on the growing popularity of these unique places, improve consumer awareness of responsible drinking, reaching 10 million visitors by 2030.

3.6 Our sustainable governance

Responsibility is part of Pernod Ricard's values. As such, the Group is committed to being a leader in sustainability, setting high performance targets for itself while striving for transparency and accountability in its reporting. These commitments are expressed by the highest levels of Group management, from the dedicated ESG committees to direct involvement with the Executive Board and decision-making. As part of ensuring the right level of knowledge and leadership on ESG matters, the Group dedicated two specific learning sessions in FY23 to accelerate engagement on these topics.

The first was Climate Leadership Day organised for its Executive Committee members to discuss and agree on initiatives with large-scale potential for increasing the Group's climate resilience and implementation roadmaps in relation to high-priority climate-related issues. The second was a meeting organised at Board level to address more forward-looking and long-term issues with a three-fold session which focused on climate change, the future of crops and the possible futures anticipated for the world in the next 30/40 years.

In FY24, the focus has been on CSRD, ensuring the Board, Executive Committee and Executive Leadership Team have a good understanding of the new directive, its implications for Pernod Ricard and how to implement it throughout the Group.

3.6.1 Ensuring quality, food safety & product compliance

Pernod Ricard aims to provide only the highest quality of products to its customers and thus places particular importance on consumer health and safety. These commitments drive the Group's significant efforts to prevent the risks associated with alcohol misuse (see subsection 3.5.3 Raising consumer awareness on responsible drinking) as well as its stringent and proactive food safety policy covering product design, sourcing, and manufacturing.

3.6.1.1 Product safety control

The method implemented for consumer product safety control is that of Hazard Analysis Critical Control Point (HACCP), which aims to identify all potential points of risk in the manufacturing process in order to set up appropriate preventive measures.

Pernod Ricard ensures its operations comply with internationally recognised standards, with all Brand Companies producing the Group's Strategic Brands (see Section 1, subsection 1.3.1 "Our Brand Portfolio") being ISO 9001 certified, which represents 100% of the volume produced. Despite the Wines & Spirits segment's lower exposure to food safety risks than others in the food industry, the Group chose to go further by certifying its facilities to the ISO 22000 standard (Food safety management systems). Some facilities are also certified under the FSSC 22000 scheme, an extension of the existing ISO 22000 standard, on a proactive basis.

	FY23	FY24
% of sites ISO 22000/FSSC 22000 certified by June of the fiscal year	75%	75%
% ISO 22000/FSSC 22000 certified in volume produced covering all the Group's strategic brands	100%	100%
% of Brand Companies producing Group's strategic brands certified ISO 9001	100%	100%

3.6.1.2 Quality standards & control

Pernod Ricard foremost priorities are to:

- (i) ensure its products comply with applicable regulations in each market; and
- (ii) guarantee food safety for consumers.

The Group's industrial activities follow internal quality standards created in-house. They comprise various specific guidelines with the aim of controlling risks such as accidental product contamination or the presence of a foreign body in a bottle. These standards are audited as part of an internal cross-audit process.

Every two months, all affiliates receive a summary of the information gathered by the Group's continuous food law and food safety monitoring, which helps them stay up to date on regulations and food safety risks. The Group also draws up a chemical analysis plan annually for its main products. In FY24, it covered 112 finished products and led to over 4,601 analyses being carried out.

Furthermore, the Group endeavours to ensure full product traceability with regards to GMOs⁽²⁷⁾, in strict compliance with labelling regulations. Accordingly, all affiliates conduct a risk assessment to identify potential sources of raw materials, taking the necessary steps to ensure their control. Although the distillation stage eliminates the risk that GMO material may be present in distilled products, the Group established supply chains of guaranteed GMO-free products for certain corn-based alcohols in the US and Europe.

⁽²⁷⁾ GMO: Genetically Modified Organism.

3.6.1.3 Consumer complaint tracking & management

The Group uses an in-house system to record and track quality complaints from customers and consumers in real time. Currently, the system is an interactive web tool, Intelex (Loop application), which was launched in FY22 to replace the Complaint Management System (CMS) web tool dating from 2007. The Loop application has been connected to standardised Pernod Ricard public forms on all relevant websites to ensure consumers enjoy easy access to the means of providing feedback. To ensure a rapid response, the system immediately informs the affiliate in question so corrective action can be taken and, in the event of a serious product safety concern, immediately informs the affiliate Top Management and Headquarters as well.

Crisis management procedures exist for each affiliate, particularly for product health risk involving a product recall if necessary. These procedures are subject to regular testing, training for the employees involved, and updates. Quality indicators, including the complaints rate, are regularly presented to Senior Management.

	FY23	FY24
Number of complaints received through the "CMS/Intelex (Loop)" during the fiscal year	4,517	4,566

3.6.2 Acting ethically

3.6.2.1 Preventing corruption and anti-competitive practices

Integrity has long been a core value of Pernod Ricard, alongside the belief that there can be no sustainable business success without it. The Group thus follows zero-tolerance policy with respect to corruption and all related misconduct, not only because it is an ethical requirement but also because it is a necessary precondition of trust with all its stakeholders. To ensure this stance holds true in all Group business dealings, Pernod Ricard Top Management strives to lead by example and offer employees the right tools – including training and digital resources – to facilitate compliance with all relevant ethical and regulatory standards.

3.6.2.1.1 Unambiguous tone from the top

In FY22, Pernod Ricard overhauled its Code of Business Conduct⁽²⁸⁾, which applies to all Group employees, to make it more practical and easier to use, with a focus on clear messaging. It is endorsed and prefaced by Chairman & CEO Alexandre Ricard, reiterating the fact that a reputation for integrity and professionalism is the cornerstone on which Pernod Ricard was built over decades. These high standards are underpinned by the Group's comprehensive and robust anti-corruption programme, which the Chief Ethics & Compliance Officer is in charge of structuring and promoting.

3.6.2.1.2 Corruption & influence peddling risk mapping update

In FY22, Pernod Ricard updated its Group corruption and influence peddling risk mapping through a wide-ranging project covering the Group's full perimeter and involving more than 1,440 employees and 300 workshops worldwide. The results were presented to the Executive Board, the Executive Committee, and the Audit Committee, to generate a new corruption and influence peddling risk map that is an accurate reflection of the Group's operational and geographical realities. The resulting, comprehensive programme is designed to protect against, detect and assess specific risks, as described below.

Prevention

- **Pernod Ricard's Code of Business Conduct:** offering practical advice on how to behave in real life situations as well as who to contact in case of doubt, the new version of the Code still includes a section covering anticorruption and business integrity in general, but also addresses a wide range of topics, including:
 - competition law,
 - prevention of insider trading and conflicts of interest,

- health & safety,
- diversity & inclusion,
- speaking on social media,
- data ethics,
- harassment,
- bullying,
- confidentiality,
- sustainability & responsibility;
- **Group anticorruption policy:** in accordance with the French 2016 Sapin II law, the Policy specifically details the Group's rules to prevent, deter and detect public and private corruption and influence peddling risks. It also provides employees and stakeholders with clear, pragmatic examples of potentially sensitive situations;
- **Prior verification policy:** third parties doing business with Pernod Ricard are subject to a due diligence process to determine their compliance risk profile (low, medium or high), allowing the Group to adjust contractual and operational relationships to mitigate potential risks as appropriate. The procedure sets out various levels of verification, depending on the initial risk assessment of each relationship category, as identified by Pernod Ricard's Sapin II risk mapping on corruption and influence peddling. This due diligence process is implemented via "Partner Up", the Group's global web-based platform, where any employee engaging the Group in a business transaction can perform appropriate prior verification on the concerned third parties;
- **Online training:** employees receive training on all chapters of the Code of Business Conduct. A new mandatory e-learning was launched in 2023 to train employees on the updated version of the Code, following a "learning by doing" approach. The deadline for this e-learning completion by the mandatory target audience was 31 December 2023. It now forms a mandatory part of the onboarding pack for new employees. Completion is digitally monitored and completion rate at Group level on June 28, 2024 was 98%.

⁽²⁸⁾ Available on the Group Intranet and website: https://www.pernod-ricard.com/sites/default/files/2022-07/PR_Code%20of%20conduct%20EN%20version%2011052022.pdf.

Detection

- **Gifts and Hospitality policy:** approval is required from the Line Manager or the affiliate's designated key contact prior to receiving or offering any gifts or hospitality above a determined amount set at affiliate level.
- **"Gifted!":** the Group set up a dedicated application, accessible on all electronic devices, for employees to declare and seek approval to give or receive gifts and hospitality in accordance with the provisions of the Gifts & Hospitality policy.
- **Whistleblowing policy:** employees and stakeholders are encouraged to speak up about, amongst other things, any potential corruption involving Pernod Ricard activities inside or outside the Company or any matter potentially illegal or contrary to the Pernod Ricard Code of Business Conduct. As per the protections offered to whistle-blowers, alerts can be filed anonymously (where allowed by local legislation) and the Group promotes a clear non-retaliation policy (subsection 3.7.1.3 "Whistle-blower system"). Pernod Ricard's whistleblowing policy is underpinned by "Speak Up", a global whistleblowing line accessible to all worldwide (via the Internet or telephone), 24/7, in a wide variety of languages.
- **Internal control principles:** they apply to all Group affiliates and specify that all Pernod Ricard affiliates must comply, among other things, with the Pernod Ricard Code of Business Conduct and the Procurement Code of Ethics. Each year, Pernod Ricard sends a self-assessment questionnaire to all affiliates wherein they must state whether they are compliant with Group policies. The reliability of the responses is confirmed in a letter of representation signed by the Chief Executive Officer and Chief Financial Officer of each entity.

Control & assessment

- The Ethics & Compliance Team works with the internal audit team to support the compliance audit stream in the annual audit cycle. Finally, internal audit is also tasked with monitoring Group compliance with the rules in place to fight corruption and influence peddling.

Remediation

- Each time a breach of the Code of Conduct rules is confirmed following an internal investigation, a wide range of remediations and mitigating measures may be decided by management, including disciplinary sanctions on any employee responsible for such misconduct. The Group promotes a zero-tolerance policy regarding breaches of internal rules and values and may – in accordance with local labour laws, decide to apply sanctions up to termination of employment.

Prevention of anti-competitive practices

- Pernod Ricard is committed to the public policy goals underpinning Competition law and to acting lawfully in the marketplace. Such concerns are unambiguously addressed in a specific section of the Pernod Ricard Code of Business Conduct, under the label "Compete fairly". The e-learning also includes a section on Competition law.

3.6.2.2 Responsible lobbying

As part of its proactive approach to issues relating to its sustainability and responsibility commitments – from responsible drinking to sustainable agriculture – and due to its status as a global leader in its industry, Pernod Ricard actively participates in public debates relating to the adoption of laws and regulations that affect its activities. The Group is committed to proceeding with transparency and integrity in all these dealings and, as such, follows a strict policy on lobbying and influencing practices.

Group policy on lobbying is governed by the Code of Business Conduct. Following its update, a mandatory e-learning module was created for employees on the prevention of corruption and bribery. It contains specific rules on dealings with public officials in the chapter related to prevention of corruption. It also draws from more specific professional Codes⁽²⁹⁾, with which Pernod Ricard complies. Moreover, Pernod Ricard ensures compliance with specific laws & regulations apply across the countries where it operates. For instance, in France, the Group is registered on the list of interest representatives established by the High Authority

for Transparency in Public Life⁽³⁰⁾ and equally for engagement with EU policy makers through the EU Transparency Register⁽³¹⁾. It strictly complies with the various national reporting obligations regarding lobbying activities, notably in France, EU and the USA.

On the substance of the lobbying actions, a significant focus is placed on the promotion of public policies and regulations that are aligned with Pernod Ricard's S&R commitments, whether in terms of environmental preservation or public health. This is particularly true in Europe, where relevant regulations are more advanced. The Group's main lobbying objectives feature on the company's website, in the spirit of public disclosure. Pernod Ricard conducts much of the lobbying through the trade associations, with which are usually like-minded on many issues. To the extent the S&R strategy is reviewed by the Board of Directors, such supervision applies by extension to those lobbying activities that seek to promote the S&R commitments into public policies.

⁽²⁹⁾ ECPA in Europe, Association pour les Relations avec les Pouvoirs Publics in France, etc.

⁽³⁰⁾ <https://www.hatvp.fr/fiche-organisation/?organisation=582041943#%2>.

⁽³¹⁾ <https://ec.europa.eu/transparency-register>.

PARTNERSHIPS FOR BUSINESS ETHICS: TRANSPARENCY INTERNATIONAL

Pernod Ricard strives for the best practices regarding transparency, and its detailed reporting practices were positively highlighted by Transparency International in their overview of committed companies.

The Group has been a member of the Forum of Committed Companies of Transparency International France since 2013 and actively supports the work done by the organisation while promoting transparency and integrity regarding lobbying. For instance, it is a signatory to a best practices guide concerning parliamentary lobbying expenditure.

Pernod Ricard is also a proactive signatory of a declaration published on 25 February 2014, alongside seven other companies who are members of the Forum of Committed Companies set up by Transparency International France. This declaration is open to all companies, business federations, professional associations, trade unions and NGOs (members and non-members of Transparency France's Forum) who wish to show leadership through their ethics and corporate social responsibility commitments. This joint declaration on lobbying was strengthened and updated in May 2019, with new signatories reaffirming their commitments⁽¹⁾. As a result of this commitment and relationship, Pernod Ricard expanded the description of its advocacy priorities and positions on its public facing website this year⁽²⁾. This provides more detail to the public as to the public policy options that Pernod Ricard promotes in its dealings with stakeholders.

(1) <https://transparency-france.org/actu/declaration-commune-entreprises-membres-de-transparency-international-france-lobbying>.

(2) <https://www.pernod-ricard.com/en/our-group/our-role-society>.

3.6.2.3 Data protection

Protecting and using personal data with respect is a pillar of the Group's digital transformation. The right handling of personal data constitutes a business opportunity for Pernod Ricard to:

- ensure the accuracy and relevance of the personal data it collects;
- develop consumer, customer and employee trust;
- secure brand image; and
- continue to promote its culture of conviviality.

It is also an opportunity to rethink and optimise processes by adopting best practices on personal data subject's rights management, etc.

The regulatory framework for data protection that applies to Pernod Ricard is complex and still evolving. Since the General Data Protection Regulation (GDPR) came into force in 2018, many countries and regions have adopted data protection laws and regulations, and non-compliance with these rules may expose the Group to sanctions.

3.6.2.3.1 Global data protection strategy & governance

Pernod Ricard has implemented a strong data protection strategy and governance. The Group has drafted a comprehensive data protection roadmap and works daily on data protection compliance, in parallel with specific actions to address local requirements where relevant.

The Group DPO (Data Protection Officer) and the Group's data protection network enable Pernod Ricard to implement data protection compliance actions, implement policies and procedures at local level, and share best practices.

This governance structure involves a wide range of stakeholders, including the Group DPO, local Privacy Champions, along with a Data Protection Committee and the various internal business teams (TECH, marketing, HR, etc.).

3.6.2.3.2 Employee engagement & upskilling

As a pillar of the Group's digital transformation, data protection is a matter that concerns everyone at Pernod Ricard. This is why Pernod Ricard places particular focus and effort on:

- legal monitoring;
- employee training (including with Group-wide training as well as both mandatory and tailored subject-specific trainings);
- internal awareness campaigns; and
- more generally on change management.

In FY22, the new version of the Group's Code of Business Conduct featured an updated dedicated section on the respectful use of personal data, featuring guidelines and recommendations for employees to refer to in their day-to-day work. The Group-wide, mandatory employee training related to this Code of Business Conduct now includes a Data Protection module. Other training modules that are tailored to the challenges and specific features of each employee's field of activity are also implemented. This function-based customisation enables the Group to further data protection awareness and adoption.

3.6.2.3.3 Customized tools and procedures

The Group has created various customized, user-friendly tools and procedures to ensure data protection compliance. These include:

- comprehensive overarching documentation to ensure consistent implementation of data protection compliance and common standards. These are based on a global data protection golden rules and policy, along with detailed procedures, standard data protection clauses and toolkits;
- data protection by design and by default procedures and processes implemented on new projects, with specific data protection documentation on major projects;
- questionnaires to assess the maturity of third parties and compliance level on data protection;
- checklists and templates on specific topics such as handling data subject requests or handling potential personal data breaches.

3.7 Regulated information

3.7.1 Vigilance plan

3.7.1.1 Introduction

Since 2017, The French Duty of Vigilance Law requires that parent and ordering companies implement a due diligence plan (the Vigilance Plan) which includes reasonable vigilance measures suitable for identifying risks and preventing serious violations of human rights and fundamental freedoms, people’s health and safety and of the environment resulting from the Group activities, its subcontractors and the suppliers with whom the Group maintains an established commercial relationship (Pernod Ricard Value Chain).

The Vigilance Plan must include the following items:

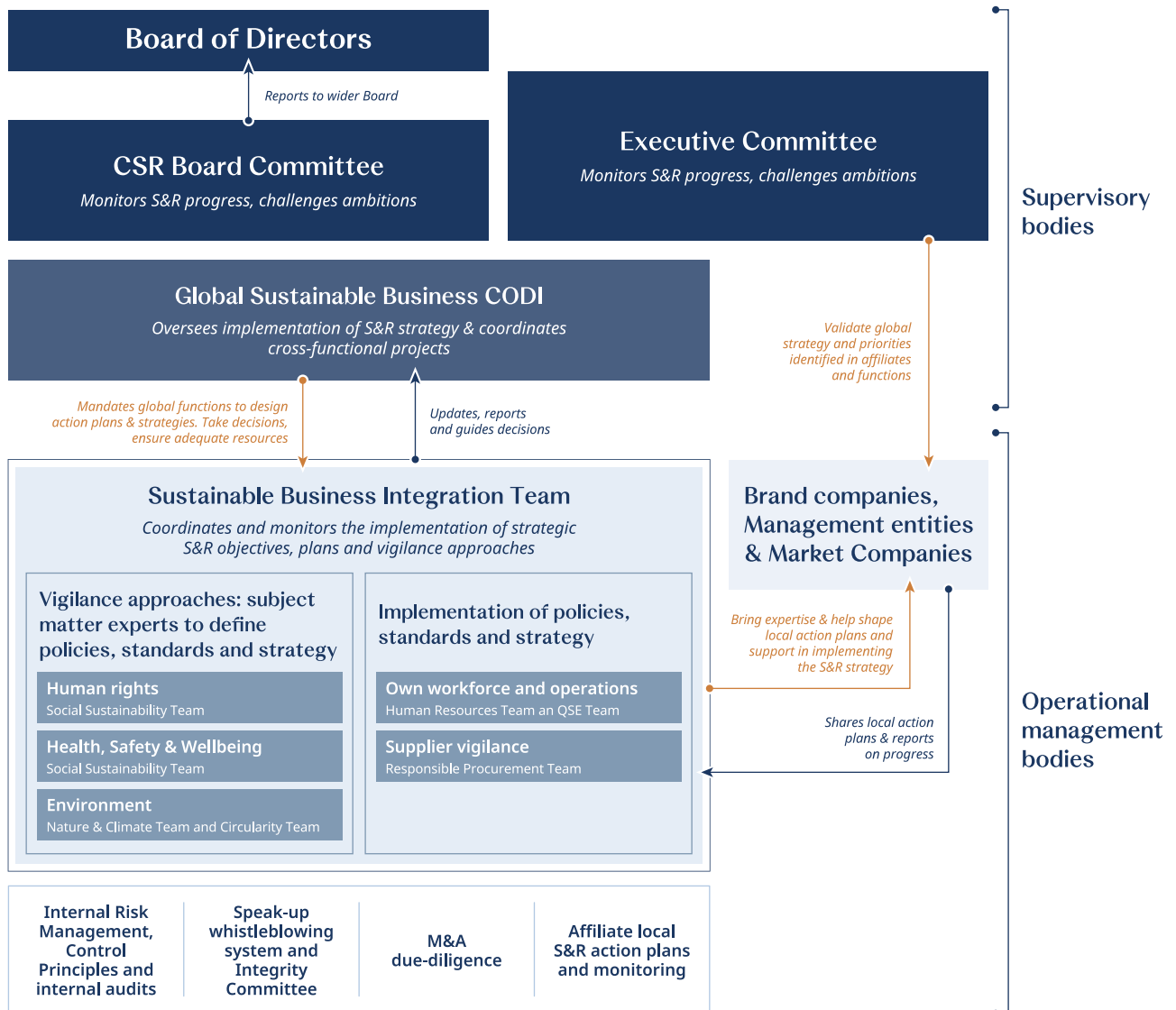
- A Risk Map (identifying, analysing and prioritising the relevant risks);
- A process in place to regularly assess the Pernod Ricard Value Chain situation regarding the Risk Map;
- The implementation of appropriate actions to mitigate the relevant risks or prevent any serious harm;

- An alert mechanism and a process in place to collect reports re the existence or occurrence of risks, set up in consultation with the trade unions representing employees;
- A system to monitor the measures’ implementation and evaluate their effectiveness.

The Group started publishing its Vigilance Plan in 2017 with the most recent review occurring over FY24. Indeed, over the past year, the Group launched a dedicated Steering Committee led by the global Legal department with the support of the Global Sustainable Business Function which delivered the following items:

- A new risk mapping in line with forthcoming CSRD requirements as per the double materiality process;
- A stronger governance leading the Vigilance Plan requirements.

Governance



The Duty of Vigilance Plan is a collaborative exercise managed by the Global Sustainable Business Function, in coordination with the various owners of the risks associated with the Duty of Vigilance:

- Health, Safety and Social Sustainability teams (Integrated Operations Department)
- Human Resources Department (HR Department)
- Nature and Climate team and Circularity team (Integrated Operations Department)
- Responsible Procurement team (Integrated Operations Department)

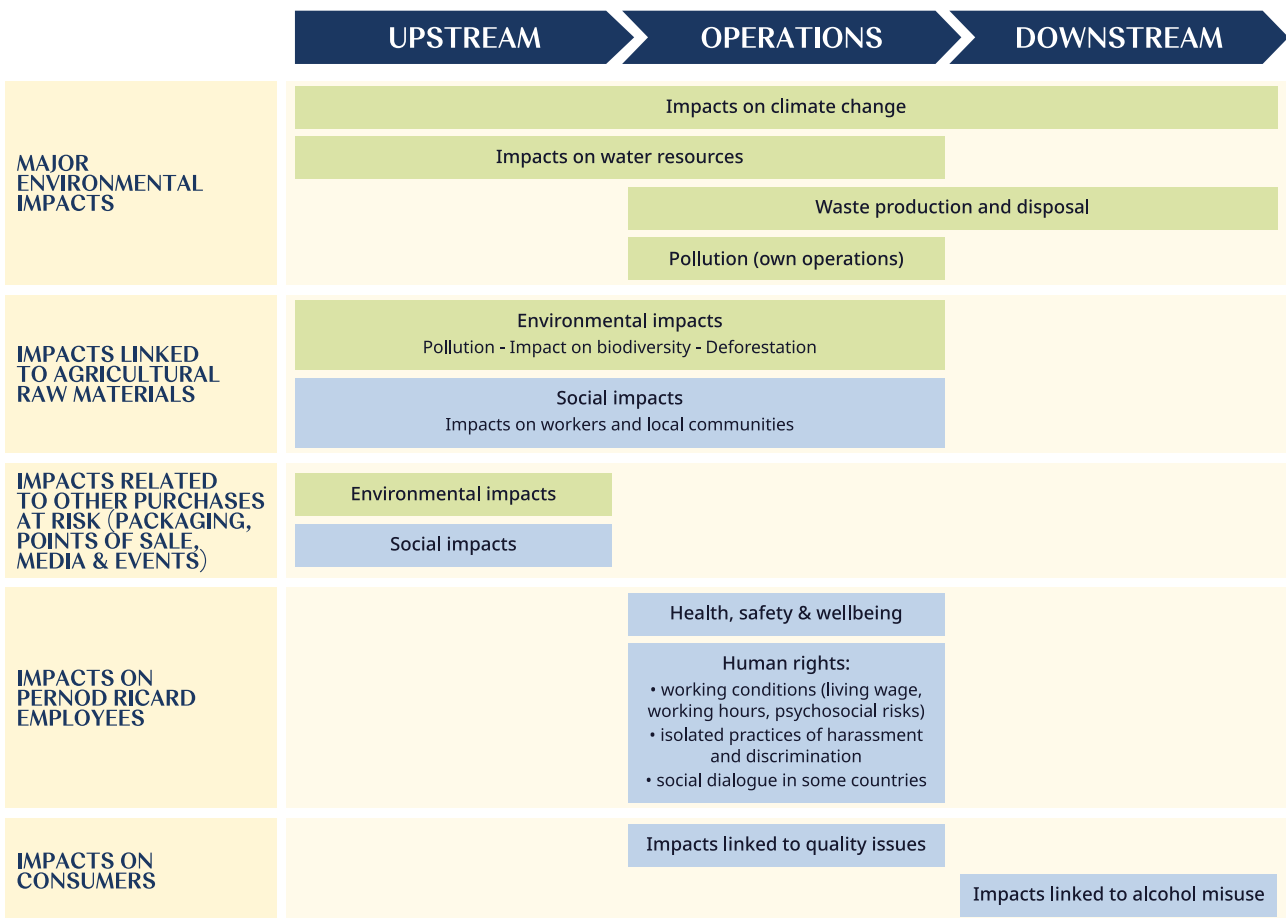
The Global Sustainable Business Function is responsible for overseeing the due diligence exercise, notably by leading the review of risk mapping, ensuring the deployment of the global due diligence plan (governance and monitoring systems), providing expertise to risk owners and affiliates, and organizing the due diligence continuous improvement process. Each risk-owning department is responsible for identifying and managing the risks associated with duty of vigilance and; resources associated with duty of vigilance.

These departments are also supported by the Global Legal & Compliance function, audits and internal control, which help to identify and manage risky practices and alerts processing.

(For more information, please refer to section 3.2.3 A new integrated governance structure)

3.7.1.2 Duty of Vigilance Risk Mapping exercise

Over FY24, a dedicated risk mapping exercise has been carried out on the Pernod Ricard Value Chain.



■ Environmental impacts

■ Social impacts incl. Human Rights and Health & Safety

Risk mapping methodology

Gross risks definition and assessment

Scope: negative impacts on human rights, the health and safety of people and the environment that would be caused by the Pernod Ricard Value Chain activities.

Gross risks' identification methodology

To identify its gross risks, the Group defined a methodology using two key elements for the assessment :

- severity of the risk (assessment of the seriousness, scale and potential irremediability of the impacts); and

- evaluation of the probability of its occurrence in light of Pernod Ricard Value Chain activities.

Topics

The human rights (including Health & Safety) and environmental topics considered as part of the risk identification and prioritization process have been selected in accordance with the requirements of the duty of vigilance (French law and the European CSDD directive).

Human rights and health and safety

- Respect for fundamental workers' rights :
- Prohibition of forced labour;
- Prohibition of child labor;
- Non-discrimination;
- Freedom of association and collective bargaining;
- Occupational health and safety;
- Fair and favorable working conditions: living wage, working hours, etc.;
- Privacy;
- Rights of local communities (land rights, access to water & sanitation, etc.).

Environment

- Protecting biodiversity;
- Degradation of marine ecosystems;
- Resource consumption;
- Air, soil and water pollution;
- Waste management.

Gross risk mapping results

The most serious risks to human rights, human Health & Safety, and the environment inherent to Pernod Ricard Value Chain's activities are listed below:

- Environment:
 - Impact on climate change,
 - Risk of negative impacts on water resources,
 - Pollution linked to industrial sites' activities,
 - Waste production and disposal, in particular packaging,
 - Agricultural raw materials ("Terroir" approach as further explained in 3.4.2 Preserving nature & biodiversity),
 - Environmental risks: pollution, impact on biodiversity, deforestation,
 - Social risks: workers and local communities (notably living conditions, access to water and sanitation, land rights),
- Own employees' physical and mental health and safety, mainly due to industrial processes and alcohol consumption;
- Risks of negative impacts on employees' human rights:
 - Risk of not offering fair and favorable working conditions (living wage, social protection, working hours, work-life balance, stress and psychosocial risks),

- Risk of isolated discrimination or harassment practices,
- Risk of failure to respect freedom of association or insufficient social dialogue in some countries;
- Risks of negative impacts on consumers linked to product quality or alcohol consumption;
- Risks of negative environmental and social impacts related to suppliers belonging to the following Group purchases: Packaging (including co-packing activities), Raw material and Point-of-sale (POS), Media, Experience (as part of the Advertising and Promotion purchasing category).

Evaluation of risk management actions:

The assessment of existing risk management measures was based on a number of criteria designed to evaluate the effectiveness of the Group's responses, such as the scope of the measures implemented, the resources and governance in place, preventive measures, the implementation of an alert system and control and monitoring mechanisms.

This analysis has enabled us to determine the priority actions to be implemented for each risk (please refer to section "Risk management and mitigation measures" below).

3.7.1.3 Risk management and mitigation measures

This section summarizes the Group's responses to managing the risks it has identified (policies, processes, monitoring measures, etc.), the progress made in FY24 and the outlook for FY25 in the context of its duty of vigilance. To find out more about these initiatives, please refer to the corresponding chapters of the Extra-Financial Performance Statement.

Environment:

The Group's environmental risk management strategy is based on environmental management systems (EMS) as defined in ISO 14001. It is led and coordinated by the Sustainable Business team, which is responsible for setting common objectives, monitoring performance and disseminating guidelines including the Group's minimum requirements.

All the Group's activities, whether Brand Companies or Market Companies, must comply with the Group's environmental guidelines, including (i) reporting any local incidents or cases of non-compliance to Head Office, (ii) assessing their long-term risks, and (iii) identifying ways of reducing their environmental impact. And all major production sites are required to obtain ISO 14001 certification.

(To find out more about the Group's environmental approach, please refer to section 3.4.3.3 Environmental management systems).

Focus on water conservation

Water is an essential component of the products developed by Pernod Ricard. From crop irrigation to raw material processing, distillation, brandy blending and product formulation, water is used at every stage of the product life cycle.

In particular, Pernod Ricard is committed to reducing water consumption in its operations, and to this end has developed targeted measures such as drip irrigation systems in its vineyards, a water accounting methodology and wastewater treatment technologies (For more information, please refer to section 3.4.3.1 Preserving water resources).

To encourage recharge in the water-stressed basins where the production sites and co-packers are located, the various sites have been analyzed in terms of their risks, and resource preservation strategies have been deployed at sites located in extremely high-risk zones (9 Group sites) and high-risk zones (8 Group sites). (For further information, please refer to section 3.4.3.1.2 Water resources preservation strategy).

Focus on waste management

The environmental impact of the Group's activities begins with the design of products, packaging and advertising and promotional items, and continues throughout the entire life cycle. The development phases of packaging and promotional items represent a key means of minimizing end-of-life waste and reducing the Group's environmental footprint. Glass and cardboard are the main materials used (over 95% of total weight). Plastic packaging accounts for less than 1% of primary packaging, and Pernod Ricard strives to limit its quantities, as demonstrated by its commitment to the Ellen MacArthur Foundation's vision of "The New Plastics Economy", of which it is a signatory and partner.

In addition to packaging collection programs and partnerships for recycling and reuse, Pernod Ricard is working to reduce waste in the Group's operations. The Group's waste management policy is based on:

- packaging collection programs and partnerships for recycling and reuse;
- the reduction of waste in Group operations, whether packaging waste, waste from the processing of unrecycled agricultural raw materials or waste from site activities.

(For more information, please refer to section 3.4.3.2 Circularity: limiting and eliminating waste)

Focus on climate change impacts

Pernod Ricard's business is particularly vulnerable to its impacts on terroirs, impacting yields and quality of raw materials. Moreover, the Group generates emissions contributing to climate change in a range of ways:

- directly, by using fossil fuels on sites (Scope 1) and consuming electricity that generates GHG emissions (Scope 2);
- indirectly, through upstream and downstream activities (agricultural raw materials, packaging, logistics, etc.) (Scope 3).

Mitigating and adapting to climate change is a major area of focus for Pernod Ricard's environmental policy. In May 2024, a new set of targets aligned with 1.5°C Net Zero was validated by the SBTi, following the recommendation to set Forest Land and Agriculture (FLAG) targets:

- **In the near-term:** Pernod Ricard commits to reducing absolute scope 1 & 2 emissions by 54% by FY30 from a FY22 baseline. The Group also commits to reducing absolute scope 3 FLAG (forest, land and agriculture) emissions by 30.3% and non-FLAG emissions (purchased goods and services, upstream transportation and distribution) by 25%.

- **In the long term:** Pernod Ricard commits to reducing its absolute scope 1 & 2 emissions and its scope 3 non-FLAG emissions by 90% by FY50 from a FY22 baseline. Pernod Ricard also commits to reducing absolute scope 3 FLAG emissions by 72%.

A decarbonisation roadmap has been defined for all Group production sites. This is based on major CapEx projects and renewable energy initiatives implemented at the main Group distilleries. On Scope 3, the Group is working alongside its main suppliers and building lasting relationships to accelerate their decarbonisation pathways, through e.g., co-constructing roadmaps and conducting pilots.

(For more information, please refer to section 3.4.1.5 Ensuring business resilience through a decarbonisation roadmap and 3.4.1.6 Overview of Pernod Ricard's carbon footprint)

PROGRESS FY24:

- distillery water intensity decreased due to water conservation projects;
- group's vineyards significantly reduced water use through precision tools like drip irrigation, with future focus on regenerative viticulture for drought resilience;
- the Group achieved its replenishment targets, returning water to high-risk areas;
- engagement with communities to support water conservation and provide or improve access to safe water and sanitation;
- non-hazardous waste landfilled increased, mainly in Argentina, due to the disposal of gape residues;
- several sites achieved zero landfill waste, maintaining a sharp decline thanks to the Group's zero-waste policy;
- implementation of multiple watershed protection and restoration projects;
- climate reports for top affiliates;
- decarbonisation pathways established for key terroirs, aligned with the regenerative agriculture framework.

OUTLOOK FY25:

- investigate and roll-out water reduction initiatives at production sites, mainly at large distilleries;
- update of the water stewardship strategy with a review levers and ambition;
- participate in local packaging collection and recycling schemes to address packaging end-of-life;
- strengthen the reporting of environmental incidents to ensure the traceability of mitigation measures to be implemented.

Managing the risk of negative impacts linked to agricultural raw materials ("terroirs"):

Pernod Ricard produces and sources over 100 ingredients of natural origin from around 60 countries. Each of these ingredients is grown in a terroir shaped by its unique characteristics in terms of climate, soil type, ecosystems and the know-how of the various local populations and communities. This represents over 350 terroirs in some 60 countries.

The Group has set up a three-level action plan to identify risks in agricultural supply chains, meet its duty of vigilance and achieve its ambition of preserving its terroirs. This involves mapping the different terroirs (terroir mapping) to ensure traceability, assessing the social and environmental risks on these terroirs, and implementing sustainable development programs according to their importance. The goal of covering 100% of key agricultural materials by this risk analysis was achieved by 2023. (For more information, please refer to section 3.4.2.2 Mapping the Group's terroirs)

Pernod Ricard has developed a number of programs to manage the specific risks identified and provide the best possible support for its brands:

- Adoption of the Key Principles of Sustainable Agriculture, which present a set of best practices to guide all affiliates in the management of landscapes, biodiversity, plant health and soil life, water, human rights and relations with suppliers;
- Program to certify its key raw materials according to sustainable agriculture specifications;
- Development of regenerative agriculture and biodiversity programs.

Focus on the fight against deforestation

As part of its new set of targets aligned with 1.5°C Net Zero validated by the SBTi, Pernod Ricard commits to no deforestation across its primary commodities linked to deforestation by the end of 2025.

While Pernod Ricard is not involved in operations that contribute significantly to deforestation, analysis is underway to identify sensitive areas more accurately. This will enable the Group to implement policy and plans to combat deforestation jointly with suppliers.

(For more information, please refer to section 3.4.1.5 Ensuring business resilience through a decarbonisation roadmap, 3.4.2.3 Sourcing ingredients sustainably and 3.4.2.4 Regenerative agriculture & biodiversity programmes).

PROGRESS FY24:

- in-depth evaluations of strategic terroirs following full risk mapping of agricultural raw materials;
- certification choices for terroirs reflecting local traditions and sustainable agriculture guidelines publication;
- union for Ethical BioTrade membership to promote ethical sourcing and sustainability in flavouring ingredients;
- partnership with the Organisation for Biodiversity Certificates to develop a biodiversity index for ecosystem enhancement certification.

OUTLOOK FY25:

- reduce greenhouse gas emissions and investigate carbon sinks in agriculture;
- expand sustainable agriculture certifications for key crops;
- seek alternatives where certification isn't feasible;
- promote large-scale regenerative agriculture;
- aid farmers with agronomic, financial solutions, and knowledge sharing.

Managing the risk of negative impacts on employee health and safety

A global approach to health and safety has been adopted, covering all aspects of the physical and mental health of all employees, whether they work on a manufacturing site, in offices or as sales representatives.

It takes the form of:

- a Global Health and Safety policy "Taking Care of Each Other" since 2019 focusing on three strategic priorities: Culture, Leadership and Performance;
- implementation of prevention measures following a self-assessment of local practices both on industrial and non-industrial sites;
- LIFE (Life Threatening and Fatal Event) requirements covering a wide range of high-risk activities both on industrial and non-industrial sites. A LIFE assessment programme performed by third parties is currently underway and all areas of improvement are to be addressed through a detailed action plan;
- Training and a network of health and safety champions;
- OHSAS 18001 / ISO 45001 industrial site certifications.

Employee online training on alcohol-related and responsible drinking compulsory for all Group employees.

(For more information, please refer to section 3.5.1.3 Health, safety & wellbeing and 3.5.1.4 Educating employees on alcohol and responsible drinking).

PROGRESS FY24:

- strong impulse to mental health and wellbeing through the Mental Health First Aid programmes in some affiliates and the launch of the "Be the One" campaign across the Group, reinforcing the importance for employees to act at their own level in preserving the mental health, moral and physical health of employees;
- for sales staff and brand ambassadors, rolling out of a dedicated training to learn how to identify alcohol-related risks, prevent potentially conflictual situations, and behave in a professional and safe manner. A series of train-the-trainer sessions were organised this year to onboard senior sales management, who will further cascade and facilitate this education within their teams.

OUTLOOK FY25:

- expanding a network focused on mental wellbeing and peer-to-peer support at the Group HQ level to formally widen the Health & Safety scope to include mental health;
- strengthening its H&S culture by notably continue rolling-out the "Be the One" campaign and H&S training program "Care by Learning" through a pre-defined sequence modules for both industrial and non-industrial environments;
- rolling-out of third party LIFE assessments on industrial and non-industrial sites.

Managing the risk of negative impacts on employees' human rights

Pernod Ricard adopted its human rights policy in 2019, committing to respect for human rights throughout its value chain. With regard to employee rights, an initial analysis of practices made it possible to mobilize the Human Resources community on these issues in 2021 and define priorities by affiliates (health and safety, discrimination and diversity and inclusion).

In the first half of 2024, it was decided to strengthen the Group's overall approach to human rights, in particular by appointing a Social Sustainability manager, also covering human rights, and the creation of a dedicated "Social Sustainability" centre of expertise. This global approach complements existing actions on certain employee-related issues, notably linked to:

- diversity & Inclusion, which includes actions in favour of gender diversity, disabled workers and the fight against discrimination and unconscious prejudice (for more information, please refer to section 3.5.1.1 Diversity & Inclusion (D&I));
- employee compensation and social protection (please refer to section 3.5.1.2.1 Compensation and benefits for employees);
- social dialogue (please refer to section 3.5.1.2.4 Social dialogue).

Pernod Ricard regularly organizes employee engagement surveys that enable employees to express their views on their working conditions and define targeted action plans. These I Say surveys show the very high level of employee commitment. A pulse survey dedicated to well-being enabled the collect of more in-depth feedbacks from employees on subjects such as their perception of work/life balance and how they manage stress (to find out more, please refer to section 3.5.1.2.5 Employee engagement).

PROGRESS FY24:

- organisation of a half-day capacity building on human rights with key head of functions at Pernod Ricard Headquarters facilitated by Shift;
- creation of a dedicated Social Sustainability centre of expertise and appointment of a Global Social Sustainability Manager to coordinate social sustainability commitments, provide guidance on human rights-related issues and support human rights due diligence and implementation.

OUTLOOK FY25:

- reinforce the Group's human rights governance;
- review the Global Human Rights Policy into different policies addressing salient human right risks and CSRD requirements;
- progressively develop awareness activities for employees and develop a training plan to build capability for functions directly related to managing human rights;
- develop an approach to conducting and rolling-out Human Rights Impact Assessments.

(For more information, please refer to section 3.5.1.5 Acting for Human Rights)

Managing the risk of negative impacts on consumers

The Group has put in place a responsible consumption strategy focused on the fight against alcohol abuse, steered by the "Alcohol in Society" team within the Public Affairs Department and implemented throughout the Group via the network of S&R and Public Affairs managers.

The strategy's main lines of action are:

- informing consumers about the contents of its products and the potential health risks associated with alcohol consumption;
- responsible marketing and sales practices, including online sales;
- brand campaigns promoting responsible consumer behavior;
- or the encouragement of responsible consumption initiatives by these affiliates.

(For more information, please refer to section 3.5.3 Raising consumer awareness on responsible drinking)

With the perspective of consumers' health and safety, Pernod Ricard has developed a strict, proactive food safety policy covering product design, sourcing and manufacturing, based on the following actions:

- controlling product safety by identifying potential risk points in the manufacturing process using the HACCP (hazard analysis critical control point) method, and certifying Brands in accordance with the best food standards;
- industrial procedures based on quality standards and controls (ISO 22000) for food safety and product traceability with regard to GMOs;
- the monitoring and handling of consumer complaints facilitated by an internal system for recording customer and consumer quality complaints in real time, and regularly tested crisis management procedures.

(For more information, please refer to section 3.6.1 Ensuring quality, food safety & product compliance)

PROGRESS FY24:

- annual chemical analysis plan for main products;
- real-time in-house system for tracking quality complaints;
- age, driving, and pregnancy warning logos on all products;
- Global digital labels to inform consumers and encourage responsible drinking;
- own Commercial Communications Code (CCC) to prevent irresponsible alcohol promotion.

OUTLOOK FY25:

- ensure full product traceability with regards to GMO;
- reinforce existing responsible drinking programs and create a new strategy, shifting from risk management to making responsible drinking appealing to consumers;
- develop methods to measure the effectiveness of responsible drinking campaigns, including pre-tests for message clarity and influence on consumption moderation, with plans for robust post-test evaluations.

Managing the risk of negative impacts linked to other Group purchases

Pernod Ricard has developed a responsible purchasing program, Blue Source, which enables it to develop certain actions to control risks linked to the duty of vigilance of its subcontractors and suppliers. This process is currently being overhauled (Amazon project) to strengthen the support of medium or high risks suppliers through mitigation plans.

The specific exercise of the duty of vigilance has been taken into account in strengthening the responsible purchasing approach; the need for a specific purchasing resource has been identified.

The Blue Source process includes actions throughout the purchasing process:

- supplier Standards which set out the Group's commitments included in contracts and the Group's overall Terms and Conditions;
- risk assessment of each supplier using a system of automated risk calculation questionnaires (based in particular on the supplier's sector and country);
- trigger measures to assess supplier practices, the intensity of which depends on the level of risk identified (from Ecovadis assessments to SMETA audits);
- corrective action plans and supplier monitoring.

(For more information, please refer to section 3.5.2.1 Procuring responsibly)

3.7.1.4 The alert and reporting mechanism

Pernod Ricard fosters a culture of trust, openness and transparency, where all employees and stakeholders can fearlessly express their concerns about the Group's activities. The Group's Code of Business Conduct includes a whistle-blowing policy, which calls on all employees and other stakeholders to report any ethical suspicions they may have regarding practices or situations deemed contrary to or incompatible with the Pernod Ricard Code of Business Conduct, related policies or any laws or regulations.

Pernod Ricard's Ethics and Compliance team operates the Group-wide Speak Up alert line, which enables stakeholders to report potential inappropriate behaviour securely and confidentially. Hosted by an independent external service provider, this system is available on line or by phone, 24 hours a day, 7 days a week and in several languages. Any report deemed to be made in good faith may be investigated after prior assessment by the Integrity Committee. The website address is available on the intranet, in the Code of Business Conduct, and on the Pernod Ricard website: <https://speakup.pernod-ricard.com>.

PROGRESS FY24:

- identification of duty of vigilance gaps and recommendations to feed existing responsible procurement action plan into a comprehensive roadmap for supplier vigilance.

OUTLOOK FY25:

- review of the Supplier Standards into a comprehensive Responsible Procurement Policy with regard to the future challenges of the duty of vigilance and CSRD requirements;
- strengthen overall supplier vigilance approach and governance from the risk identification by purchasing category and raw materials (in anticipation of the CSDDD directive) to supplier non-conformity control and monitoring procedures;
- draw up reinforced action plans for high-risk purchases, starting with copackers;
- explore the extension of the Integrity Committee and the review of the process to review alerts from the value chain.

If the allegations prove to be well-founded, the Integrity Committee or its local delegate examines their seriousness and makes recommendations on the implementation of mitigation and/or remediation measures and/or the use of disciplinary measures against implicated persons. Pernod Ricard also has a zero-tolerance policy with regard to retaliation against any person who, in good faith, makes a report (of inappropriate behaviour, for example) or assists in an investigation.

In 2022, as part of the review of the Group's Internal Rules and the enhancement of the Code of Business Conduct, a dedicated section regarding the Speak Up alert line and policy was added. To ensure the documents and processes were comprehensive and effective, the changes were presented to employee representatives of French affiliates during dedicated sessions.

3.7.1.5 Performance monitoring and measurement systems

The measures implemented are assessed against the following indicators:

Theme	Risk family	FY23	FY24
Environment	GHG emissions	<ul style="list-style-type: none"> 4,954,838 tCO₂e: total Group carbon footprint 301,126 tCO₂e emissions from Scopes 1 and 2 4,653,712 tCO₂e Scope 3 emissions 76% renewable electricity used in production sites and administrative offices 86% of production sites ISO 14001 certified 	<ul style="list-style-type: none"> 4,604,845 tCO₂e: total Group carbon footprint 237,989 tCO₂e emissions from Scopes 1 and 2 4,366,856 tCO₂e Scope 3 emissions 91% renewable electricity used in production sites and administrative offices 84% of production sites ISO 14001 certified
	Packaging life cycle and footprint	<ul style="list-style-type: none"> 2 pilot circular initiatives in Asia on-trade with ecoSPIRITS 17% post-consumer recycled content (PET containers) 43% certified cardboard 35% post-consumer recycled content (glass containers) 98% of promotional items are reusable, recyclable or compostable 	<ul style="list-style-type: none"> 2 pilot circular initiatives in Asia on-trade with ecoSPIRITS 20% post-consumer recycled content (PET containers) 74% certified cardboard 37% post-consumer recycled content (glass containers) 99% of promotional items are reusable, recyclable or compostable
	Water management	<ul style="list-style-type: none"> 8.1% reduction in water consumption per unit produced since fiscal 2017/18 3.7% reduction in water consumption per unit produced since fiscal 2017/18 in distilleries only 58.3% of total water consumed in high-risk areas recharged 80% of wastewater discharged into a public sewer system 14% of wastewater discharged into the environment after treatment 6% of wastewater recycled for vineyard irrigation 	<ul style="list-style-type: none"> 11.8% reduction in water consumption per unit produced since fiscal 2017/18 13% reduction in water consumption per unit produced since fiscal 2017/18 in distilleries only 73.6% of total water consumed in high-risk areas recharged 81% of wastewater discharged into a public sewer system 13% of wastewater discharged into the environment after treatment 6% of wastewater recycled for vineyard irrigation
	Operations waste management	<ul style="list-style-type: none"> 2,201 tonnes of non-hazardous waste incinerated 57 tonnes of hazardous waste incinerated 93% of waste recycled 132 tonnes of waste sent to landfill 469 tonnes of hazardous waste 1,209,259 tonnes of organic by-products 	<ul style="list-style-type: none"> 1,657 tonnes of non-hazardous waste incinerated 50 tonnes of hazardous waste incinerated 93% of waste recycled 192 tonnes of waste sent to landfill 512 tonnes of hazardous waste 1,062,139 tonnes of organic by-products
Terroirs		<ul style="list-style-type: none"> 100% of key agricultural raw materials used covered by mapping, which is focused solely on priority terroirs 60 priority terroirs fully covered by risk mapping, of which 46 have been classified as high or medium risk. 34% of key raw materials are produced or purchased in compliance with selected sustainability standards 82% of direct affiliates with a regenerative agriculture or biodiversity program 10,506 farmers empowered, trained or supported (cumulative number) 	<ul style="list-style-type: none"> 100% of key agricultural raw materials used covered by mapping, which is focused solely on priority terroirs 68 priority terroirs fully covered by risk mapping, of which 59 have been classified as high or medium risk. 39% of key raw materials are produced or purchased in compliance with selected sustainability standards 100% of direct affiliates with a regenerative agriculture or biodiversity program 11,203 farmers empowered, trained or supported (cumulative number)
Employee health and safety	Health and safety at work	<ul style="list-style-type: none"> 60 work-related accidents resulting in lost time 2.6: frequency rate 125: severity rate No fatalities 86% of production sites certified OHSAS 18001/ISO 45001 100% of the target audience has taken the mandatory Duty of Care online health and safety training course 94% of employees have followed the MOOC on alcohol and responsible drinking 	<ul style="list-style-type: none"> 44 work-related accidents resulting in lost time 1.9: frequency rate 52.2: severity rate No fatalities 84% of production sites certified OHSAS 18001 / ISO 45001 "Care by Learning" and "Be the One" health and safety campaigns rolled-out 96% of employees have followed the MOOC on alcohol and responsible drinking

Theme	Risk family	FY23	FY24
Rights Employees' human resources	Discrimination and diversity	<ul style="list-style-type: none"> Worldwide pay gap of 1.3 36% of women in Top Management (band C and above) 	<ul style="list-style-type: none"> Worldwide pay gap of 1.6 38% of women in Top Management (band C and above)
	Working conditions	<ul style="list-style-type: none"> 99% of total workforce trained 93% of employees have had at least one performance review 14.1% staff turnover 8.5% voluntary redundancies 3.7% absenteeism 93.4% of employees benefiting from a social protection plan (death and disability) providing a benefit equivalent to at least one year's fixed annual salary for the employee 98.2% of employees covered by health insurance 76: I Say commitment score 74: pulse survey on well-being 	<ul style="list-style-type: none"> 99% of total workforce trained 94% of employees have had at least one performance review 15.1% staff turnover 7.8% voluntary redundancies 3.9% absenteeism 94.1% of employees benefiting from a social protection plan (death and disability) providing a benefit equivalent to at least one year's fixed annual salary for the employee 97.9% of employees covered by health insurance 74: I Say commitment score 72: pulse survey on well-being
Consumers	Quality products for consumers	<ul style="list-style-type: none"> 75% of production sites certified ISO 22000/FSSC 22000 100% of product volumes ISO 22000/FSSC 22000 certified, covering all the Group's strategic brands 100% of Brand Companies ISO 9001 certified 4,517 complaints received through the complaints management system during the year 	<ul style="list-style-type: none"> 75% of production sites certified ISO 22000/FSSC 22000 100% of product volumes ISO 22000/FSSC 22000 certified, covering all the Group's strategic brands 100% of Brand Companies ISO 9001 certified 4,566 complaints received through the complaints management system during the year
	Responsible drinking in society	<ul style="list-style-type: none"> 80% completion rate for online training on the Marketing Communications Code 95.5%: compliance with IARD's Digital Guiding Principles (DGPs) 857 campaigns reviewed by RMP 100% of Direct-to-Consumer sites subject to age restrictions 41% of products equipped with a digital label and the three responsible consumption logos 94% of markets involved in at least one local or global responsible consumption initiative 400 million young adults reached online and 9 million in the field through the Responsible Party program 4 brand campaigns launched in 2022/23 	<ul style="list-style-type: none"> 90.6% completion rate for online training on the Marketing Communications Code 98.6%: compliance with IARD's Digital Guiding Principles (DGPs) 775 campaigns reviewed by RMP 98% of Direct-to-Consumer sites subject to age restrictions 95% of products equipped with a digital label and the three responsible consumption logos 94% of markets involved in at least one local or global responsible consumption initiative 600 million young adults reached online and 32 million in the field through the Responsible Party program 5 brand campaigns launched in 2023/24
Suppliers		Number of suppliers : <ul style="list-style-type: none"> 1,973 signatories to Supplier Standards 2,190 analyzed by the risk mapping tool 1,740 identified as risky (high or medium risk) 345 identified as risky and covered by an EcoVadis assessment 111 at-risk production sites audited to social, environmental and ethical standards 43 identified as at risk on the basis of external assessment/audit results (EcoVadis, SMETA) but which have not begun implementing the required mitigation plan 	Number of suppliers: <ul style="list-style-type: none"> 1,959 signatories to Supplier Standards 2,089 analyzed by the risk mapping tool 1,700 identified as risky (high or medium risk) 328 identified as risky and covered by an EcoVadis assessment 51 at-risk production sites audited to social, environmental and ethical standards 37 identified as at risk on the basis of external assessment/audit results (EcoVadis, SMETA) but which have not begun implementing the required mitigation plan

In addition to the roadmaps dedicated to each area of vigilance, actions have also been defined to further strengthen, in a continuous improvement approach, the global vigilance exercise:

- integrate the management of identified risks into cross-functional compliance processes (assessment of third parties, mergers and acquisitions, auditing, etc.);
- raising affiliates' awareness of due diligence requirements;
- better identify the stakeholders potentially concerned and ensure effective frameworks for exchange and dialogue.

3.7.2 Tax policy

3.7.2.1 A significant contribution to local communities

Pernod Ricard is committed to complying with all applicable laws and regulations in each of the countries where it operates, along with applicable international standards.

In FY24, Pernod Ricard's income tax charge on recurring items (profit from recurring operations and financial result from recurring operations) was €646 million.

In addition to corporate income tax, Pernod Ricard pays and collects numerous other taxes and contributions as part of the Group's economic contribution to the communities in which it operates. These include:

- sales taxes;

- customs and excise duties;
- payroll taxes;
- property taxes;
- and other local taxes specific to each country.

Pernod Ricard's total annual contribution is estimated at around €6.8 billion (unaudited data).

3.7.2.2 Approach to taxation

The Group applies the following principles in tax matters:

- supporting operational activities in compliance with applicable regulations;
- conducting itself with integrity in all tax matters;
- managing tax on both a proactive and efficient basis to preserve and maximise the value generated for the Group and its shareholders.

Pernod Ricard has subsidiaries in more than 70 countries where it operates. Whenever possible, management makes every effort to liquidate any dormant or quasi-dormant subsidiary inherited from past acquisitions. The Group remains vigilant as to the operational and commercial reality of its transactions and refuses to take part in any artificial tax arrangements. The Group will only use tax incentives after considering their impact on its brands, reputation, and S&R. Pernod Ricard especially does not promote tax evasion under any form.

3.7.2.3 Transfer pricing

Pernod Ricard's strategy and organisation are built on a model involving an ongoing relationship between Brand Companies and Market Companies. The Brand Companies generally own, protect and develop the intellectual property. They are also responsible for developing overall brand strategy as well as solutions and

ways to activate them. The Market Companies implement this strategy locally. Related-party transactions are done in accordance with the Group's transfer pricing policy, which is based on the arm's length principle⁽³²⁾.

3.7.2.4 An efficient organisation

Pernod Ricard has a team of qualified and well-trained tax and customs specialists, who report to the EVP Finance & IT. Tax matters are subject to clear internal control principles, which are available to all employees on the Intranet. Processes are in place to prevent tax evasion.

Tax legislation in the countries where Pernod Ricard operates is complex and may be open to interpretation. The Group manages such uncertainties with the support of internal and external tax experts. Tax provisions are measured based on the Group's best estimate using available information⁽³³⁾ and regularly presented to the Audit Committee.

3.7.2.5 Promotion of international transparency

Pernod Ricard is committed to being open and transparent with tax authorities and to disclosing relevant information to enable them to carry out their work. Pernod Ricard places particular importance on working positively, proactively, and transparently with them. This is both to build open and sustainable relationships and to resolve potential disputes quickly. Pernod Ricard complies

with country-by-country reporting obligations. The Group also participates in the development of corporate tax policies, tax transparency initiatives and tax legislation through public consultations.

⁽³²⁾ On terms that would have been agreed between independent parties.
⁽³³⁾ In particular that provided by the Group's legal and tax advisors.

3.7.3 EU Taxonomy

Overview of the EU Taxonomy Regulation

Stemming from the European Commission's Action Plan for Sustainable Finance launched in 2018, the Taxonomy Regulation⁽³⁴⁾ constitutes an essential component of the European Union's overall efforts to reach the objectives of the Green Deal and make Europe climate-neutral by 2050. By implementing a classification system for sustainable activities, the new regulation aims to redirect capital flows towards a more sustainable economy.

Under the Taxonomy Regulation, technical screening criteria are defined to identify which activities significantly contribute to six major environmental objectives:

- (i) climate change mitigation;
- (ii) climate change adaptation;
- (iii) sustainable use and protection of water and marine resources;
- (iv) transition to a circular economy;

(v) pollution prevention and control; and

(vi) protection and restoration of biodiversity and ecosystems.

As of December 31, 2023, reporting companies shall provide financial information in their Universal Registration Document (URD) on activities that are Taxonomy-eligible (where the activity is covered by the Taxonomy Regulation) for all 6 objectives and Taxonomy-aligned (where the eligible activity meets the technical screening criteria and businesses comply with the minimum safeguards) under the two climate objectives (i) and (ii).

Therefore, Pernod Ricard is required to publish Key Performance Indicators (KPIs) highlighting the proportion of its Taxonomy-eligible and Taxonomy-aligned turnover, capital expenditures ('CapEx') and operating expenditures ('OpEx') resulting from products and services associated with economic activities defined as sustainable in Annexes I & II of the Climate Delegated Acts⁽³⁵⁾.

Implementation of the EU Taxonomy at Pernod Ricard

In order to ensure Pernod Ricard understanding and compliance with the EU Taxonomy, a dedicated internal taskforce has been created, with experts from all the required teams (Sustainability, Finance, Global Engineering & Manufacturing and Procurement teams), who have worked for several months with external help from specialized consultants.

To ensure a collaborative approach to this hybrid project that links finance to growing CSR expectations, the group was led by both financial and sustainability teams.

Presentation of the eligibility results

The scope of calculation of the Taxonomy indicators is the consolidated financial perimeter as detailed in Note 7 *Consolidation Scope* in subsection 6.6 "Notes to the consolidated Financial Statements".

Turnover

After conducting the eligibility assessment for the Group's Turnover, one activity contributing to the two climate objectives has been identified: 13.2 *Libraries, archives, museums and cultural activities*. This activity represents in FY24 less than 1% of Pernod

Ricard's total revenue. Given the amount, this revenue is not reported for the FY24 Taxonomy reporting. Additionally, Pernod Ricard's core business, related to the manufacture and sale of beverages, is at present not included in the Delegated Act.

Consequently, the Group's eligible turnover represents 0% of its FY24 consolidated turnover (€11,598 million, see subsection 6.1 "Annual Consolidated Statements")⁽³⁶⁾. Subsequently to this choice of not reporting eligible turnover for the exercise, turnover alignment with European Taxonomy activities is assessed to be 0%.

As required per the regulation, eligibility and alignment results can be summarized by objective as:

Objectives	Proportion of turnover	
	Eligible	Aligned
Climate change mitigation (CCM)	0%	0%
Climate change adaptation (CCA)	0%	0%
Sustainable use and protection of water and marine resources (WTR)	0%	N/A
Transition to a circular economy (CE)	0%	N/A
Pollution prevention and control (PPC)	0%	N/A
Protection and restoration of biodiversity and ecosystems (BIO)	0%	N/A

Please note that, for the FY24 exercise, alignment is not required beside Climate change mitigation (CCM) and Climate change adaptation (CCA) objectives. Additionally, activities and corresponding CapEx may contribute to multiple objectives' eligibility.

⁽³⁴⁾ Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. Available [here](#).

⁽³⁵⁾ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852. Available [here](#).

⁽³⁶⁾ Additional information on the calculation of turnover KPI are in the methodological note (see subsection 3.9.1 "Methodology note on non-financial reporting").

Capital expenditures (CapEx)

Due to the non-eligibility of its revenue-generating activities, Pernod Ricard's eligible CapEx does not include CapEx directly related to its activities. As a result, the analysis is limited to CapEx implemented as "individually sustainable measures". Total eligible CapEx represent 25.3% of the Group's acquisitions of property, plant and equipment, intangible assets and right-of-use assets (including industrial buildings) in FY24 (€881 million, see note 4.1 *Intangible assets and goodwill* and note 4.2 *Property, plant and equipment in subsection 6.6 "Notes to the consolidated financial statements"*)⁽³⁷⁾.

These eligible investments relate to the following types of activities:

- (i) **Construction and real estate** (3.4 – Maintenance of roads and motorways, 7.1 – Construction of new buildings, 7.2 – Renovation of existing buildings, 7.7 – Acquisition and ownership of buildings);
- (ii) **Vehicle fleets and equipment** (6.5 – Transport by motorbikes, passenger cars and light commercial vehicles, 7.4 – Installation, maintenance, and repair of charging stations for electric vehicles in buildings);

(iii) **Energy efficient equipment** (4.25 – Production of heat/cool from waste heat, 4.8 – Electricity generation from bioenergy, 4.9 – Transmission and distribution of electricity, 7.3 – Installation, maintenance and repair of energy efficiency equipment);

(iv) **Renewable energy technologies** (5.7 – Anaerobic digestion of bio-waste, 7.6 – Installation, maintenance and repair of renewable energy technologies);

(v) **Information and communication** (4.1 – Provision of IT/OT data driven solutions, 8.2 – Computer programming, consultancy and related activities)

Operating expenditures (OpEx)

The amount of OpEx as defined by the Taxonomy Regulation⁽³⁸⁾ represents less than 5% of Pernod Ricard's total OpEx in FY24. As a result, it is deemed non-material and exempt from the calculation of the numerator of OpEx KPI as permitted by regulation⁽³⁹⁾. Subsequently to this non-material nature of eligible OpEx for the exercise, OpEx alignment with European Taxonomy activities is assessed to be 0%.

As required per the regulation, eligibility and alignment results can be summarized by objective as:

Objectives	Proportion of OpEx	
	Eligible	Aligned
Climate change mitigation (CCM)	0%	0%
Climate change adaptation (CCA)	0%	0%
Sustainable use and protection of water and marine resources (WTR)	0%	N/A
Transition to a circular economy (CE)	0%	N/A
Pollution prevention and control (PPC)	0%	N/A
Protection and restoration of biodiversity and ecosystems (BIO)	0%	N/A

Please note that, for the FY24 exercise, alignment is not required beside Climate change mitigation (CCM) and Climate change adaptation (CCA) objectives. Additionally, activities and corresponding CapEx may contribute to multiple objectives' eligibility.

Alignment

Since the Group's eligible turnover represents 0% of its FY24 consolidated turnover and the Taxonomy OpEx are considered non-material, the alignment assessment has been carried out only for eligible CapEx with a review of the technical screening criteria for each of the activities identified as eligible for its main subsidiaries.

For FY24, total alignment equals 5.7% (50.1M€) of total CapEx according to the following breakdown per objective, as required per the regulation:

Objectives	Proportion of CapEx	
	Eligible	Aligned
Climate change mitigation (CCM)	24.1%	5.7%
Climate change adaptation (CCA)	24.7%	0%
Sustainable use and protection of water and marine resources (WTR)	0%	N/A
Transition to a circular economy (CE)	9.1%	N/A
Pollution prevention and control (PPC)	0%	N/A
Protection and restoration of biodiversity and ecosystems (BIO)	0%	N/A

Please note that, for the FY24 exercise, alignment is not required beside Climate change mitigation (CCM) and Climate change adaptation (CCA) objectives. Additionally, activities and corresponding CapEx may contribute to multiple objectives.

⁽³⁷⁾ Additional information on the calculation of CapEx KPI are in the methodological note (see subsection 3.9.1 Methodology note on non-financial reporting”).

⁽³⁸⁾ Total OpEx consists of (i) direct non-capitalised costs that relate to research and development; (ii) building renovation measures, short-term lease and maintenance and repair, and (iii) any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking of third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

⁽³⁹⁾ The exemption of OpEx KPI is described in the methodological note (see subsection 3.9.1 “Methodology note on non-financial reporting”).

Most of the Group's FY24 CapEx alignment is achieved through two activities, both participating to the regulation's climate change mitigation objective:

- production of heat/cool from waste heat, with 4.8% of aligned CapEx thanks to the Group's investment in heat recovery technologies as Mechanical Vapor Recompression (MVR);
- installation, maintenance and repair of renewable energy technologies, with 0.6% of aligned CapEx, related to the Group's effort in solar energy deployment and investment in heat pumps.

Focus on Mechanical Vapor Recompression technology: designed to capture the generated heat from the distillation process, recycle it through steam recompression and reuse it in the production process, this technology, aligned with the European Taxonomy activity 4.25 "production of heat/cool from waste heat", has already produced significant benefit in carbon emissions reduction. To date, its implementation has reduced total energy consumption almost by half (48%) at Chivas Brothers' Glentauchers distillery, near Keith in Speyside, Scotland, reducing the site's total carbon emissions by 53% as a result. Hoping to provide insights that will benefit the industry at large if adopted at other suitable distillation sites, Pernod Ricard and Chivas Brothers, have chosen to make the expertise and learnings from the successful integration of enhanced heat recovery technologies 'open source.', while the Group's invested 43M€ in this technology across its different affiliates in FY24.

Focus on solar energy deployment and heat-pump installation: participating to activity 7.6 "Installation, maintenance and repair of renewable energy technologies", the Group's investment in FY24 in renewable energy technologies, under the form of solar energy deployment and heat-pump installation, are also reflected in its European Taxonomy alignment results. For the exercise, the deployment of 1,325 kW of solar power on the Group's Nashik, Rocky and Behror sites in India, and the choice of Irish Distillers to resort to a heat-pump based system for the upgrade of its Middleton hot water network therefore qualify as a significant contribution to the European Taxonomy climate change mitigation objective.

It is also to be noted that other significant investments directly aimed at improving Pernod Ricard's environmental footprint were made in FY24 while not fitting the European Taxonomy framework. Namely, Irish Distillers significant investment (0.3M€) in a rainwater harvesting project, while not eligible to the currently defined European Taxonomy activities, is designed to improve Pernod Ricard current local water usage and help its path toward sustainability.

Substantial contribution criteria

The group has conducted the review of substantial contribution criteria for all identified eligible activities.

For activity 6.5, vehicles abiding by applicable Euro 6 emission standards or using an electric or plug-in hybrid propulsion were deemed to meet the substantial contribution criteria related to CO₂ emissions.

In the case of real estate assets (activities 7.1 and 7.7), the Group checked compliance with the technical screening criteria and, in particular, for criteria related to nearly zero-energy building (nZEB).

The substantial contribution criteria for activities 7.3 and 7.6 are, respectively, lists of energy efficient equipment and renewable energy technologies were assessed on a project per project basis. Similarly, the substantial contribution criteria for activity 4.8 was assessed based on the nature of bioenergy used by identified projects, as well as their characteristics (rated input, energy efficiency, technologies used, and CO₂ emissions reduction associated).

In the case of activity 4.25, substantial contribution criteria was assessed based on the nature of the technology related to projects identified, namely Mechanical Vapor Recompression.

Finally, for activity 8.2, the nature of projects supported as well as climate risks assessment performed by the said projects were used to assess the substantial contribution.

Do Not Significant Harm (DNSH) adaptation to climate change

To report on the contribution to the objective of climate change mitigation, the Group has carried out a Taxonomy-compliant climate risk and vulnerability assessment in 3 steps:

1. analysis of the exposure of the Taxonomy-eligible activities to physical climate risks.
2. assessment of physical climate risks according to scenarios RCP2.6, RCP4.5 and RCP8.5.
3. implementation and assessment of adaptation solutions.

Other applicable DNSH were appreciated according to Pernod Ricard's methodology by assessing all required DNSH criteria linked to an investigated project.

Minimum safeguards

Minimum safeguards were reviewed at Group level, in light of the requirements of the Platform on Sustainable Finance's report on minimum safeguards⁽⁴⁰⁾ published in October 2022, in terms of human rights, consumer interest, anti-corruption, responsible taxation and competition laws.

To be compliant with minimum safeguards, the Group continuously improves its procedures to ensure the alignment with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the United Nations International Bill of Human Rights and the fundamental instruments identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

⁽⁴⁰⁾ Platform on Sustainable Finance's report on minimum safeguards published in October 2022. Available [here](#).

Links to S&R achievements & initiatives

Pernod Ricard's strong climate, biodiversity and circular economy commitments are fully embedded in its S&R strategy "Good Times from a Good Place" which covers the entire value chain, from grain to glass. The Group would like to highlight the fact that significant sustainability initiatives launched by Pernod Ricard do not necessarily fall under the definition in the Taxonomy Regulation. As a result, Taxonomy KPIs are not fully reflecting the Group's progress towards sustainability objectives, as its ambitious 2030 roadmap is aligned with the UN SDGs⁽⁴¹⁾.

Priority ambition to combat climate change

Pernod Ricard makes it a priority to fight climate change. This is translated into the ambitious carbon reduction targets set by the Group, aligned with the Science-Based Targets Initiative.

Pernod Ricard reviewed in FY24 its carbon reduction objectives following latest FLAG (Forest, Land and Agriculture) guidance. Its near and long-term science-based GHG emissions reduction targets in line with a 1.5°C trajectory have been validated by the Science Based Targets initiative (SBTi). For Scopes 1 and 2, the Group's target is to reduce its emissions by 54% by 2030 from its FY22 base year. This will mainly be achieved through investment in new energy-related technologies in Group distilleries, such as mechanical vapour recompression in Ireland (Irish Distillers) and Scotland (Chivas Brothers). In FY24, Pernod Ricard invested 43M€ CAPEX in this technology. In addition, the Group is building a distillery and ageing facilities in Marion County, Kentucky, that aims at being carbon neutral. In parallel, the Group will switch globally to renewable electricity sources by 2025, following the Group commitment to RE100⁽⁴²⁾.

Furthermore, in 2022, the Group launched its inaugural "sustainability-linked" bond (SLB) issue for €750 million. This transaction is indexed to two environmental commitments on carbon (Scopes 1 and 2 absolute reductions from FY18 base year) and reduction of its water consumption in its distilleries per unit of alcohol produced.

Since then, and based on the same targets, in October 2022, the Group signed its second SLB, setting the terms for a new euro-denominated bond issuance for an aggregated principal amount of €1.1 billion. In May 2023, the Group signed its first sustainability linked RCF (Revolving Credit Facility) totalling €2.1 billion to refinance an existing facility expiring in June 2024 ahead of time.

Pernod Ricard is also focused on reducing its Scope 3 emissions, which are indirectly generated by the Group and its suppliers. Carbon reduction is now fully integrated into business

discussions with glass manufacturers, in order to ensure they commit to lower carbon emissions for their supplies to the Group. Together with its regenerative agriculture engagement, this will contribute to achieving the Group's commitments:

- no deforestation across its primary commodities linked to deforestation by the end of 2025;
- reducing absolute scope 3 FLAG (forest, land and agriculture) emissions by 30.3% and non-FLAG emissions (purchased goods and services, upstream transportation and distribution) by 25% by FY30;
- reducing its absolute scope 1 & 2 emissions and its scope 3 non-FLAG emissions by 90% by FY50 from a FY22 baseline;
- reducing absolute scope 3 FLAG emissions by 72% by FY50.

The KPIs of the Group's Taxonomy-eligible turnover, Capex and Opex are expected to increase when the Manufacture of Food and Beverage will be added to the Delegated Regulations.

Projects to contribute to circular economy transition and biodiversity protection

Pernod Ricard's commitment to protect biodiversity is reflected in its strong regenerative agriculture engagement. The ambition of the Group is to have a positive impact in all its main "terroirs", where raw materials are sourced. In its vineyards, Pernod Ricard local affiliates are testing regenerative practices, restoring life in the soil and in the ecosystem. Projects are being initiated with farmers to develop alternative ways to grow cereals or other crops used by the Group that have a positive impact on biodiversity and farming resilience.

Furthermore, Pernod Ricard supports various projects in the field of circular economy, including the investment in ecoSPIRITS, a circular economy technology startup focusing on low carbon, low waste distribution systems for the premium wine and spirits industry. In FY23, Pernod Ricard's venture capital fund, Convivialité Ventures has taken a minority share in ecoSPIRITS, a circular economy technology startup focusing on low carbon, low waste distribution systems for the premium wine and spirits industry. In FY24, Pernod Ricard and ecoSPIRITS announced entering a new stage in their relationship with a five-year global licensing agreement to enable the distribution of Pernod Ricard's spirits brands in ecoSPIRITS' circular packaging technology to on-trade venues around the world.

⁽⁴¹⁾ For more information on the S&R commitments, targets, actions and contribution to SDGs, please refer to the previous pages.

⁽⁴²⁾ RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity. More information can be found on its website.

Regulatory tables

Turnover

Total turnover can be reconciled with the income statement of FY24 consolidated financial statements.

Economic activities	Codes	Absolute turnover EUR millions	Proportion of turnover %	Substantial contribution criteria							DNSH criteria							Taxonomy-aligned proportion of turnover year N %	Taxonomy-aligned proportion of turnover year N-1 %	Category (enabling) E	Category (transitional) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N					
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Taxonomy aligned																					
Turnover of taxonomy aligned activities (A.1.)		0	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	0%	0%		
Incl. enabling				0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	0%	0%	E	
Incl. transitional											N/A	N/A	N/A	N/A	N/A	N/A	Y	0%	0%		T
A.2. Taxonomy eligible but not taxonomy aligned activities																					
Turnover of taxonomy eligible but not taxonomy aligned activities (A.2.)		0	0%	0%	0%	0%	0%	0%	0%	0%								0%	0%		
TOTAL A (A.1. + A.2.)		0	0%	0%	0%	0%	0%	0%	0%	0%								0%	0		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																					
Turnover of taxonomy non eligible activities (B)		11,598	100%																		
TOTAL A + B		11,598	100%																		

Capital expenditures (CapEx)

The total increases in CapEx can be reconciled with the FY24 consolidated financial statements, see note 4.1 *Intangible assets and goodwill* and note 4.2 *Property, plant and equipment in subsection 6.6 "Notes to the consolidated financial statements"*⁽⁴³⁾.

Economic activities	Codes	Substantial contribution criteria										DNSH criteria						Taxonomy-aligned proportion of Capex year N-1	Taxonomy-aligned proportion of Capex year N-1	Category (enabling)	Category (transitional)
		Absolute Capex <i>EUR</i> millions	Proportion of Capex %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	%				
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Taxonomy aligned																					
Production of heat/cool from waste heat	CCM 4.25 CCA 4.25	42.6	4.8%	EL	EL	NEL	NEL	NEL	NEL	N/A	Y	Y	N/A	Y	Y	Y	4.8%	0%			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	1.2	0.1%	EL	EL	NEL	NEL	NEL	NEL	N/A	Y	N/A	Y	Y	N/A	Y	0.1%	0.1%	T		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	0.5	0.1%	EL	EL	NEL	NEL	NEL	NEL	N/A	Y	N/A	N/A	Y	N/A	Y	0.1%	0.3%	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 CCA 7.4	0.1	0.0%	EL	EL	NEL	NEL	NEL	NEL	N/A	Y	N/A	N/A	N/A	N/A	Y	0.0%	0%	E		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	5.7	0.6%	EL	EL	NEL	NEL	NEL	NEL	N/A	Y	N/A	N/A	N/A	N/A	Y	0.6%	0.0%	E		
Capex of taxonomy aligned activities (A.1.)		50.1	5.7%	5.7%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	5.7%	5.4%			
Incl. enabling		6.3	0.7%	EL	EL	NEL	NEL	NEL	NEL	N/A	Y	N/A	N/A	Y	N/A	Y	0.7%	0.3%	E		
Incl. transitional		1.2	0.1%							N/A	Y	N/A	Y	Y	N/A	Y	0.1%	0.1%	T		

⁽⁴³⁾ Additional information on the calculation of CapEx KPI are in the methodological note (see subsection 3.9.1 Methodology note on non-financial reporting”).

A.2. Taxonomy eligible but not taxonomy aligned activities													
				EL/ NEL	EL/ NEL	EL/ NEL	EL/ NEL	EL/ NEL	EL/ NEL	EL/ NEL			
Maintenance of roads and motorways	CE 3.4	3.4	0.4%	NEL	NEL	NEL	EL	NEL	NEL			0.4%	0%
Provision of IT/OT data-driven solutions	CE 4.1	1.4	0.2%	NEL	NEL	NEL	EL	NEL	NEL			0.2%	0%
Electricity generation from bioenergy	CCM 4.8 CCA 4.8	0.0	0.0%	EL	EL	NEL	NEL	NEL	NEL			0.0%	0%
Transmission and distribution of electricity	CCM 4.9 CCA 4.9	7.9	0.9%	EL	EL	NEL	NEL	NEL	NEL			0.9%	0%
Anaerobic digestion from biowaste	CCM 5.7 CCA 5.7	2.1	0.2%	EL	EL	NEL	NEL	NEL	NEL			0.2%	0%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	25.3	2.9%	EL	EL	NEL	NEL	NEL	NEL			2.9%	3%
Construction of new buildings	CCM 7.1 CCA 7.1	75.8	8.6%	EL	EL	NEL	EL	NEL	NEL			8.6%	3%
Renovation of existing buildings	CCM 7.2 CCA 7.2	10.2	1.2%	EL	EL	NEL	NEL	NEL	NEL			1.2%	3%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	3.2	0.4%	EL	EL	NEL	NEL	NEL	NEL			0.4%	3%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	1.6	0.2%	EL	EL	NEL	NEL	NEL	NEL			0.2%	1%
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	35.9	4.1%	EL	EL	NEL	NEL	NEL	NEL			4.1%	6%
Computer programming, consultancy & related activities	CCA 8.2	5.7	0.7%	NEL	EL	NEL	NEL	NEL	NEL			0.7%	0%
Capex of taxonomy eligible but not taxonomy aligned activities (A.2.)	N/A	172.4	19.6%	18.4%	0.7%	0%	0.5%	0%	0%			19.6%	19%
TOTAL A (A.1. + A.2.)	N/A	222.5	25.3%	24.1%	0.7%	0%	0.5%	0%	0%			25.3%	24.4%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES													
Capex of taxonomy non eligible activities (B)	N/A	658.5	74.7%										
TOTAL A + B	N/A	881.1	100%										

Operating expenditures (OpEx)

The operating expenditure can be reconciled in the income statement of the FY24 consolidated financial statements.

Economic activities	Codes	Absolute Opex EUR millions	Proportion of Opex %	Substantial contribution criteria						DNSH criteria						Taxonomy-aligned proportion of Opex year N	Taxonomy-aligned proportion of Opex year N-1	Category (enabling) E	Category (transitional) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N				
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Taxonomy aligned																			
Opex of taxonomy aligned activities (A.1.)		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	0%	0%	
Incl. enabling		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	0%	0%	E
Incl. transitional		0	0%							N/A	N/A	N/A	N/A	N/A	N/A	Y	0%	0%	T
A.2. Taxonomy eligible but not taxonomy aligned activities																			
Opex of taxonomy eligible but not taxonomy aligned activities (A.2.)	N/A	0	0%														0%	0%	
TOTAL A (A.1. + A.2.)	N/A	0	0%														0%	0%	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of taxonomy non eligible activities (B)	N/A	8,484	100%																
TOTAL A + B	N/A	8,484	100%																

NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES (CLIMATE DELEGATED ACT 2022/1214, APPENDIX XII)

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
Row	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

3.8 Cross reference tables

3.8.1 United Nations (UN) Sustainable Development Goals (SDGs) table

Reference table for the UN SDGs

The Group has been a member of the Global Compact since 2003. It is actively working with others to develop initiatives that fully align with the business's commitment to sustainability.

Priority SGDs	Other SDGs impacted by Pernod Ricard	SDG targets to which Pernod Ricard contributes	Section 3 subsection	Pages
 	 		Environmental Sustainability	
		12.2; 13.1; 15.1; 7.2; 7.3; 12.4; 13.1	Mitigating and adapting to climate change	3.4.1
 		15.1; 15.5	Pernod Ricard's agricultural footprint	3.4.2.1
				3.4.2.2
		7.3; 12.2; 12.4; 12.8; 13.1; 15.1	Sourcing sustainably ingredients	3.4.2.3
		15.1; 15.6	Regenerative agriculture & biodiversity programmes	3.4.2.4
		6.1; 6.3; 6.4; 12.4; 12.5; 14.1	Preserving water resources	3.4.3.1
		12.2; 12.4; 12.5; 12.8; 14.1	Circularity: limiting and eliminating waste	3.4.3.2
		12.2; 12.5	Environmental management systems	3.4.3.3
 	 		Social Sustainability	
		4.7; 5.1; 5.5; 10.3	Diversity & Inclusion	3.5.1.1
 	 	3.2; 4.3; 4.4; 5.1; 5.2; 5.5; 8.5; 8.8; 10.3; 12.6; 12.8	Supporting our employees to grow	3.5.1.2
		3.6; 3.8; 3.9; 8.8; 10.3	Health, safety & wellbeing	3.5.1.3
		8.7; 8.8; 10.2	Human Rights	3.5.1.5
	 	4.4; 4.7; 12.2; 12.6; 12.8; 16.2	Procuring Responsibly	3.5.2.1
			Supporting farmer communities	3.5.2.2
		3.4; 3.5; 3.6; 12.8; 17.14	Responsible drinking initiatives	3.5.3.4
			Educating employees on alcohol and responsible drinking	3.5.1.4
			Consumer information	3.5.3.1
		3.4; 3.5; 12.8	Responsible marketing and sales	3.5.3.2
			Responsible Drinking Brand Campaigns	3.5.3.3
			Consumer experience	3.5.3.5
			Governance sustainability	
		16.5	Prevention of corruption and anti-competitive practices	3.6.2.1
		16.5	Responsible lobbying	3.6.2.1
		16.5	Personal data protection	3.6.2.3
		16.5	Tax policy	3.7.2
		16.5	EU Taxonomy	3.7.3

3.8.2 Task-Force on Climate related Financial Disclosures (TCFD) reporting recommendation alignment table

This table shows how Pernod Ricard has reported in accordance with the TCFD's recommendations and where the Group still needs to improve. The table's arrangement corresponds to the sequence in which the Group reports on each of the TCFD's recommendations.

TCFD recommendation	Alignment	Cross-reference
GOVERNANCE		
a) Describe the board's oversight of climate-related risks and opportunities	Yes	3.4.1.2.1
b) Describe management's role in assessing and managing climate-related risks and opportunities	Yes	3.4.1.2.1 3.4.1.3.1
RISK MANAGEMENT		
a) Describe the organisation's processes for identifying and assessing climate-related risks	Yes	3.4.1.2.1 & 3.4.1.3.1
b) Describe the organisation's processes for managing climate-related risks	Yes	3.4.1.3.1
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Yes	3.4.1.3.1
STRATEGY		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Yes	3.4.1.4.2
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	A scenario analysis was initiated to evaluate the impact of climate change on 4 key material risks and 1 opportunity. Further analysis is needed to quantify the impacts on the organisation's businesses, strategy, and financial planning. Other risks and opportunities identified as potentially relevant and material will be further assessed during the next stages of this exercise's TCFD analysis.	3.4.1.4.3
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pernod Ricard initiated a set of actions to foster its resilience in the light of the identified risks and opportunities and pursues its adaptation efforts	3.4.1.5.1 & 3.4.1.5.2
METRICS AND TARGETS		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Yes	3.4.1.5.3
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Yes (including Scope 3)	3.4.1.6
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Yes. More targets will be defined in the coming years.	3.4.1.5.3

3.8.3 Appendix tables on carbon footprint

Summary table

Greenhouse gas emissions based on most recent available data and emission factors, methodologies and perimeters. Subject to resubmission to the SBTi once the significance threshold of 5% evolution compared to the data validated by the SBTi is reached.

GHG emissions	Unit	FY22	FY23	FY24
NON-FLAG EMISSIONS (absolute)				
Non-FLAG Scope 1 GHG emissions *		294,759	255,203	211,397
Non-FLAG Scope 2 indirect GHG emissions (Market-based) *		36,297	38,469	21,731
Non-FLAG Scope 2 indirect GHG emissions (Location-based) *		77,771	82,100	76,232
Non-FLAG Scope 1 + Scope 2 GHG emissions (Market-based) *	tCO ₂ e	331,056	293,672	233,128
Non-FLAG Scope 3 GHG emissions**		3,170,430	3,065,012	2,745,277
Non-FLAG Scope 1 + 2 + 3 Total GHG emissions**		3,501,486	3,358,684	2,978,405
FLAG EMISSIONS (absolute)				
FLAG Scope 1 emissions		4,739	3,756	3,933
FLAG Scope 3 Emissions	tCO ₂ e	1,531,282	1,556,003	1,371,554
FLAG Total GHG emissions (Scopes 1 and 3)		1,536,021	1,559,760	1,375,488
INTENSITY METRICS				
Non FLAG Total Scope 1 and 2 GHG emissions intensity	tCO ₂ e/kLAA	1.15	0.98	0.88
Total Scope 3 GHG emissions intensity	tCO ₂ e/€m	1,555	1,380	1,321

* Non-FLAG Scope 1, 2 includes industrial sites; offices and Vineyards.

** POS excluded.

Green financing data - Scopes 1 & 2

Greenhouse gas emissions for Scope 1 & 2 as defined in Pernod Ricard's sustainability linked financing framework.

GHG emissions	Unit	FY18	FY23	FY24
Scope 1, industrial GHG emissions *		250,542	233,503	192,819
Scope 2, industrial GHG emissions (Market-based) *	tCO ₂ e	47,429	30,842	15,208
Total Scopes 1 + 2 indirect GHG emissions (Market-based) *		297,971	264,345	208,027

* As defined in SLB frameworks, scopes 1 and 2 only includes industrial sites.

3.9 Methodology & third-party verification

3.9.1 Methodology note on non-financial reporting

3.9.1.1 Period & scope of reporting

Social, environmental, and societal data is reported annually. It relates to the period from 1 July 2023 to 30 June 2024.

Regarding the mandatory themes set out in Article L225-102-1 of the French Commercial Code related to the Non-Financial Performance Statement (NFPS), prepared in accordance with European Directive 2014/95/EU on the Non Financial Reporting Directive (NFRD):

- **Animal welfare:** Pernod Ricard is committed to not funding, conducting, or commission any animal testing, unless they are explicitly required by law. This engagement is extended to the Group's suppliers.
- **Sport activities:** Pernod Ricard encourages its employees to take part in sports. For example, it offers its employees at the HQ gym classes and subsidises sport activities.
- Regarding Nation and Army link, there are no specific initiatives to report.

Scope of social reporting

The social analysis in this report is based on all Group entities reporting data for their employees for the relevant period. When the Group acquires full ownership of a new entity, its corporate HR data is included in full in the figures during the following fiscal year at the latest. At the end of each fiscal year, the list of entities within the Group's social reporting is compared to the financial reporting list to ensure completeness. In FY24, reporting covered 143 entities with employees during the year.

The scope of consolidation and level of detail for corporate data have changed since FY19. Social data is no longer reported by affiliate but by legal entity. Employees are included in the headcount of the legal entity with which they have an employment contract.

The following entities are inactive in Workday but still existing for historical data review. These entities have no headcount at the end of the fiscal year and have had no employee movements in FY24:

- Lillet SAS - merged with Pernod-Ricard France during FY23.
- The Whisky Exchange - whose structure changed in FY24.

The following entities were updated in FY24:

- Del Maguey - fully owned by Pernod Ricard since FY23 - first year of reporting.
- Pernod Ricard Margarita C.A. - fully owned by Pernod Ricard since FY23 - first year of reporting.
- Pernod Ricard Marketing USA merged with Pernod Ricard USA LLC during FY24.
- Pernod Ricard IP Management merged with Pernod Ricard USA LLC during FY24.
- Absolut Elyx Spirits USA LLC merged with Pernod Ricard USA LLC during FY24.
- Distilled Innovation AB merged with The Absolut Company on June 1st 2024.
- Pernod Ricard Czech Republic has been created on April 1st, 2024 as part of sell of Becherovka brand (Jan Becher).
- Jan Becher - sold in FY24.

- 8degrees - sold in FY24.
- Domaine Jean Martell - All employees have been transferred to Martell on 01/10/2023.
- Le Maine au Bois - All employees have been transferred to Martell on 01/10/2023.
- Pernod Ricard Namibia - closed during the FY24.
- Pernod Ricard Asia Duty Free Ltd - Service Team - phase out as part of organisation evolution - empty January 2024.
- Seagram China - phase out as part of organisation evolution - empty February 2024.
- DrinksAndCo Marketplace S.L.U. - closed during the FY24.
- Pernod Ricard Lanka - closed during the FY24.
- ABV Global - first year of reporting as part of the structure change for The Whisky Exchange.
- SDL - first year of reporting as part of the structure change for The Whisky Exchange.
- The Whisky Experience - first year of reporting as part of the structure change for The Whisky Exchange.
- Whisky Auction - first year of reporting as part of the structure change for The Whisky Exchange.

In FY24 the Pernod Ricard Group changed its global governance structure. Company hierarchy was impacted to reflect this new setup:

- The former EMEA-LATAM and ASIA-PACIFIC regions were removed to enable a closer relationship with a set of 10 Management entities (ME) for Market Companies: Pernod Ricard Latin America, Pernod Ricard Northern Europe, Pernod Ricard Southern Europe, Pernod Ricard Central & Eastern Europe, Pernod Ricard China, Pernod Ricard India, Pernod Ricard Asia Pacific, Pernod Ricard Africa & Middle East, Pernod Ricard Global Travel Retail. Legal entities were reassigned from former organization to the new one. Pernod-Ricard North America remains a separate Management Entity at the same level as the 9 new ones listed above.
- Group wines business includes the affiliates Bodegas Tarsus and Pernod Ricard Winemakers Spain, based in Spain, and Pernod Ricard Winemakers Kenwood and Pernod Ricard Winemakers Mumm Napa, based in the United States. A distinction is made between Brand Companies and Market Companies for Australia and New Zealand resulting in two entities for each country. Local market companies are now integrated into the Management Entity Pernod Ricard Asia Pacific.
- No changes were performed on company hierarchy for Brand Companies except for the creation of The Absolut Group (TAG), which expands previous scope of The Absolut Company to the entities for Gin brands in the Pernod-Ricard Group (The Kyoto Distillery and Black Forest Distillers)

The social reporting indicators are selected to provide the Group with a reliable and accurate picture of its global footprint. The data collected enables Pernod Ricard to be increasingly socially responsible in respect of its employees worldwide.

Scope of societal reporting

For Responsible Procurement related information, the scope covers the Packaging (Dry goods), Raw Material (Wet goods), and Point of sale material purchasing categories. Are excluded from this analysis: A&P (Advertising & Promotions), IT, Business Services, Travel, Co-packing and Manufacturing (incl. Logistics).

This perimeter also focuses only on 37 Pernod Ricard entities which are: Chivas, Corby, Global Travel Retail (Asia, Dom Rep, US), Havana Club, Irish Distillers, Jan Becher, MMPJ, PR Argentina, PR Brasil, PR China, PR Deutschland, PR Espana, PR Finland, PR France, PR Hellas & Kam, PR HQ (preferred suppliers), PR India, PR Italia, PR Japan, PR Korea, PR Mexico, PR Portugal, PR South Africa, PR Turkey, PR UK, PR NA (USA, Hiram Walker & Sons, Ungava Spirits), PRW Australia, PRW New Zealand, PRW China (Helan Mountain), PRW Spain, PRW USA, TAC, Wyborowa, Yerevan Brand Company.

The other entities are excluded from this perimeter because they purchase low volumes of the above purchasing categories and do not have the dedicated Procurement resources to manage the spend.

A continuous effort to clean up the supplier database was carried out this year, reducing the number of suppliers. This explains the lower figures this fiscal year, which represent a higher percentage of suppliers in the scope.

Indicators relating to responsible drinking cover all Pernod Ricard affiliates (Brand Companies and Market Companies). When several affiliates are located in the same country, the implementation of the S&R strategy and the associated action plans may be carried out by a single affiliate.

3.9.1.2 Clarification on indicators

Social indicators

Headcount

For headcount repartition, an additional view is implemented in order to see aggregated data by geographical areas (based on default location from company):

- **Europe, Middle East & Africa:** Andorra, Angola, Armenia, Austria, Belarus, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland; France; Germany; Ghana; Greece, Hungary, Ireland, Italy, Kenya, Latvia, Lithuania, Morocco, Mozambique, Namibia, Netherlands, Nigeria, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, United Arab Emirates, United Kingdom.
- **Asia & Pacific:** Australia, Cambodia, China, Hong Kong, India, Indonesia, Japan, Kazakhstan, Korea, Malaysia, New Zealand, Philippines, Republic of Union of Myanmar, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam.
- **Americas** (included LATAM): Argentina, Brazil, Canada, Chile, Colombia, Cuba, Dominican Republic, Mexico, Peru, United States of America, Uruguay, Venezuela.

Average headcount is calculated in terms of full-time equivalents, without taking account of short-term employee absences. Long-term absences involving contract suspensions are reflected in the calculation of the FTE.

Since FY19, employees are included in the headcount of the legal entity with which they have an employment contract. Expatriates and seconded employees are included in the headcount of their host affiliates.

Pernod Ricard China employees are accounted for as staff on permanent contracts. Chinese employment contracts have a statutory term and are only converted into permanent contracts

Scope of environmental reporting

Pernod Ricard's environmental reporting relates to industrial sites and vineyards under the Group's operational control on 30 June in the financial year in question and operational throughout the year. It does not cover logistics warehouses outside industrial sites (only involves a few isolated warehouses). Offices' (administrative sites - head offices or sales offices) environmental impact reported here relates to their energy consumption and use of renewable electricity only. The integration of new sites in the environmental reporting perimeter (acquisitions or commissioning of new sites) starts only after one full fiscal year of activity.

The FY24 reporting covers 94 industrial sites, comprising 2 new sites and 2 sites removed since FY23. The industrial scope for this financial year therefore covers:

- a production volume of 1,002 million litres (finished products either bottled or in bulk), compared with 1,117 million in FY23; and
- a volume of distilled alcohol of 265 million litres in FY24, compared with 298 million litres in FY23.

This year, due to unavailable data, GHG emissions linked to indirect procurement have been estimated based on FY23 data, corrected using the percentage of evolution of the global turnover of the group.

after a number of years. However, given the specific characteristics of employment legislation in China, Pernod Ricard considers its employees to be permanent staff. Due to the characteristics of local labour laws, the same rule applies to Pernod Ricard Minsk employees, as the concept of fixed-term contract does not exist in Belarus.

Work-study contracts (apprenticeship contracts and training contracts) are not counted as fixed-term contracts. This also applies to work placement students, temporary workers and VIE programme volunteers.

Headcount and FTE calculations consider employees leaving the Group on the last day of the fiscal year as active. The related termination events are then included in the next fiscal year to calculate departure rates & turnover.

The definition for the "Top Management" classification refers to employees from COMEX to Band C job levels.

The definition of "Middle Management" classification as part of the gender representation figures was added in FY24 and reflects solely employees with Band D job levels.

FTE: calculation methodology

The updated method incorporates finer calculations to ensure greater accuracy in determining FTE numbers. Now the FTE formula accounts for the total worked calendar days calculated for each month of the fiscal year:

$$\text{FTE calculated} = \left[\frac{\text{Total worked calendar days in the selected Month}}{\text{Total calendar days in the selected Month}} \right] * \text{FTE\% of the selected Month} + \dots \text{ (for each Month)} / 12$$

Absenteeism

The absenteeism rate is calculated based on the theoretical number of hours and working days worked per year. Maternity/paternity/parental leaves are included in the absenteeism rate.

Health & Safety

The number of accidents and subsequent calendar days lost are set against the annual full time equivalent for both permanent employees & temporary workers.

Additionally, and in line with the Group H&S policy, newly acquired companies are only included in their second full fiscal year for:

- frequency/severity rates for workplace accidents;
- number with lost time; and
- number of fatalities.

Commuting accidents are not included in accident numbers. They are thus not used to calculate frequency and severity rates.

Doubtful cases of lost-time accidents are requested to be reported by each affiliate and are reviewed quarterly by a H&S Committee composed of HQ H&S Director and manager, Brand Co H&S managers and Market Co H&S coordinators requesting that a case be reviewed. Exclusion of doubtful cases can be decided when the work-relatedness is excluded and based on the H&S reporting protocol rules.

The calculation method of Accident Frequency Rate is based on the number of permanent and temporary employees declared by all affiliates and these data are externally certified on time per year. It's a way to insure that Pernod Ricard's Accident Frequency Rate cover 100% of the employees concerned.

Training

Training hours rules have been harmonised:

- when available, actual hours will be used;
- when the hours are not available/tracked (e.g., for some e-learning) 1hr will be used by default.

For the training salaries costs, the required hourly rate is calculated as following: [Total theoretical gross salary including employer's social contributions for the concerned employee] divided by [Theoretical number of worked days per year per employee] divided by [Theoretical number of worked hours per day for employee].

For future-fit training, the definition of relevant items was reviewed to better identify learning actions designed to equip employees with the skills, knowledge, and capabilities needed to thrive in the future workplace and prepare them for anticipated changes in technology, business practices, and job requirements. This broader description led to a significant increase in the total number of employees concerned. Corresponding data for the fiscal year 2024 recover employees who attended at least 1 future-fit training during the last twelve Months.

Gender: breakdown criteria

When available, indicators based on gender will focus on the values "Female" and "Male" only, based on information provided by local affiliates. For employees registered as "Other" or "Not declared" (0.001% of global workforce), corresponding figures will be aggregated to the "Female" values until technical and governance framework is reviewed as part of future D&I initiatives within the group.

Turnover

Turnover refers to the rate at which employees leave an organization over a specified period.

It is calculated by dividing the total count of departures by the average Full-Time Equivalent (FTE) over the fiscal year.

In mathematical terms, if 'D' represents the total number of departures and 'FTE' represents the average Full-Time Equivalent over the year, the turnover can be represented as:

$$\text{Turnover} = \text{FTE}/\text{D}$$

For FTE calculation methodology, please refer to the dedicated section. For the count of departures, all types of departures leading to the end of the employment contract during the reference period are taken into account.

This calculation provides a ratio that represents the proportion of employees who have left the organization in relation to the average number of employees (FTE) over the year. A higher turnover rate may indicate a higher level of employee dissatisfaction, while a lower rate may suggest a more stable workforce. It's an important metric for understanding the health and stability of an organization.

Societal indicators

Responsible Procurement

Regarding Responsible Procurement information, the global data are extracted from Partner Up tool. As part of the launch of Partner Up in 2020, a spend threshold have been implemented for all Pernod Ricard entities (€75,000 annual spend). Some suppliers are excluded from Partner Up platform because the tool is not fully deployed or cannot be deployed in these countries: China, Brazil (for Brazil, only non-Brazilian third parties are created on Partner Up), Russia, Ukraine, Belarus, Kazakhstan, and Cuba (where only suppliers outside of Cuba are entered in Partner Up). In this case, the list of suppliers is reported manually to Pernod Ricard Headquarters via and Excel sheet report.

Regarding the calculated indicators: only active suppliers are considered (active supplier: doing business with Pernod Ricard for the last two years; beyond two years and without any activity, the supplier is considered inactive):

1. having signed the Supplier Standards: number of active suppliers who have signed the Supplier Standards (using Partner Up or outside Partner Up);
2. analysed using the Risk Mapping tool: number of active suppliers who have been analysed by the Risk Mapping Tool (using Partner Up or outside Partner Up);
3. identified as risky (high or medium risk): number of active suppliers identified with high or medium risk (results of the Risk Mapping Tool);
4. identified as risky and covered by an EcoVadis assessment: number of active suppliers, identified as risky (high or medium) and evaluated by EcoVadis (valid evaluation, expired evaluation excluded);

5. identified as risky with production sites covered by an audit following social, environmental and ethical standards: number of active suppliers, identified as risky (high or medium) and audited following social and ethical audit standards (valid evaluation, expired evaluation excluded);
6. identified as risky following an external assessment/audit (Ecovadis, SMETA) but who did not start to implement the required mitigation plan: number of active suppliers, identified as risky, following an external assessment/audit (Ecovadis, SMETA) who require to start a mitigation plan (a plan to correct the non-conformities).

For the two last indicators, the methodology has been updated. In January 2022, the Group stopped its membership of the AIM Progress initiative.

Digital Labels

The KPIs related to the digital labels have been calculated excluding 2 markets:

- India: the implementation of digital labels in India will take longer than in other markets, as it is linked to a long and complex process of state-by-state regulatory validation of labels. In FY24, this represented around 33% of total labels.
- China: the digital labels were ready to be deployed in China, but a new draft of local regulations required the project had to be put on hold, in order to understand the implications of new regulations on the Pernod Ricard digital labels. In FY24, this represented around 7% of total labels.

Bar World Of Tomorrow

The number of bartenders and bar owners trained to the Bar World of Tomorrow (BWOT) correspond to the total consolidated number of training sessions completed, since the official launch in 2020.

Environmental indicators

Production indicators

The Group footprint on agricultural land is assessed by the areas on which purchased agricultural raw materials are used. These equivalent areas are estimated on the basis of the agricultural yields of the various materials used by the Group⁽⁴⁴⁾. For transformed products, industrial yields are also used to assess the quantity of agricultural materials purchased.

In FY24, regenerative agriculture and biodiversity programs have been accounted based on direct affiliates as defined in FY23 and previous fiscal years, to ensure continuity and comparability of performance over the years.

The number of farmers empowered, trained or supported are accounted taking into consideration the total number throughout the years, not referring exclusively to FY24.

The ratio of key raw materials covered by sustainable certifications is calculated based on the annual spent.

Site environmental performance is expressed using various ratios. These depend on the business category used by the Group to classify sites:

- distilleries: data broken down by volumes of pure distilled alcohol;
- bottling sites: data broken down by volumes of bottled finished products;
- wineries: data broken down by volumes made into wine;
- vineyards: data broken down by surface area cultivated with vines.

At Group level, consolidated performance is expressed based either on:

- the amount of distilled alcohol for environmental impact primarily due to distillation (e.g., water or energy consumption), expressed in units per thousand litres of pure distilled alcohol (kl PA);
- the bottled volume or the volume of finished products manufactured (including products delivered in bulk) when bottling or production is the main source of impact (such as in the case of solid waste), expressed in units per thousand litres (kl);
- the number of hectares occupied by vineyards for agricultural properties, expressed in units per hectare (ha).

For industrial sites, this distinction is sometimes complex, as some sites have several activities. As such, since the time frames involved in bottling may sometimes differ widely from those for distilling (aged spirits: whiskies, cognac, etc.), these figures may be difficult to interpret from year to year. Both calculation methods are therefore presented for some indicators.

Setting overall Group quantitative targets for the quantity of water or energy consumed per unit produced, for example, becomes complex as the consolidation of targets depends on the business mix during the year and the consolidated indicator chosen. For that reason, the performance captured by indicators should be used with care and interpreted over the long-term.

Water indicators

The Water Risk Assessment is done using the Aqueduct Water Risk Atlas, a tool developed by the World Resources Institute (WRI). The Internal Water Risk Index (IWRI) is calculated based on the blended rating from three Aqueduct indicators:

- overall Water Risk;
- baseline Water Stress;
- 2030 projected Water Stress – projected using a “Business as Usual” scenario.

Four water risk levels are defined as a result of “Internal Water Risk Index” analysis:

- extremely high-risk, sites with an IWRI of over 4;
- high-risk, sites with an IWRI between 3 and 4;
- medium-risk, sites with an IWRI between 2 and 3;
- low-risk, sites with an IWRI under 2.

Sites from the top two risk levels (i.e., IWRI of 3 or higher) are required to replenish their water consumption through water projects. Dedicated co-packers only include bottling process activities with at least 90% of production volume relating to Pernod Ricard. The water quantities replenished through projects in place are consolidated at country-level and for watersheds with the same level of risk.

Energy indicators

The definitions for “renewable energy consumption” and “renewable electricity consumption” were reviewed following the FY19 publication to be aligned with RE100 requirements. Since FY20:

- total renewable electricity consumption is calculated using the portion covered by green or renewable energy certificates plus renewable electricity produced and used on site;
- total renewable energy consumption is calculated using total renewable electricity consumption plus other renewable energy used on site (biogas, biofuel, etc.).

⁽⁴⁴⁾ Except for the agave footprint which is based on accurate land coverage.

Carbon indicators

Scopes 1&2

Scopes 1 and 2 GHG emissions include all Pernod Ricard production sites, offices and vineyards entitled to the environmental reporting during the current fiscal year (see subsection 3.9.1 "Methodology note on non-financial reporting").

It excludes:

- emissions from refrigerants: the Group has been working on the complete elimination of CFCs and HCFCs, last assessment confirmed they are not significant (<1%),
- nitrogen and sulphur oxide emissions (NOx and SOx) from fossil fuel combustion. These emissions are low in the alcoholic beverages sector relatively to global emissions.

For Scopes 1 and 2 GHG emissions, both location-based and market-based energy emissions are calculated. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs; the market-based method reflects emissions from electricity that companies have purposefully chosen, and derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

Scope 3

Scope 3 GHG emissions cover all Pernod Ricard affiliates with manufacturing activities and market companies.

It includes, as upstream emissions:

- purchased goods and services: all packaging and agricultural-related purchased goods (including purchased alcohol), all purchased services.
- capital goods, assessed based on CapEx;
- fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2);
- upstream transportation and distribution, which includes transportation of supplied glass packaging & agricultural goods, transportation of finished goods from the manufacturing sites to market companies, downstream transportation from market companies (finished goods from warehouse to first paying customers);
- use phase of sold product;
- investments made in other companies;
- waste generated in operations;
- business travel;
- employee commuting;

It includes, as downstream emissions:

- downstream transportation and distribution, including storage in retailers warehouses and emission linked to the customer's ride from their home to the retailers;
- end of life treatment of sold products.

The following categories and sources of emissions are not applicable to Pernod Ricard:

- processing of sold products: this category does not apply to Pernod Ricard as the Company does not sell intermediate products to downstream customers for processing;
- downstream leased assets: Pernod Ricard does not have any leased asset;
- franchises: Pernod Ricard does not operate any franchise.

Regarding the Scope 3, the Group is improving year on year the precision of emission factors used to calculate Scope 3 emissions from purchased goods, going from generic to supplier-specific ones. Such specific accounting methodology will allow Pernod Ricard to track much more precisely all the efforts deployed by the Group and its suppliers to reach its Net Zero target. Thanks to intensive supplier data collection over the last two years, the Group is able to assess its Scope 3 emissions with supplier specific emissions factors, covering 66% of Scope 3 emissions for FY24.

Additionally, SBTi guidelines recommend not to change the emission factors or methodology that were validated during the SBTi submission process. To be able to comply with these recommendations while disclosing the best data available to date, Pernod Ricard discloses two scope 3 carbon footprint based on two distinct emission factors databases:

- Scope 3 GHG emissions for FY22, FY23 and FY24 - based on emission factors and methodologies validated by the SBTi (see section 3.4.1.6 Overview of Pernod Ricard's carbon footprint);
- Scope 3 GHG emissions for FY22, FY23 and FY24 - based on more up to date emission factors and methodologies (see appendix 3.8.3).

Once a 5% significance threshold is reached, the most up-to-date emission factors and methodologies will be submitted to the SBTi for approval.

Packaging indicators

Packaging indicators are calculated based on total tonnage purchased during the fiscal year. All affiliates are in scope.

The share of recycled content in the glass bottles or in the PET bottles is considering only post-consumer recycling (PCR).

The share of recyclable, compostable or reusable packaging is calculated based on the following definitions :

- **recyclable packaging:** is considered recyclable a full packaging when its main material represents more than 95% of total packaging weight and is recyclable (post-consumer collection, sorting and recycling is proven to work globally in practice and at scale - glass, cardboard, aluminium cans, PET bottles) and its other materials are not hindering the recycling in this stream;
- **reusable packaging:** packaging designed to be reused for the same purpose in a closed loop system. Can be reused in business-to-business or business-to-consumer applications;
- **compostable packaging:** Entire packaging is compostable if it is proven to be in compliance with international standards such as EN 13 432 for industrial and home compost and is effectively collected and sorted to be composted.

The reduction in weight of virgin plastic used is calculated in total tonnage of virgin plastic used in the packaging containers and associated caps (excluding plastic caps and closures used on glass bottles or POS material).

EU taxonomy indicators

This reporting exercise has been led jointly by the Finance and Sustainability teams at the Group and divisional levels, mobilising Sustainability, Finance, Engineering, Operations and Procurement teams. The main interpretations used to roll out this regulation are mentioned in the following section. Pernod Ricard has ensured that there is no double counting in the calculation of turnover, CapEx and OpEx KPIs across activities as directly allocable turnover, CapEx and OpEx are considered.

Turnover

The Group's revenue is mainly generated from the manufacture of beverages, an economic activity not covered by the existing Green Taxonomy regulation. As a result, most of Pernod Ricard's revenue is not eligible to the Green Taxonomy.

However, following a detailed analysis, it has been identified that a small share of the revenue is linked to the ticketing activity for its brand homes. The revenues generated by this activity are excluded from the reporting of Taxonomy-eligibility as they represent less than 1% of the FY24 consolidated turnover and are therefore deemed non-material.

As long as beverage production is not covered by the Taxonomy, Pernod Ricard's turnover will not be eligible to the Taxonomy.

Capital expenditures (CapEx)

Non IFRS16 CapEx

Eligibility

The eligibility assessment of non IFRS16 CapEx is based on a detailed review and eligibility analysis of Pernod-Ricard's total non IFRS16 CapEx budget. The analysis was conducted in order to associate each relevant non IFRS16 CapEx project with appropriate activities covered by the Taxonomy on a project per project basis, thus avoiding double counting, for a total of 14 activities identified with eligible non IFRS16 CapEx. In the case of activities related to construction or acquisition of buildings (7.1 and 7.7), Pernod Ricard warehouses CapEx have been deemed not eligible to activities listed in the regulation for objectives 1 and 2 as alignment criteria for real estate activities are not applicable to these investments.

Alignment

Based on the eligibility assessment conducted on Pernod Ricard's total non IFRS16 CapEx budget, the 4 most contributing affiliates were selected for alignment investigation, on 9 of the 14 activities previously identified, covering 76.3% of all eligible non IFRS16 CapEx identified. Additionally, activities associated with HQ coordinated projects, namely 4.25 – production of heat/cool from waste heat and 8.2 -Computer programming, consultancy and related activities, were assessed for eligibility beyond the scope of the 4 selected affiliates, thanks to their centralized nature. Subsequently, activities 4.9, 5.7 and 7.2 were not investigated for alignment given the level of detail required by the associated substantial contribution and DNSH criteria was considered too ambitious for this exercise, with regards to the marginal CapEx amount associated. No results were extrapolated to business units or projects that were not the subject of a detailed analysis. All applicable substantial contribution and DNSH criteria were assessed during the alignment investigation.

IFRS16 CapEx (leased buildings and vehicles)

Eligibility

All IFRS16 expenses for FY24 related to long-term vehicles and building leased (new or renewed leases over the exercise) were considered eligible to the European Taxonomy, given the nature of leased assets, fulfilling applicable activities descriptions (6.5 and 7.7).

Alignment

Vehicles

For IFRS16 CapEx related to long-term vehicle rental, alignment analysis of the Group's leased vehicles fleet was performed on a selection of Pernod Ricard's 22 most contributing affiliates in FY24, for with 62% coverage of the Group's total newly leased vehicles expenses over the fiscal year. No results were extrapolated to business units or projects that were not the subject of a detailed analysis. When information was unavailable, related assets were deemed not aligned. An estimation has been carried out to obtain the total amount of IFRS 16 Capex aligned by affiliate. Namely, the proportion of aligned assets per affiliates was applied to the affiliate's related IFRS16 CapEx value over the exercise. As a result, figures reported are likely to minimize the amount of aligned CapEx. All applicable substantial contribution and DNSH criteria were assessed during the alignment investigation.

Buildings

For IFRS16 CapEx related to long-term building rental, alignment analysis of the Group's leased building stock was performed on a selection of Pernod Ricard's 2 of the most contributing affiliates in FY24, with a 45% coverage of the Group's total newly leased building expenses over the fiscal year. No results were extrapolated to business units or projects that were not the subject of a detailed analysis. When information was unavailable, related assets were deemed not aligned. As a result, figures reported are likely to minimize the amount of aligned CapEx. All applicable substantial contribution and DNSH criteria were assessed during the alignment investigation.

Operating expenditures (OpEx)

Article 8 of the Taxonomy Regulation states that where the OpEx is non-material for the business model of the company, it shall be exempted from the calculation of the numerator of OpEx KPI and disclose that numerator as being equal to zero. The calculation of the OpEx as defined by the Taxonomy has been based on the identification and calculation of R&D, short-term rentals and maintenance and repairs expenses, including R&D workforce costs. Upon this review, OpEx (as defined by the regulation) are deemed non-material as they represent less than 5% of Pernod-Ricard total OpEx. Therefore, the company is exempted from the calculation of the numerator and its OpEx KPI equals 0.

Additionally, in accordance with the Climate delegated act 2022/1214, no activities related to nuclear energy or fossil gas have been identified within Pernod Ricard's operations, as detailed in the dedicated regulatory table.

3.9.1.3 Data collection, consolidation and monitoring

Data collection methods

To ensure the standardisation and reliability of results, non-financial indicators are formalised in reporting procedures. This includes specific definitions for each indicator, which are passed on to all Managers involved in collecting and consolidating data.

Pernod Ricard constantly seeks to improve the collection and analysis of its data. It accordingly updates its procedures and user guide annually in line with the Group's evolving needs. Improvements are made to ensure compliance with:

- the requirements of the decree implementing article 225 on corporate transparency obligations on social and environmental matters; and
- in accordance with applicable national or international frameworks.

Updates also result from contributions from affiliates when reporting data and auditor feedback. Any changes from the previous year are highlighted.

Since FY23, the global solution "Intelex" is used to register and provide consolidated results for the following indicators:

- frequency/severity rates for workplace accidents;
- number of fatal work accidents;
- number of fatal accidents with lost time;
- number of interim staff non-fatal accidents with lost time;
- number of non-fatal work accidents and associated lost days.

Environmental indicators are collected since FY22 by the same tool.

For EU Green Taxonomy indicators, this reporting exercise has been led jointly by the Finance and Sustainability teams, mobilising affiliates' Sustainability, Finance, Operations and Purchasing

departments. The main interpretations used to roll out this regulation are mentioned in the following section. Pernod Ricard has ensured that there is no double counting in the calculation of turnover, CapEx and OpEx KPIs across activities as directly allocable turnover, CapEx and OpEx are considered.

Methods for consolidating and checking data

Once submitted by entities, data is compiled at management entity level, then at Management Entity or Brand level for submission to the Headquarters. The data is processed and consolidated at each level. Each entity collecting and compiling data is responsible for the indicators reported and certifies the data as well as the checks done.

This control is facilitated by automatic checks within the data entry tool in the consolidation documents sent to the Market Companies or Brand Companies and in the consolidation tool. Amongst other things, these include consistency checks against previous years and between the indicators themselves. For social indicators, at each step the affiliates can explain any variations versus the previous financial year. For variations of 10% or more, a comment is required to facilitate understanding and tracking.

Once all the data have been collected, the Headquarters performs consistency checks to identify any reporting or input errors. When there are significant variations, the Group checks with the affiliates to ensure the data is valid. Finally, the Headquarters consolidates these data.

Regarding the EU Taxonomy, Pernod Ricard has ensured that there is no double counting in the calculation of turnover, CapEx and OpEx KPIs across activities as directly allocable turnover, CapEx and OpEx are considered.

3.9.2 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended June 30th, 2024

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884⁽⁴⁵⁾, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended June 30th, 2024 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group Pernod Ricard's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

⁽⁴⁵⁾ Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code,
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law),
- The fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- the compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes*, "*Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière*", acting as the verification program, and with the international standard ISAE 3000 (revised)⁽⁴⁶⁾.

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of twelve people between June 2024 and September 2024 and took a total of eighteen weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around twenty interviews with the people responsible for preparing the Statement.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgement. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- We verified that the Statement includes a clear and motivated explanation of the reasons for the absence of policies implemented considering one or more of these risks required under Article R.225-105 I of the French Commercial Code,

⁽⁴⁶⁾ ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks⁽⁴⁷⁾, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities⁽⁴⁸⁾,
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement,
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities⁽⁴⁷⁾ and at the entity's headquarters and covers between 20% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

Paris la Défense, September 18th, 2024

KPMG S.A.

Caroline Bruno Diaz
Partner

Fanny Houlliot
ESG Expert

⁽⁴⁷⁾ *Responsible supply chain; Harmful use of alcohol by consumers; Packaging and point of sale material lifecycle management; Sustainable agricultural supply chain*
⁽⁴⁸⁾ *Social indicators: Pernod Ricard SA, Pernod Ricard USA, Pernod Ricard India, Pernod Ricard Espana*
Environmental indicators: Arandas, Nashik Plant, Strathclyde, Åhus Köpmannagatan, Åhus Satellite, Nöbbelöv Distillery, Walkerville

Appendix

Qualitative information (actions and results) considered most important

Measures related to the continuous development of employee skills

Employee health , safety and well-being policy

Programmes to reinforce Responsible Procurement process

Water replenishment in high-water risks basins methodology

Programmes to collect packaging for recycling and reuse

Agricultural regenerative programmes

Terroir risk mapping approach

Key performance indicators and other quantitative results considered most important

Headcount (permanent and temporary), breakdown by age

Average headcount (permanent and temporary contracts)

Share of employees who received at least one training during the fiscal year

Share of women in Top Management

Absenteeism rate

Total departure rate, breakdown by gender

Frequency rate of workplace accidents with lost time

Severity rate of workplace accidents

Number of suppliers having signed the Supplier Standards

Number of suppliers analysed using the risk mapping tool

Number of suppliers identified as risky (high or medium risk)

Share of digital label on Pernod Ricard products informing consumers on product contents, potential health risks, and how to enjoy them responsibly

Share of markets contributing to a local or global responsible drinking initiative

Number of marketing campaigns (by strategic brands) promoting a global responsible drinking initiative for consumers

Total energy consumption

Share of renewable electricity (production sites & offices)

Share of renewable energy (production site & offices)

FLAG & Non-FLAG Scope 1 GHG emissions

Non-FLAG Scope 2 GHG emissions (location-based and market-based)

FLAG & Non-FLAG Scope 3 GHG emissions

Breakdown of packaging weight (glass & cardboard)

Share of post-consumer recycled content for glass bottles

Share of post-consumer recycled content for PET containers

Share of reusable, recyclable, or compostable packaging

Share of cardboard certified to standards ensuring sustainable forest management

Share of reusable, recyclable, or compostable point of sale material

Total volume of water consumed (all production sites and distilleries)

Water consumption intensity (all production sites and distilleries)

Total volume of water abstracted

Total volume of wastewater discharged

Total quantity of waste (non-hazardous & hazardous)

Total quantity of recycled waste (non-hazardous)

Total non-hazardous waste incinerated

Total non-hazardous waste landfilled

Production volumes (distilled alcohol solely)

Breakdown of key agricultural raw materials in tonnes

Share of key raw materials produced or sourced in line with selected sustainability standards

4

Risk management

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4.1 Internal control and risk management

Internal control and risk management are an integral part of the Group's corporate governance, based on the general principles of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) reference framework for risk management and internal control systems.

4.1.1 Definition of internal control

The aim of the Group's internal control policies and procedures is to ensure that:

- management, transactions and personal conduct are in line with Group guidelines. These guidelines are set out by the Group's governing bodies and General Management based on applicable laws and regulations, as well as on the values, standards and internal rules in place within Group companies;
- the accounting, financial and management information provided to the Group's governing bodies accurately reflect the performance and financial position of Group companies;

- the Group's assets are protected; and
- operational and control duties are segregated.

One of the objectives of the internal control systems is to prevent and manage all risks arising from the Group's business activities, in particular accounting and financial risks, including error and fraud, as well as operational, strategic and compliance risks. However, like all control systems, they cannot offer an absolute guarantee that such risks have been fully eliminated.

4.1.2 Description of the internal control environment

4.1.2.1 Components of the internal control system

The principal bodies responsible for internal control are as follows:

At Group level

- The **Executive Committee** is the permanent body in charge of coordinating and managing the Group, in cooperation with the Chairman & CEO whom it assists with his duties and responsibilities. The Executive Committee sets the Group's strategic objectives in line with the priorities decided by the Board of Directors, coordinates their implementation and steers the Group's overall performance. Its members are global heads of the Group's corporate functions, operational divisions and geographic regions.
- The **Internal Audit** Department is headed by the Group Chairman & CEO and reports to the Executive Committee and the Audit Committee. The internal audit team based at headquarters is in charge of putting in place internal control rules, managing risks and executing the audit plan. The internal control unit is responsible for communicating information related to control activities within the Group. It monitors the internal control system on a continuous basis and regularly ensures that the system is operating effectively. The audit plan is drawn up once the Group's main risks have been identified

and analysed and is validated by the Executive Committee and the Audit Committee. It sets out the various cross-functional issues to be reviewed during the financial year, the list of affiliates to be audited, the main topics to be covered during these audits, and the list of thematic audits. Once the work has been completed, the findings are submitted to the Audit Committee, the Statutory Auditors and the Executive Committee for examination and analysis.

At affiliate level

The **Management Committee** comprises the affiliate's Chairman and Chief Executive Officer and the Heads of its main functions. The Management Committee is responsible for managing the main risks that could affect the affiliate.

The affiliate's **Chief Financial Officer**, assisted in most cases by an internal controller, is tasked by the Managing Director of the affiliate with establishing appropriate internal control systems for the prevention and management of risks arising from the affiliate's operations, in particular accounting and financial risks, including error and fraud.

4.1.2.2 Identification and management of risks

Risk identification and management work in FY 2024 focused on:

- reviewing the Group's risk map, carried out by General Management and the Audit Committee in conjunction with all of Pernod Ricard's corporate functions and affiliates. This annual review takes into account the major changes in the risk environment to which the Pernod Ricard Group is exposed;
- tightening internal control within the Group through various projects, including continued development of data analytics to strengthen auditing methods;
- implementing the self-assessment questionnaire on internal control and risk management. This questionnaire, which was updated during the financial year, complies with the AMF reference framework for risk management and internal control systems, and is supplemented by an application guide; and

- performing audits: 35 affiliates were audited in FY 2024. The purpose of the audits was to ensure that the Group's internal control principles were properly applied by its affiliates. They also enabled a review of the processes in place, best practices and potential areas for improvement on various cross-functional themes.

All of the areas for improvement identified were addressed by specific action plans drawn up by each affiliate and at Group level, which were validated by the Executive Committee and the Audit Committee. Their implementation is regularly monitored and assessed by the Group's Internal Audit Department.

These audits improved the quality of internal control and risk management within the Group.

4.1.2.3 Key components of internal control procedures

The key components of internal control procedures are as follows:

A formal **delegation of authority** procedure sets out the powers of the Chairman & CEO, as well as the powers delegated to members of the Executive Committee.

The **internal control principles** outline the common principles and rules that apply to all of the Group's affiliates with respect to internal control for each of the 16 main operational cycles identified.

The **self-assessment questionnaire** is regularly updated to comply with the AMF reference framework for risk management and internal control systems. In particular, it covers corporate governance practices, operational activities and IT support. Shared with the Group's affiliates, it enables them to assess the adequacy and effectiveness of their internal controls. Responses to the questionnaires are documented and reviewed by the Group's Internal Audit Department. This work is detailed in:

- a summary per affiliate and an overall Group summary, both of which are provided to the Executive Committee and the Audit Committee; and
- a letter of representation from every affiliate to the Chairman & CEO of its parent company and a letter of representation from the various parent companies to the Chairman & CEO of Pernod Ricard. This letter commits the affiliates' management to ensuring that their control procedures adequately address the identified risks.

The **Internal Audit Charter** applies to all employees who have management and audit duties. It defines the standards, tasks, responsibilities, organisation and operation of the Group's Internal Audit Department, in order to ensure that every employee understands the importance of following and continuously improving the internal control process.

The **Pernod Ricard Quality, Safety and Environment Standards** set out the rules to be followed in these areas. The Group's Operations Department is responsible for ensuring their application.

4.1.2.4 Headquarters' legal and operational control over affiliates

Affiliates are mostly wholly owned, either directly or indirectly, by Pernod Ricard.

Pernod Ricard is represented directly or indirectly (through an intermediate affiliate) on its affiliates' Boards of Directors.

The Group's internal control principles set out the various internal control rules applicable to all affiliates.

Controls are performed to ensure that the Group delivers on its commitments, based on three pillars: the strategic plan, the business plan (updated at the beginning of each year in order to set objectives and during the year after each rolling forecast, including financial and non-financial objectives) and performance reporting.

These controls are carried out by management control teams who report to the Finance Departments of headquarters and affiliates. They consist of the following:

- a multi-year strategic plan is established for the Group's main brands, revised every three years;
- this strategic plan is then rolled down into a business plan, which is issued at the beginning of the financial year by headquarters and is sent to all affiliates. The executive summary of the business plan is approved by the Executive Committee and the Board of Directors;
- reporting is prepared on the basis of data input directly by affiliates working to a specific timetable provided at the beginning of the year and in accordance with the reporting manual and the accounting policies published by headquarters;
- a monthly performance analysis is carried out as part of the reporting process and is presented by the Finance Department to the Executive Committee and at Audit Committee and Board of Directors meetings; and
- a common management and consolidation system that allows each affiliate to directly input all its accounting and financial data.

Centralised treasury management is led by the Treasury Unit of the Group's Finance Department.

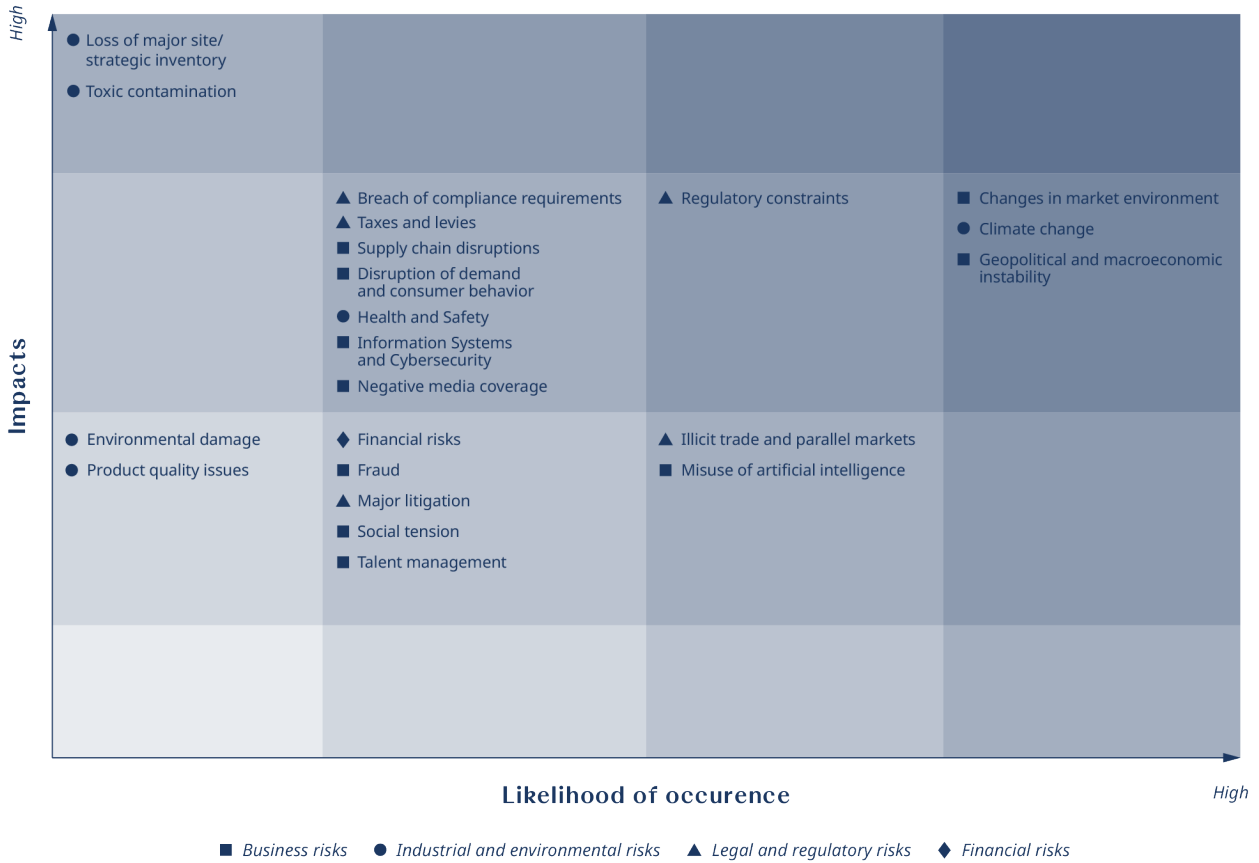
The role assigned to Pernod Ricard, as described in the subsection "Our governance and organisational structure" in Chapter 1 "Presentation of the Group" of this Universal Registration Document, is an important component of the control of affiliates.

4.2 Risk factors

In 2024, the Group carried out an in-depth review of its risk map, a risk management tool, in collaboration with General Management and the Audit Committee, as well as all of Pernod Ricard’s corporate functions and affiliates.

This review enabled the Group to adapt the risks included in its mapping to its current operating context and to take into account any major changes in its risk environment.

This map is reproduced below to provide a visual representation of the issues, but it is not intended to replace the explanatory text that follows. The different risks are classified according to their potential impact and likelihood of occurrence. This risk map reflects Pernod Ricard’s exposure and takes into account the control measures in place to limit likelihood and impact.



RISK HIERARCHY

I. Business risks

- Geopolitical and macroeconomic instability
- Changes in market environment
- Supply chain disruptions
- Information Systems and Cybersecurity
- Disruption of demand and consumer behaviour
- Negative media coverage
- Misuse of artificial intelligence
- Talent management
- Fraud
- Social tension

II. Industrial and environmental risks

- Loss of a major industrial site/strategic inventory
- Toxic contamination
- Climate change
- Health and Safety
- Environmental damage
- Product quality issues

III. Legal and regulatory risks

- Regulatory constraints
- Breach of compliance requirements
- Taxes and levies
- Illicit trade and parallel markets
- Major litigation

IV. Financial risks

- Financial risks:
 - foreign exchange risk;
 - interest rate risk;
 - credit risk;
 - pension funds.
-

Risk factors are presented in a limited number of categories depending on their nature. Within each category, the most important risk factors are presented first.

4.2.1 Description of key risk factors

I. Business risks

1. Geopolitical and macroeconomic instability

RISK IDENTIFICATION AND DESCRIPTION

Due to its international scope, the Pernod Ricard Group is exposed to the risks of geopolitical tensions and macroeconomic instabilities. The acceleration of international tensions observed in recent years may lead to an increase in customs barriers or international sanctions, as was the case in the context of the trade war between the United States and China, on the one hand, and the European Union, on the other hand, as well as the adoption of Western sanctions against Russia following the war in Ukraine.

The current uncertain macroeconomic environment shaped by the return of high inflation may also lead to changes in consumer behaviour.

POTENTIAL IMPACTS ON THE GROUP

These geopolitical and macroeconomic disruptions to the Group's markets could lead to heightened volatility in Pernod Ricard's commercial and financial results. For Russia and Ukraine specifically, these markets represented approximately 3% of the Group's worldwide net sales before the conflict.

Macroeconomic instability and, in particular, potential constraints on consumer purchasing power, may have a negative impact on how often people drink and therefore on the Group's sales.

Ongoing geopolitical tensions could also make it difficult to access certain markets or could result in retaliatory tariffs that would affect Pernod Ricard's exports, as has happened in the past with the United States and China.

These economic crises and trade tensions could weigh on the Group's operating margin.

RISK MANAGEMENT AND MITIGATION

For the Group, the best way to protect itself is to diversify its business, both geographically and by category. It is already present in 75 countries and has a leading brand in each main category of spirits. Pernod Ricard continues to develop new distribution channels (e-commerce, home entertainment) and to explore new consumption opportunities by expanding its range of products to include low-alcohol and even alcohol-free beverages. Accordingly, the Group regularly assesses its routes-to-market and local partners. Pernod Ricard also closely monitors political and regulatory developments to anticipate potential business disruptions as much as possible, and engages in regular dialogue with public authorities to ensure that its business is not undermined by tensions wholly unrelated to the Wine & Spirits industry. In addition, crisis management programmes are in place in all affiliates. Lastly, under certain circumstances, production and logistics infrastructures can be adapted.

2. Changes in market environment

RISK IDENTIFICATION AND DESCRIPTION

Distributor concentration and consolidation, both locally and internationally, have been ongoing for several years. E-commerce is also becoming an increasingly important alternative to traditional distribution channels. This competitive environment affects the Group's ability to increase its prices and may sometimes force Pernod Ricard to envisage more aggressive and frequent promotional campaigns. The Group also faces heightened competition from both major international players with its strategic brands and local groups or producers with its local brands, driven by the increasing success of craft products or products perceived as such, such as vodka in the United States.

Lastly, purchase price inflation (materials, services), which is particularly high in the current environment, is closely monitored by the Group in order to limit the impact on margins.

POTENTIAL IMPACTS ON THE GROUP

Potential risks and impacts include:

- the increased bargaining power of Pernod Ricard's customers leading to margin erosion and/or loss of market share;
- temporary removal of products from shelves and/or removal of promotional materials;
- pressure on Pernod Ricard to align prices across markets within a region;
- more intense competition in mature markets and increasingly competitive emerging markets, requiring the Group to boost its advertising and promotional investments, or even to reduce or freeze prices in order to protect market share, with a negative impact on results;
- damage to the brand image of products due to price reductions; and
- a decrease in margins due to a deterioration in purchasing conditions with the Group's suppliers and/or a limited ability to raise its product prices to reflect higher costs.

RISK MANAGEMENT AND MITIGATION

To mitigate risk, Pernod Ricard earmarks approximately 16% of net sales for advertising and promotion (A&P) expenses to reinforce brand equity and, in turn, improve pricing power. In addition, Pernod Ricard has rolled out several revenue growth management initiatives, such as the development of a promotional effectiveness tool, the analysis of market conditions and pricing structures, and the dedication of resources to pricing management. These initiatives are adopted by the affiliates and coordinated at Group level by headquarters. Particular attention is paid to margin indicators, a key metric monitored by Group management. The Group has implemented the appropriate organisation and initiatives (PR Procure) to ensure satisfactory purchasing conditions for its raw materials while maintaining relationships of mutual trust with its key suppliers.

3. Supply chain disruptions

RISK IDENTIFICATION AND DESCRIPTION

While the global crisis linked to the Covid-19 pandemic demonstrated the resilience of the Pernod Ricard Group's supply chain, it also showed that large-scale, unpredictable events could occur and render access to markets more complex. Other factors also remain relevant, such as the failure of a key supplier, the unavailability of certain raw materials (due to weather conditions, in particular) or the closure or impossibility of access to certain routes, whether sea or land. For example, a trend towards the concentration of suppliers of raw materials and packaging has been observed for a number of years. Today, several of the Group's affiliates work with the same suppliers, which creates risk-charged interdependence should one of them fail (e.g., in the event of a major accident at one of their production sites).

POTENTIAL IMPACTS ON THE GROUP

A disruption to the supply chain could occur due to the unavailability of certain raw or packaging materials, causing production of some of the Group's products to be shut down. Furthermore, the unavailability of certain products on the shelves, for one or more of the reasons mentioned here, could result in penalties being charged to the Group by its customers for non-compliance with the agreed commercial terms and conditions and service rates. Lastly, an unexpected rise in the cost of raw or packaging materials could significantly increase the Group's operating costs. As it is not certain that this increase could be offset by higher prices, the Group's results might be affected.

RISK MANAGEMENT AND MITIGATION

In the context of business continuity and to support the Global Strategy of creating an agile, flexible and sustainable supply chain, a dedicated department, GFO – Global Flow Optimization, is responsible for integrating and executing a centralised strategy that is aligned with the Group's strategic brands, affiliates and global functions, to promote better synergies, support business growth, strengthen continuity plans and deliver value through operational activities. Working closely with all departments – S&OP, Procurement, Manufacturing, Logistics, Tax & Public Affairs and Sustainability – GFO proactively and durably drives the process of identifying opportunities, mitigating risk and ensuring continuous improvement.

4. Information systems and cybersecurity

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard's performance has been fuelled by its digital transformation and the extensive use of information technologies and data.

In the context of rapid adoption of technology, along with an increase in the frequency and sophistication of cyberattacks, companies are facing a greater exposure to risks stemming from unavailability of technological infrastructure or information systems, cybersecurity incidents and industrial control system (ICS) failures. These systems are essential to Pernod Ricard's day-to-day operations, in particular to support the manufacture, warehousing and distribution of products, as well as the processing, transmission and storage of electronic data, both for the Group's operations and financial statements and for communication between Pernod Ricard employees, customers and suppliers.

POTENTIAL IMPACTS ON THE GROUP

The potential impacts of information system outages or of a cyberattack depend on the nature of the issue and may include:

- leakage, loss, theft of personal, strategic or confidential data, and the resulting chain of potential repercussions;
- unauthorised modification or destruction of data;
- system failures or malfunctions; and
- inability to perform day-to-day operations.

Although the Group makes significant investments to maintain and safeguard its IT and industrial control systems, particularly in view of growing cybercrime threats, any malfunction, significant disruption, loss or disclosure of sensitive data could disrupt the normal course of business, and have financial, legal, regulatory, operational or reputational consequences.

RISK MANAGEMENT AND MITIGATION

Pernod Ricard's technologies are managed by a Global technology function, which includes a team specifically dedicated to cybersecurity. This team is committed to proactively managing information systems and cybersecurity risks in order to protect Pernod Ricard's digital assets in IT and industrial control systems environments.

The Cybersecurity team operates on a comprehensive multi-year cybersecurity strategy and a security risk framework designed to reduce the level of exposure to cyber risks and continuously strengthening the maturity of our security posture.

The Group has adopted proactive measures which include the deployment of cybersecurity technologies, regular system audits, attack and simulation testing, security training and awareness activities, security monitoring, and continuous improvement of security practices which are integral to our strategy. They are supplemented by an active incident response and crisis management plan that allows for swift action and transparency in the event of a security breach, minimising potential impact to our organisation.

The Cybersecurity team also reports to an executive committee specifically focused on the security of the Group demonstrating leadership commitment to govern and continually invest in improving our security maturity.

Lastly, the risk is also mitigated through cyber insurance coverage with the standard guarantees. In this way, the Group's risk management policy transfers part of the risk to insurers.

5. Disruption of demand and consumer behaviour

RISK IDENTIFICATION AND DESCRIPTION

Consumer expectations and behaviour are evolving quickly, in terms of preferences regarding product offerings (craft spirits, the low/no alcohol trend), purchasing methods (e-commerce, fast delivery) and brand dialogue and experiences (digital marketing, cross-channel touchpoints, etc.).

Pernod Ricard must adapt its organisation, portfolio, business model and market access routes according to these new trends and must continue to innovate, always placing the consumer at the centre of its decisions and marketing and commercial choices.

POTENTIAL IMPACTS ON THE GROUP

Difficulties in detecting and predicting future consumer behaviour could result in under-investment in categories, products and channels that turn out to be strong or, conversely, over-investment in those that are running out of steam.

Over time, Pernod Ricard could lose market share or miss out on growth opportunities and damage its brand image and/or reputation.

RISK MANAGEMENT AND MITIGATION

To mitigate this risk, Pernod Ricard takes action across its entire organisation:

- the Consumer Insights organisation studies consumer behaviour and societal shifts to anticipate changes in trends. Consumer Insights was strengthened in 2019 by its centralisation and the creation of market representatives as well as by the intensification of social listening resources;
- an innovation centre of excellence has been set up which develops products and services with high added value, both for the Group and for its consumers and users. In addition, an agile TLO (test, learn, optimise) experimentation method has been implemented;
- from a strategic standpoint, business model diversification, market access methods and portfolio management are closely monitored and changes deemed relevant are implemented. For example, the Group is present in the direct-to-consumer sales channel through The Whisky Exchange, a brand combining an online marketplace and brick-and-mortar stores. The creation of Conviviality Ventures in 2017 also enabled indirect investment in new activities that complement those of Pernod Ricard by leveraging the rich and innovative start-up ecosystem; and
- the comprehensive digital transformation of the Group is ongoing. It includes six transformation priorities organised under Key Digital Programs that are focused on continuously improving marketing and sales processes and maximising opportunities to establish partnerships through incubation programmes. These programmes harness the power of data analytics and the latest available technologies such as machine learning algorithms.

6. Negative media coverage

RISK IDENTIFICATION AND DESCRIPTION

The growing resonance of social media, and the reach and influence it gives to information, mean that Pernod Ricard could become the subject of negative media coverage or inappropriate posts or messages. In addition, the Group's size and the nature of its business expose it to the spread of false or misleading information in both traditional and social media, as observed in recent years. The Group cannot rule out the possibility of being affected by this type of event, against which it must continue to protect itself.

POTENTIAL IMPACTS ON THE GROUP

A malicious attack aimed at harming Pernod Ricard's reputation, its brand portfolio or its main affiliates could significantly damage the Group's image and reputation. Widespread negative media coverage could jeopardise consumer confidence in Pernod Ricard brands, resulting in a potential sales decline.

RISK MANAGEMENT AND MITIGATION

The Group has implemented a series of internal and external measures to manage this risk. Internal measures focus primarily on raising the awareness of Pernod Ricard employees on the impact of social media and sharing communications best practices. External measures include monitoring commentary in both traditional and social media and preparing a response accordingly to assert the Group's positions and protect it from smear campaigns.

7. Misuse of artificial intelligence

RISK IDENTIFICATION AND DESCRIPTION

The risk of misuse of artificial intelligence can result from a lack of awareness or insufficient understanding of it, as well as from poor-quality data ingestion. The risks associated with the misuse of artificial intelligence include ethical concerns such as bias and invasion of privacy, security threats such as cyberattacks, and misinformation and disinformation.

POTENTIAL IMPACTS ON THE GROUP

Misuse of artificial intelligence can lead to reputational and legal impacts as well as financial losses. Security breaches can result in data compromise and loss of customer trust. In addition, reliance on artificial intelligence may lead to potential non-compliance with laws and regulations, affecting the stability and overall growth of the business.

RISK MANAGEMENT AND MITIGATION

As a technology that is developing rapidly, artificial intelligence gives rise to a wide range of fast-changing risks and opportunities, requiring new practices to be adopted. Guidelines on the use of artificial intelligence are available to all Pernod Ricard employees, and a broad-based awareness campaign has been launched throughout the Group. In addition, Pernod Ricard has introduced an internal “secure GPT” solution to minimise the risk of data leakage or copyright infringement. The Group has also extended its GreenOps/FinOps tools and methodology to encompass artificial intelligence, to reduce the power consumption of AI and minimise its environmental impact.

8. Talent management⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard’s success depends on the engagement of its employees and its ability to attract and retain them as well as develop their skills, particularly in highly competitive labour markets, such as North America, Asia Pacific, Africa and specific countries, where turnover rates are normally higher than in the rest of the world. This competitive talent market is heightened on occasions by the search for scarce skills (such as in digital professions), changes in the aspirations and motivations of new generations and the recent pandemic impact that has accelerated certain trends. Additionally, career development through international geographic mobility can sometimes be a challenge, particularly due to diversity of career paths, dual careers, cost control, post-Covid impacts, etc.

POTENTIAL IMPACTS ON THE GROUP

The Group is aware that talent management and engagement remain key areas of focus to ensure the sustainability of its activity and the transmission of key know-how within the organisation. Having excessively high turnover or unduly long job vacancies could have a financial impact and demotivate teams. This could potentially slow the implementation of key Group development projects and have an adverse impact on its business, results or reputation.

RISK MANAGEMENT AND MITIGATION

To mitigate risk, the Group has established and embedded worldwide a robust talent management strategic plan, fully leveraging technology and data, with a common language globally to assess performance and manage talent. This, together with a skills development framework and offer, were put in place to grow and develop talent and facilitate dynamic career management and development. Accordingly, shared global processes and tools were developed to allow all affiliates to optimise the assessment of performance and skills, to formalise the identification of talents, to carry out succession planning, to encourage internal mobility and to monitor employee engagement and well-being. Since 2019, a talent management and performance methodology and process (Let’s Talk Talent) powered by a global human capital management system, and a global leadership model with expected behaviours at each level, have been put in place. Additionally, in FY 2024, the Group launched phase 1 of Horizons, Pernod Ricard’s global talent marketplace, leveraging artificial intelligence for providing employees with further visibility on career and development opportunities that match their skills, experience and motivations. Shared across the whole Group, the above-described global Talent & Performance framework puts the employee at the centre of Human Resources processes providing even greater objectivity, consistency and transparency globally when assessing and developing our employees, and using a common language for everyone. Moreover, Pernod Ricard University trains the Group’s future leaders and talents through leadership and functional skills-based development programmes. Succession plans are regularly reviewed by top management and Human Resources, especially for key positions within the Group and annual Strategic Talent & Succession Planning meetings are conducted at the very top senior executive level to ensure Pernod Ricard has talent ready at the right time in the right place. Furthermore, from a talent engagement perspective, on a yearly basis, the Group conducts Global Employee Engagement and Well-being surveys. Lastly, we regularly implement measures designed to enhance quality of work life and to continue to foster Diversity, Equality & Inclusion (DE&I). These include, among many others, remote-working arrangements, measures related to well-being at work, the modernisation of workspaces, managerial awareness-raising programmes and the implementation of the global DE&I roadmap.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

9. Fraud

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard is exposed to the risk of fraud, in particular due to its presence in many countries and the acceleration of its digitisation.

POTENTIAL IMPACTS ON THE GROUP

Any type of fraud, whether internal or external, could lead to financial losses (including legal costs to recover defrauded amounts or products), leakage of sensitive information or theft of major physical assets. It could also have a significant impact on the Group's reputation.

RISK MANAGEMENT AND MITIGATION

To mitigate the risk, the Pernod Ricard Group has implemented a strict framework of internal control rules and related tools, based on the Group's internal control principles, as well as a quarterly monitoring process in the event of fraud. In addition, regular campaigns are run for internal control teams in order to raise awareness on fraud risks and consolidate the Group's processes. The Group also conducts internal and external audits each year to ensure the effectiveness of measures in place. Lastly, the risk is mitigated through fraud insurance coverage with the standard guarantees. In this way, the Group's risk management policy transfers part of the risk to insurers.

10. Social tension

RISK IDENTIFICATION AND DESCRIPTION

Social tension with heightened division and conflict within society can be caused by various factors, including financial and economic disparities, cultural differences and political polarisation. This can be exacerbated by misinformation, manipulation of social media and systemic bias, leading to increased distrust, reduced social cohesion and potential civil unrest. Within the Group, any difficult interactions with employee representative bodies could prevent the smooth running of our affiliates (due to strikes, disruptions, etc.).

POTENTIAL IMPACTS ON THE GROUP

The impact of social tension on the Group can take various forms, such as a decrease in sales volumes due to lower purchasing power, disruptions to production and our supply chains, or damage to our brands' image.

RISK MANAGEMENT AND MITIGATION

The Group has implemented a series of measures to manage this risk. The main aim is to ensure that there are robust crisis management policies in place throughout the Group. All of our affiliates work closely together to scrupulously monitor all of our markets. The affiliates also maintain good relations with the trade unions, and audits are regularly carried out to assess internal practices.

II. Industrial and environmental risks

1. Loss of a major industrial site/strategic inventory

RISK IDENTIFICATION AND DESCRIPTION

Currently, the following events could result in the loss of a major industrial site or strategic inventory:

- a fire and/or explosion related to the manufacture, handling or storage of flammable products (e.g., alcohol);
- a natural disaster such as an earthquake, hurricane or flood; or
- a malicious act.

Several Group sites are located in seismic zones, particularly in New Zealand, Armenia, California and Mexico.

Certain sites, including the San José plant in Cuba, are exposed to the risk of cyclones.

Lastly, the Group stores a significant stock of maturing products, such as Scotch whisky, Irish whiskey, cognac, rum, brandy and wines, which are flammable liquids.

POTENTIAL IMPACTS ON THE GROUP

The loss of a major industrial site or strategic inventory is considered a major risk for Pernod Ricard. The materialisation of this risk could result in a significant operating loss and an accompanying sharp drop or prolonged interruption in the supply of certain products, thereby preventing the Group from meeting consumer demand. Moreover, an incident at one of the sites, whether accidental or the result of a malicious act, could jeopardise the safety of Group employees or cause environmental damage.

RISK MANAGEMENT AND MITIGATION

To manage this risk, an Operations Risk Manager who reports to the Group Health and Safety Director within the Operations Department is responsible for coordinating work by affiliates to implement preventive measures (design and maintenance of facilities, training, operating procedures, etc.) and physical protection mechanisms (automatic sprinkler systems, retention basins, emergency procedures, etc.).

The risk is also mitigated by property damage and business interruption insurance coverage with the standard guarantees. In this way, the Group's risk management policy transfers part of the risk to insurers. In addition, in cooperation with insurers, some 40 industrial sites are reviewed each year and the quality of risk is assessed to determine recommendations for improving each site.

A Group monitoring programme for business continuity and management systems is also in place. Strategic affiliates have identified the various scenarios that could affect their operations and have drawn up business continuity plans including the implementation of emergency solutions and access to alternative production methods in the event of the loss of a site.

2. Toxic contamination⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

The Group purchases most raw materials (grapes, grains, agave, etc.) used in the manufacture of its wine and spirits from farmers or industrial producers (alcohol, sugar, flavourings, etc.). The presence of undesirable substances in these raw materials or a defect in the distillation, fermentation or bottling process could result in chemical (contaminant), biological (microorganism), physical (foreign body) or allergen contamination.

POTENTIAL IMPACTS ON THE GROUP

The Group's reputation and image may be undermined at any time by one-off incidents at an industrial site or relating to a specific product. For example, contamination, whether arising accidentally, or through a malicious act, could cause injury or intoxication to a consumer, thereby exposing the Group to litigation and causing reputational harm to the brands.

RISK MANAGEMENT AND MITIGATION

The Group has implemented protection and control systems to limit the risk of contamination. The management of this risk is based on the hazard analysis critical control point (HACCP) method, which aims to identify the risks involved in the manufacturing process and to bring them under control, as well as on the implementation of specific internal guidelines and operating requirements. The Group has also implemented management systems compliant with the ISO 22000 standard for food safety management, which is aimed specifically at controlling this type of risk.

Headquarters periodically carries out contaminant screening tests, covering all Strategic International Brands and the most important Strategic Local Brands. This involves an array of chemical analyses covering all contaminants considered possible, and detection testing of around 80 unwanted molecules and several hundred pesticides.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

3. Climate change⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Climate change is the source of various risks to Pernod Ricard's business, including risks to the supply of raw materials such as grapes and grains, risks relating to the availability of water resources (floods, droughts, etc.), climate-related incidents (cyclones, fires, etc.), and increasing costs (carbon tax).

The need to reduce carbon emissions, which are the root cause of climate change itself, generates new risks and opportunities for the Group, in particular in terms of the reduction of direct and indirect emissions (see the Group's Net Zero commitments) and the transition to renewable energies.

POTENTIAL IMPACTS ON THE GROUP

Increasingly irregular crop yields, climate events such as frost, hail and drought and shifting climatic boundaries can affect the quality, availability and, to a greater extent, price of raw materials.

In terms of grains and sugar cane, the effects of climate change, coupled with rising global demand, are contributing to increasing market price volatility, which must be taken into account in procurement strategies and business supply models.

In terms of grapes – another of the Group's key raw materials – climate models point to an increase in the alcohol content of wine and champagne, adjustments to certain qualitative factors and changes in phytosanitary pressure, as well as the risks of frost and drought, which vary depending on geography.

A similar risk exists in relation to the water supply for production sites. A number of sites use groundwater for their supply, which can also be affected by climate change.

From a regulatory point of view, environmental issues, and in particular climate-related issues, are leading to stricter carbon emissions regulations. In Europe, the Group's four largest distilleries are subject to the European Union carbon emission trading system (EU-ETS). The direct financial challenge is moderate for Pernod Ricard but is expected to increase significantly in the years to come. The economic impact of energy and carbon regulations is also felt through indirect consumption via the Group's suppliers (especially with respect to glass, alcohol and transport).

RISK MANAGEMENT AND MITIGATION

For grapes, the relevant trade associations, such as those for cognac and champagne and wine in Australia and New Zealand, have incorporated this issue into their research programmes in order to adapt practices to these changes (choice of grape varieties, vine training, vinification, etc.).

The availability and quality of water at production sites are key to ensuring the quality of Pernod Ricard's products and are monitored very closely. Responsible water management is a significant component of the Group's S&R policy, with each site responsible for ensuring that its use of groundwater or river water and its wastewater discharges do not harm the environment. Sites located in areas identified as high risk in terms of water supply are subject to enhanced monitoring to ensure the sustainability of resources by minimising water consumption and returning an equivalent volume of water to the withdrawal site. The Group is committed to offsetting 100% of water consumption at production sites and co-packers located in highly water-stressed basins by 2030, by replenishing water resources in these regions.

In terms of the financial impact of carbon emissions generated directly by the Group's business or indirectly by its suppliers, a carbon emissions reduction plan aligned with a 1.5°C (Scopes 1 and 2) and 2°C (Scope 3) scenario has been implemented.

Pernod Ricard's climate impact was incorporated into the Good Times from a Good Place roadmap. In concrete terms, the Nurturing Terroir and Circular Making pillars commit the Company to the following:

- promoting regenerative agriculture: by 2025, pilot regenerative agriculture programmes will be developed by the Group for vineyards in eight wine-growing regions – Argentina, California, the Cognac region, Champagne, Spain, Australia, New Zealand and China – aiming to improve the quality of soils and ecosystems. Identical initiatives are under way for the Group's other major strategic raw materials to increase the resilience of agricultural systems. These programmes also represent a unique opportunity to create carbon sinks through soil sequestration and to have a positive impact on the climate;
- reducing carbon emissions from Group operations (Scopes 1 and 2): this programme aims to reduce carbon emissions from operations by 54% by 2030 (vs. 2018), with a focus on energy efficiency, use of biomass and 100% renewable electricity supply (by 2025);
- reducing the Group's indirect carbon emissions (Scope 3), mainly linked to the purchase of agricultural products, packaging and upstream and downstream transport: the Group requires its suppliers to commit to decarbonising their operations, and has launched a number of internal optimisation programmes. With regard to packaging, the Group's policy encourages lightweighting, the use of recycled materials, recyclability, and bans on single-use promotional items. Pilot projects are under way to test alternative, circular product distribution methods. As regards transport, the Group is working to optimise loads and develop multi-modal solutions and alternative transport options.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

4. Health and Safety⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Preventing and managing occupational risks forms part of the Company's obligations towards its employees. The notion of "occupational risk" can be defined as all threats to the health of employees encountered in the context of their work. They may result in an accident or a so-called "occupational" illness. Pernod Ricard is committed to preventing the following non-exhaustive list of occupational risks:

- risks relating to falls and slips;
- risks relating to noise and vibrations;
- electrical risk;
- fire and explosion risk;
- road risk;
- risks relating to the use of certain machines or work equipment; and
- psychosocial risks.

POTENTIAL IMPACTS ON THE GROUP

Personal injury is one of the main potential impacts for the Group. The most serious examples are:

- the death of one or more employees, subcontractors, visitors or other third parties;
- permanent disability of employees, subcontractors, visitors or other third parties; and
- occupational illness.

The legal and reputational impacts related to inadequate management of working conditions must also be taken into account.

RISK MANAGEMENT AND MITIGATION

In late 2017, the Group embarked on a process to reduce occupational accidents by launching a comprehensive review of industrial sites with the greatest potential for improvement. The main sites are now assessed by an external company in accordance with specific criteria in terms of their safety culture, ability to manage major risks and ISO 45001 occupational health and safety management system. Thanks to this review and the commitment of General Management, the Group announced its ambition to achieve zero accidents with lost time by 2025. To accomplish this, it launched the Taking Care of Each Other programme with the following three strategic goals:

- develop a culture where safety is central to the Group's values of conviviality;
- engage, motivate and empower all employees and subcontractors on the issue of safety; and
- improve operational efficiency through excellence in Health and Safety.

This programme, which is closely monitored by the Group's Top Management, is part of the Group's S&R strategy and has gradually been extended to all employees in both industrial and non-industrial sites within its affiliates.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

5. Environmental damage⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Due to the agricultural and industrial nature of its activities, encompassing farming (vineyards and agave fields), as well as distillation, processing, maturation and bottling at its industrial sites, the Group may cause environmental damage and therefore is exposed to various risks in this respect. In particular, unintentional spills or accidental leaks of wastewater or vinasse can occur, and various types of pollution can arise (soil, air and water pollution, in particular from intensive farming practices). Any such incidents could lead to physical risks for employees, suppliers and local communities, but could also impact biodiversity (flora and fauna) and cause temporary disruption to local businesses. The Group is also a contributor to climate change as it emits greenhouse gases (CO₂), both directly (through its Scope 1 and 2 emissions) and indirectly (Scope 3, via its value chain).

POTENTIAL IMPACTS ON THE GROUP

Such impacts caused by the Group could lead to temporary business interruptions in the regions or areas where the damage was caused. Furthermore, there could be legal consequences if damage is caused in an area that is subject to specific environmental protection regulations, and/or if its impact leads to breaches of pollution thresholds or contamination of an area that would then require a remediation plan.

For example, an accidental spillage of vinasse or polluted water could affect the quality of the surrounding natural environment, requiring the water concerned to be treated at a treatment plant. This could result in activity having to be temporarily suspended at the site concerned in order to identify the source of the damage, and could also lead to the Group having to pay compensation for the impact caused.

Depending on the type of environmental damage involved, there could be an impact on the health and safety of employees and suppliers, requiring the site to be temporarily shut down or giving rise to financial penalties (such as higher carbon taxes as explained in the section about risks related to climate change). There could also be reputational repercussions for the Group.

The potential financial impact of these risks on the Group is not considered to be significant, particularly regarding the introduction of stricter carbon emissions regulations, as described in the section about risks related to climate change.

RISK MANAGEMENT AND MITIGATION

In order to limit the risks of environmental damage, the Group has developed environmental standards that apply to all of its industrial sites. These guidelines cover all activities and potential impacts, including waste and wastewater management and treatment. They detail the steps to be taken to prevent any damage or impact on the environment and set out precise rules that must be followed.

Additionally, the Group has drawn up emergency procedures for unforeseeable accidental events such as leaks or unintentional spills, to enable incidents to be managed quickly and effectively and minimise their impact. Studies are carried out if a notification is made of any such incidents in order to identify the causes and factors that led to the damage concerned. The findings of these investigations are then incorporated into the Group's environmental standards to prevent similar events from happening again.

The Group's industrial sites are ISO 14001 certified, which means that they have highly effective environmental management systems. Each site subject to environmental risks also has a business continuity plan to apply in the event of an incident, in order to avoid temporary shutdowns and ensure that their local operations can carry on.

Lastly, with regard to the damage caused by greenhouse gas emissions, the Group's Sustainability & Responsibility policy – Good Times from a Good Place – is aimed at minimising its climate impact and environmental footprint across its value chain. Thanks to ambitious targets, validated by the Science Based Target Initiative (SBTi) and translated into effective action plans, such as the deployment of Mechanical Vapour Recompression (MVR) technology, the risks faced by the Group in relation to environmental damage (both caused and suffered) are mitigated and anticipated. The Group has also indexed several financing transactions to environmental indicators, including Scope 1 and 2 emissions and the water used in its distilleries, clearly illustrating its objective of minimising its impact.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

6. Product quality issues⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

The main product quality issues that concern the Group arise from the quality level and compliance of the following:

- product ingredients;
- packaging;
- the production process; and
- the development process of new products.

POTENTIAL IMPACTS ON THE GROUP

The success of the Group's brands depends upon the positive image that consumers have of them.

A quality issue with one of the products in the portfolio, affecting the integrity of its brand or its image among consumers, could have a negative impact on the Group's sales.

RISK MANAGEMENT AND MITIGATION

Quality risk management is based on a joint quality management approach implemented worldwide at all production affiliates. Coordinated by the Group's Operations Department, this risk management policy is based on internal Pernod Ricard standards and on systematic risk analyses.

It draws on the standards setting out best practices and minimum requirements in each of the areas concerned by quality:

- foreign bodies;
- contamination;
- traceability;
- quality control;
- product recall/withdrawal, etc.

It is also underpinned by a mandatory quality certification programme for Group production sites based on a minimum of the following two international standards:

- ISO 9001 for quality management; and
- ISO 22000 for food safety management.

Depending on their needs and goals, affiliates may also obtain FSSC 22000 and/or IFS and/or BRC certification.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

III. Legal and regulatory risks

1. Regulatory constraints⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Throughout the world, the Group's operations are subject to a growing number of regulations. Regulatory decisions and changes in legal and regulatory systems could have adverse impacts on Pernod Ricard's business, particularly in the areas of advertising and promotions, labelling and access to distribution.

In almost all countries, the production, import/export and sale and distribution of alcohol are subject to special regulations, which are constantly changing. Similarly, the presentation, labelling, advertising and promotion of alcoholic products are subject to increasingly strict regulations, often intended to better inform consumers about the risks of alcohol abuse, for example through health warnings on labels, or to minimise the exposure of at-risk groups such as minors.

The religious, cultural and media environments of each country result in a wide variety of regulations related to alcoholic beverages. There is a trend towards increased restrictions on these products, along with their promotion and distribution, at significantly different paces from country to country.

Moreover, a large number of Environmental, Social and Governance (ESG) regulations are emerging throughout the world, particularly in the European Union, compelling the Group to review its practices and put in place action and compliance plans, both for its reporting and risk management processes and for its S&R policies and initiatives.

POTENTIAL IMPACTS ON THE GROUP

Regulatory decisions and changes in legal and regulatory requirements in these areas could have a negative impact on Pernod Ricard's business as follows:

- **advertising and promotions:** regulatory authorities in the countries where the Group operates could impose restrictions on the advertising of alcoholic beverages (e.g., audio-visual or digital advertising or sponsorship of sporting events). One effect of these limitations would be to prevent or restrict the Group's ability to retain or recruit consumers for its brands in a challenging competitive environment. Restrictions on advertising freedom could also limit the Group's ability to launch new innovations. They therefore have a significant impact on the Group's business. Lastly, some countries could impose price controls, particularly price floors aimed at limiting promotions and ultimately sales by keeping alcohol relatively expensive. These policies, which have historically been observed in certain specific countries (former Soviet Union, Canada), are now being introduced more widely (Scotland, Ireland) and apply in addition to specific taxes on alcohol;
- **labelling:** changes to labelling requirements for alcoholic beverages could diminish the appeal of these products for consumers, who might switch to other less tightly regulated products, resulting in a decline in sales. Furthermore, such changes could result in increasing costs, thereby affecting the Group's results;
- **access to distribution:** government authorities in countries where the Group operates may seek to restrict consumer access to the Group's products. For example, the prohibition of alcohol in Bihar (India) led to the cessation of Pernod Ricard's operations in that State. Similarly, restrictions on how, when and where alcoholic beverages can be sold are regularly implemented in many countries. These restrictions tend to drive consumers towards illegal or parallel distribution channels, which compete with the Group's lawful business;
- **S&R strategy, actions and reporting:** as ESG issues grow in number and become an increasingly central preoccupation for various stakeholders (civil society, investors, governments, companies, etc.), governmental authorities are imposing more and more regulations to provide a better framework for companies' sustainability reporting and ensure that they implement strategies and actions that respond both to the impacts caused by their businesses and to the underlying risks and opportunities. However, the multitude of these regulations – which include the European Non-Deforestation Directive, the Corporate Sustainability Reporting Directive (CSRD) and the future Corporate Sustainability Due Diligence Directive (CSDDD) – could lead to a risk of non-compliance if compliance monitoring is not sufficiently rigorous. Any such non-compliance could have reputational and/or legal impacts for the Group. The potential financial impact of these risks on the Group is not currently considered significant, but this could change in the future. Implementing these new regulations could require additional investment, as well as the mobilisation of significant internal resources.

RISK MANAGEMENT AND MITIGATION

Pernod Ricard actively participates in public dialogue relating to the adoption of laws and regulations that affect the Group. Pernod Ricard's teams promote the Group's positions and solutions to local decision-makers and lawmakers. Pernod Ricard does this indirectly through its membership in trade associations, or directly when the subject specifically concerns the Group.

Pernod Ricard is also committed to ensuring that the products distributed are promoted responsibly and in compliance with the ethical marketing or commercial standards of the International Alliance for Responsible Drinking (IARD). Internal controls are in place to ensure compliance with the Pernod Ricard Code for Commercial Communications, which sets out all the rules applicable to marketing communications.

In line with its S&R ambitions, Pernod Ricard also seeks to contribute proactively to changing legislation and practices and promote alternatives to exclusively repressive solutions to treat alcohol abuse, which have not proven effective. Currently, more than 150 initiatives to prevent the effects of alcohol abuse and dangerous drinking have been developed by the Group worldwide, independently or with partners. Since 2021, three pictograms (warning against underage drinking, drinking while pregnant and drink-driving) have started appearing on all bottles produced by the Group's brands, three years ahead of the initial timetable (wherever permitted by regulations in the country of sale). A digital label in the form of a QR code has also been introduced on all Group products to inform consumers of the health risks associated with alcohol abuse and provide the list of ingredients and nutrition facts.

The World Health Organization (WHO) action plan (2022-2030) to reduce the harmful use of alcohol recognises the role of self-regulation in marketing (where Pernod Ricard has particularly ethical practices) as well as voluntary consumer information practices, such as the initiatives taken by the Group. This action plan provides Member States with a range of public policy options – without calling for a binding global framework agreement – and reaffirms the value of public/private dialogue, taking a markedly different approach than with the tobacco industry.

As part of its work on preparing for upcoming ESG regulations, particularly the CSRD, the Group has set up a dedicated internal governance structure that regularly monitors regulatory compliance and whose members include representatives from all of the departments involved (Operations, Human Resources, Finance, Public Affairs, Legal, etc.). Pernod Ricard also regularly monitors any changes in these regulations and any ensuing implications for the Group in order to ensure that each regulatory framework is strictly respected, in line with the Group's stated aims. Lastly, Pernod Ricard's S&R strategy gives a holistic view of the entire value chain and covers a wide range of ESG domains. Forming an integral part of the Group's business model, the S&R strategy – Good Times from a Good Place – and its roadmap to 2030 pave the way for these new regulations, the introduction of which has prompted the Group to step up the pace of the strategy's rollout.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

2. Breach of compliance requirements⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard uses its own distribution affiliates to market its products worldwide. For this reason, Pernod Ricard operates in many countries where anti-corruption laws may have an extraterritorial impact.

Examples include the US Foreign Corrupt Practices Act, the UK Bribery Act and France's Sapin II law. The Group must therefore take into account and rigorously monitor the risk of corruption and influence peddling, and understand how such risks are treated by all relevant legal systems, in all regions of the world where it operates. Company employees may interact, sometimes only marginally, with political and administrative officials. The nature of Pernod Ricard's business, driven by its *Créateurs de convivialité* vision, means that inappropriate invitations may be sent to public officials.

The Group is also required to comply with requirements set by personal data protection regulations, including the General Data Protection Regulation (GDPR). It must also comply with France's Duty of Care law, which aims to prevent violations of human rights, health and safety and environmental standards. In addition, the UK Modern Slavery Act 2015 requires Group affiliates to publish a statement on the measures taken to prevent slavery and human trafficking in their operations and supply chain. Similar laws also exist in Australia (2018) and in Canada (2024) against forced labour and child labour.

POTENTIAL IMPACTS ON THE GROUP

Recent regulations concerning, in particular, the fight against corruption and influence peddling, and compliance with business ethics expose Pernod Ricard to the risk of administrative and criminal sanctions, as well as a reputational risk in the event of non-compliance.

In addition, certain corrupt practices, consisting of offering excessive and/or inappropriate benefits, even without deliberate intention to obtain an undue advantage, are severely punished by the anti-corruption laws of three of the main countries where the Group operates and provide for the criminal liability of both the legal entities and the individuals involved, and entail heavy financial penalties for the company as well as for the perpetrators of such practices.

Reputational damage resulting from a legal conviction or breach of regulations could damage the Company's overall credibility, and an illicit or reprehensible act, even if it consists of an isolated event, could negatively impact all Group employees seeking to deliver a message to public authorities. This would hamper efforts to legally lobby against legislation that is harmful to the Group's business sector. It could also result in regulatory changes that may damage the Company's business (tax increases, marketing restrictions, etc.). The risk of non-compliance with the applicable regulations on the protection of personal data exposes Pernod Ricard to a risk of administrative sanctions (including financial sanctions of up to €20 million or 4% of annual global revenue in the case of the GDPR) and criminal sanctions, as well as a reputational risk, in the event of non-compliance. Disputes may arise from failure to comply with these regulations, as well as from failure to comply with France's Duty of Care law.

For these reasons, all such regulations could have a negative impact on the Group's business.

RISK MANAGEMENT AND MITIGATION

Pernod Ricard has drawn up a risk map for corruption and influence peddling, updated in 2022. This tool aims to identify and manage corruption and influence peddling risks inherent to the Group's business and specific to production and distribution processes, as well as cross-functional risks. The Group is also committed to promoting a "zero tolerance" policy clearly communicated by the Group's management and relayed by local management to the affiliates. Specific rules for employees and stakeholders have also been put in place, as set out in the Group's Code of Business Conduct, which was also updated in 2022. The Code is backed by a mandatory online course, fully reviewed and refreshed in May 2023, to help exposed employees better understand the risks of breaches (including corruption and influence peddling risks, in particular) and to enable them to adopt the appropriate preventative behaviours. Pernod Ricard has also implemented the following digital tools to support its compliance initiatives: Speak Up, a global whistleblowing platform to report behaviour that violates the Code of Business Conduct and, more generally, applicable law; Gifted!, an application dedicated to the declaration and approval of gifts and invitations; and Partner Up, a dedicated platform for assessing third parties working with the Group. In line with changes in legislation and stakeholder expectations around these issues, the Group has also embarked on due diligence processes for human rights and the environment throughout its value chain. In 2024, the Group's Vigilance Plan was revised to take into account new regulatory requirements in terms of CSR compliance. In particular, the Group decided to strengthen its due diligence approaches around human rights and procurement, building on the work carried out in previous years. For example, Blue Source, a mandatory process for all Pernod Ricard's direct purchases, which has been in place since 2015, has been extensively revised. The purpose of this process is to ensure that the Group's partners are compliant in these areas and support them in implementing action plans where necessary. Potential partners who are assessed and do not meet the standards are not selected to support the Group in its operations. In addition, the Group's lobbying policy is governed by specific guidelines as well as the Code of Business Conduct, which contains specific provisions to prevent any reprehensible practices, even if unintentional. In France, Pernod Ricard files a disclosure statement with the French High Authority for Transparency in Public Life (*Haute Autorité pour la Transparence de la Vie Publique* – HATVP)⁽²⁾ and is a member of Transparency International's *Forum des Entreprises Engagées*⁽³⁾. The Group is also a joint signatory of a best practices guide on parliamentary lobbying spending published by Transparency International. Lastly, Pernod Ricard has implemented a strong personal data protection strategy and governance. The Group has drawn up a roadmap on this subject. The Group DPO (Data Protection Officer) and the Group's personal data protection network enable Pernod Ricard to implement data protection compliance actions, implement policies and procedures at local level, and share best practices.

(1) This risk is also covered in section 3.3.2.2 of the Non-Financial Performance Statement.

(2) <https://www.hatvp.fr/fiche-organisation/?organisation=582041943> (French only).

(3) <https://transparency-france.org/entreprise/forum-des-entreprises-engagees> (French only).

3. Taxes and levies⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

As an international player in the Wine & Spirits sector, the Group is very sensitive to changes in indirect taxation, in particular customs duties and excise taxes on alcoholic beverages, such as the temporary retaliatory duties introduced by the US government in 2019 on imports of single malt Scotch whisky and Spanish wines. This was followed by duties on certain categories of cognac in 2021. The Group is also exposed to possible changes to tax regulations in the countries where it operates, particularly with regard to direct taxation, notably at the instigation of the Organisation for Economic Co-operation and Development (OECD), the European Union and national governments (such as changes in tax rates, the ongoing Pillar Two tax reform or the EU Public CBCR proposal), and changes to accounting policies and standards. Pernod Ricard may also be subject to tax audits in several countries, and there is no guarantee that the tax authorities will accept the positions taken by the Group, even if the Group deems them to be correct and reasonable in view of its operations.

POTENTIAL IMPACTS ON THE GROUP

An increase in import duties and excise taxes or a change in laws relative to duty free sales could result in an increase in the price of the Group's products and a reduction in the consumption of its Wine & Spirits brands or an increase in the Group's costs, thereby affecting the Group's financial position and operating profit. Nevertheless, this risk is mitigated by significant advertising and promotional investment which can, in certain cases, limit the impact on consumption of an increase in prices. Other changes in tax regulations could also have a material impact on the Group's results, such as an increase in the corporate tax rate in the countries where the Group operates. Lastly, in the event that the tax authorities successfully challenge the Group on any material positions, the Group may be subject to additional tax liabilities that may have an adverse effect on the Group's financial position if they are not covered by provisions or if they otherwise trigger a need for a cash payment.

RISK MANAGEMENT AND MITIGATION

The Group's tax policy is based on compliance with applicable laws and regulations, sound conduct and proactive and efficient tax management. It involves the rejection of all artificial arrangements, the application of a transfer pricing policy based on the arm's length principle, efficient organisation of the tax function within the Group and transparent dealing with tax authorities. Very often, when the Group is confronted with increases in customs duties that affect the entire Wine & Spirits sector in a given country, the authorities of the exporting country provide diplomatic support to resolve the problem. Furthermore, the Group's diversification in terms of geographies and product categories is another way it mitigates the potential impact of tax risks.

(1) This risk is also covered in section 3.7.2 of the Non-Financial Performance Statement.

4. Illicit trade and parallel markets

RISK IDENTIFICATION AND DESCRIPTION

The Group's trademarks are key to its competitiveness. However, they are threatened by various forms of illicit and parallel trade, including unauthorised reproduction and use, imitation, use of misleading symbols and bottle refills using counterfeit liquids, etc. Unauthorised flows of authentic products affect the Group's performance by unfairly competing with products from its approved distribution network. In addition to this, fraudulent imitations and reproductions pose a serious threat to consumer health as the growing sophistication of counterfeiting techniques is making authentication increasingly difficult.

POTENTIAL IMPACTS ON THE GROUP

Illicit trade and parallel markets undeniably represent missed sales opportunities for the Group, which impact its financial results. Fraudulent use of the Group's trademarks also damages its image and reputation, and could cause consumers to avoid our products if authenticity were not guaranteed (in the case of refills and counterfeit finished products) or if third parties intentionally created confusion with the Group's trademarks (brand imitation). Illicit trade also increases operating costs. While legal action is the preferred option and usually results in a satisfactory outcome, these measures represent a cost for the Group (legal fees, storage and destruction costs, etc.). In some countries, it can also be difficult to obtain swift and dissuasive penalties against counterfeiters.

RISK MANAGEMENT AND MITIGATION

A specific organisation has been put in place to protect and defend the Group's IP rights and its products, designed to maximise efficiency while minimising costs. The Global Trade Intelligence team leads the fight against illicit trade in the Group's products worldwide by coordinating all action against counterfeiting (identical/near-identical reproduction of the Group's trademarks on bottles) and other forms of trafficking. This action takes the form of investigations on the ground or online, and legal action combined with initiatives to raise awareness among local authorities. The Global Trade Intelligence team also supports the teams at the Group's headquarters and affiliates in developing technical/technological measures to improve product protection, traceability and authentication. Examples of such measures include a scheme based on the principle of the smart bottle, introduced in strategic markets such as China, which enables consumers to check the authenticity of the Group's products using a QR code integrated into the packaging. The defence of IP rights also involves operational staff, who are called on to identify imitations (products/trademarks) on the market and pass on all necessary information to the above teams for action. The Group also set up a centralised team in late 2014 to protect trademarks, known as the Group Intellectual Property Hub. This unit protects the Group's IP rights and defends them against any attempt by third parties to file similar rights, thereby preventing consumers from being misled and the Group's brands from being undermined or diluted. It also protects anti-counterfeiting innovations through patents. Since 1 July 2022, this team has also been responsible for IP litigation, which used to be managed by the Brand Companies. IP litigation is any legal action taken to remedy (i) counterfeiting (identical reproduction of the Group's trademarks on any medium other than bottles) and (ii) brand imitation (on any medium whatsoever), including online. This new organisation further strengthens the effectiveness of the fight against unauthorised use of the Group's rights and optimises protection strategies.

5. Major litigation

RISK IDENTIFICATION AND DESCRIPTION

Like other companies in the Wine & Spirits sector, the Group may be the subject of legal action or other litigation and complaints from consumers or government authorities. In addition, the Group routinely faces litigation in the normal course of business. The Group provides for provisions for all litigation in which it is involved and all contingencies it faces. At 30 June 2024, these provisions totalled €405 million, compared with €390 million at 30 June 2023 (see Note 4.7 – *Provisions* to the consolidated financial statements).

POTENTIAL IMPACTS ON THE GROUP

Major litigation of any type could have an adverse impact on the Group's financial position (in the event of a fine or damages), or the Group's image and reputation due to media coverage and posts on social media, and may result in the loss of rights, in particular IP rights (such as the cancellation of a trademark).

RISK MANAGEMENT AND MITIGATION

To avoid litigation, the Legal Department, which is responsible for the Group's protection and defence, has implemented preventive measures. Marketing and operational teams are made aware of legal issues on an ongoing basis, model agreements are provided, and legal teams provide support at the very early stages of projects. Legal functions have been established at regional and local levels to ensure better local monitoring. In addition, a quarterly report listing the major risks identified by local legal teams, particularly with regard to compliance, counterfeiting, cyberattacks, personal data and potential major litigation, is sent to headquarters staff, who oversee coordination.

IV. Financial risks

The Group's main financial risks are market, credit and liquidity risks. They are measured and managed via risk management policies and procedures put in place to reduce their occurrence or impact.

In a persistently uncertain economic environment, to manage the liquidity risk that may result from the repayment of financial liabilities at their contractual maturity, Pernod Ricard has taken precautionary measures to ensure sufficient liquidity to meet its needs and continues to diversify its sources of financing, thereby limiting dependence on lenders.

In September 2023, the Group carried out a €1.350 billion bond issue (a €600 million tranche maturing in four years and a €750 million tranche maturing in ten years)⁽¹⁾ and redeemed a €500 million bond in October 2023. These transactions substantially extended the average maturity of the Group's bond debt.

At 30 June 2024, the Group's cash position stood at €2.7 billion, in addition to approximately €2.9 billion in undrawn committed credit lines, including a €2.1 billion revolving credit line set up in April 2023.

The loan agreements notably include obligations to provide lenders with information and comply with certain commitments customary to this type of arrangement (in particular that the loan will continue to rank *pari passu*).

1. Foreign exchange risk⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Due to its international presence, the Group is exposed to fluctuations in the currencies it operates in (excluding the euro, its functional and reporting currency) and uses to record its assets and liabilities (transaction and translation risks).

POTENTIAL IMPACTS ON THE GROUP

Fluctuations of this nature may therefore have an impact on Pernod Ricard's results and shareholders' equity.

The risks include:

- translation risk for the financial statements of consolidated affiliates using a functional currency other than the euro; and
- transaction risks on operating cash flows not denominated in the entities' functional currency.

Moreover, currency fluctuations against the euro (notably the US dollar) may impact the nominal amount of liabilities and the financial expense recorded in euros in the consolidated financial statements, which could affect the Group's reported results.

RISK MANAGEMENT AND MITIGATION

As a rule, it is Group policy to invoice end customers in the functional currency of the distributing entity. The resulting net foreign exchange exposures are hedged by the use of forward instruments. Residual risks may be partially hedged by the use of financial derivatives (forward purchases, forward sales or options) intended to hedge highly probable receivables or payables or to secure the receipt of dividends. In terms of asset risk, financing foreign currency-denominated assets acquired by the Group with debt in the same currency provides natural hedging.

⁽¹⁾ Note 4.9 to the consolidated financial statements.

⁽¹⁾ This bond is described in section 5.6.2.2 of the Universal Registration Document.

2. Interest rate risk⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard is exposed to changes in interest rates on its financial liabilities and its liquid assets. Such changes may have a positive or negative effect on its financial expenses.

At 30 June 2024, the Group's debt consisted of floating-rate debt (2%) and fixed-rate debt (98%), in addition to a hedging portfolio intended to limit the negative effects of interest rate fluctuations.

POTENTIAL IMPACTS ON THE GROUP

The Group is affected by changes in interest rates in its functional currency and, more marginally, by changes in the interest rates of other currencies contributing to its consolidated net debt.

A rise or fall of 50 basis points in interest rates (euro or US dollar) would result in an increase or decrease of €4 million in the cost of net debt.

RISK MANAGEMENT AND MITIGATION

As part of its financing policy, the Pernod Ricard Group seeks to limit interest rate risk by favouring fixed-rate funding for a significant portion of its debt.

(1) Note 4.9 to the consolidated financial statements.

3. Credit risk⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

Credit risk for the Group primarily consists of the risk of financial loss stemming from a default (cash flow difficulties or liquidation) among customers indebted to a Group affiliate.

POTENTIAL IMPACTS ON THE GROUP

The non-recovery of a trade receivable in the event of a customer default or liquidation would have a negative impact on the Group's financial statements.

RISK MANAGEMENT AND MITIGATION

The diversity and size of the Group's distribution network, spread across many countries, and the diversification of its main customers in the supermarket sector, limit its exposure to this risk.

Internal procedures are in place to assess the financial health of the Group's customers and adapt credit terms and activity as appropriate. Lastly, credit risk is mitigated through credit insurance coverage with the standard guarantees. In this way, the Group's risk management policy transfers part of the risk to insurers.

(1) Note 4.9 to the consolidated financial statements.

4. Pension funds⁽¹⁾

RISK IDENTIFICATION AND DESCRIPTION

The Group's unfunded pension obligations amounted to €277 million at 30 June 2024. During FY 2024, the Group's contributions to pension plans totalled €70 million.

The Group's pension obligations are for the most part covered by balance sheet provisions and partially by pension funds or insurance. The amount of these provisions is based on certain actuarial assumptions, including, for example, discounting factors, demographic trends, pension trends, future salary trends and expected returns on plan assets.

POTENTIAL IMPACTS ON THE GROUP

The asset/liability balance is subject to, among other factors, the performance of invested assets. A liquidity crisis or major financial shock could significantly undermine the performance of financial assets and jeopardise the asset/liability balance. A pronounced asset/liability imbalance may require an increase in the Group's pension obligations recognised in the balance sheet and result in an increase in the provision for pensions. This could have a significant negative impact on the Group's financial results.

RISK MANAGEMENT AND MITIGATION

Specific governance and a management policy have been implemented and are regularly reviewed in line with the risk profile of the Group's various pension plans. The investment strategy is subject to frequent review in order to minimise the volatility of assets.

The buy-in transaction completed in September 2019 for the largest of the Group's pension funds is a concrete example of the proactive strategy to minimise risks. The fund's Trustee purchased an insurance policy from a highly rated and well-established insurance company to cover the majority of the pension obligations. The insurance policy therefore reduces the Group's exposure for that fund to funding deficits arising from market risks, including inflation and interest rate risks, and longevity risks.

In addition, defined-benefit plans (mainly for affiliates in North America, the United Kingdom and the rest of Europe) are subject to an annual actuarial valuation on the basis of country-specific assumptions.

(1) Note 4.7 to the consolidated financial statements.

4.3 Insurance and risk coverage

For Pernod Ricard, insurance represents a solution for the financial transfer of major risks facing the Group. This transfer is accompanied by a policy of prevention to reduce risk as much as possible. The Group carefully evaluates its risks in order to fine-tune the level of coverage of the risks it incurs.

The Group has two types of coverage: Group insurance programmes and local policies. The Group programmes are monitored by the Audit Director who coordinates the insurance and risk management policy, as well as by an operational risk manager in charge of monitoring industrial risk prevention.

4.3.1 Insurance policies

In order to cover the main risks, Pernod Ricard has set up international insurance programmes for all Group affiliates, except where this is not possible due to local regulatory constraints. These programmes provide the following coverage:

- property damage and business interruption losses;
- operating/product liability, including costs and losses incurred by the Group due to accidental and/or criminal contamination;
- environmental liability;
- Corporate Officers' civil liability;

- damage during transport;
- political violence;
- fraud; and
- cyber.

Moreover, credit insurance programmes are in place to reduce the risks associated with trade receivables.

Some affiliates have contracted additional insurance to meet ad hoc needs (vineyard insurance, fleet insurance, etc.).

4.3.2 Coverage

Type of insurance	Coverage and limits on the main insurance policies ⁽¹⁾
Property damage and business interruption losses	<ul style="list-style-type: none"> • Coverage: comprehensive (except exclusions). • Basis of compensation: <ul style="list-style-type: none"> • replacement value for personal property and rebuild value for real estate, except for certain affiliates who have chosen, with the contractual agreement of the insurers, to use another basis of compensation; • net carrying amount for inventories, except for certain maturing inventories that are insured at replacement value or net carrying amount plus a fixed margin (tailored to each company); • business interruption losses with a compensation period between 12 and 24 months depending on the company. • Limits on compensation: <ul style="list-style-type: none"> • main compensation limit of €1,050 million, covering all damage and business interruption losses. The programme includes additional limits, for example, to cover natural events. • Furthermore, a captive reinsurance company provides insurance coverage for an amount of €3 million per claim with a maximum commitment of €5 million per year.
General civil liability (operating and product liability)	Comprehensive coverage (except for exclusions) for damage caused to third parties for up to €220 million per year of insurance.
Product contamination	Coverage taken out under the general civil liability programme for recall expenses, the cost of the relevant products, business interruption and outlay to rebuild Pernod Ricard's image following accidental or criminal contamination of products that could endanger persons or property: coverage of up to €45 million per year.
General environmental liability	Coverage for environmental damage of up to €30 million.
Corporate Officers' civil liability	Coverage of up to €150 million per year of insurance.
Transport	Coverage of up to €15 million per claim.
Political violence	Coverage of up to €30 million per year.
Fraud	Coverage of up to €35 million per year.
Cyber	Coverage of up to €10 million per year.
Credit	The aggregate maximum coverage for the Group's credit insurance programmes not relating to financing is €85 million.

(1) The figures shown are the main limits for the financial year ended 30 June 2024. Some contracts provide specific limits for certain aspects of coverage.

4.3.3 Measures implemented by the Group to manage the consequences of a claim, in particular in the event of an industrial accident

If a claim were to be filed affecting Pernod Ricard or a Group company, especially in the case of an industrial accident, the Group or the company in question would rely on its brokers and insurers and all service providers as required to ensure the effective management and resolution of the claim. All these players have the experience and resources required to manage exceptional situations.

4.4 Risks and litigation: provisioning procedure

In the course of its business, the Pernod Ricard Group is involved in legal proceedings and subject to tax, customs and administrative audits. The Group only recognises provisions for risks and contingencies when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. The amount of the provision is the best estimate of the expenditure required to settle the liability. Provisions may therefore require the use of judgement by Group management.

4.5 Financial and accounting information

4.5.1 Preparation of the Group's consolidated financial statements

In addition to the management information described above, the Group prepares interim and annual consolidated financial statements. This process is managed by the Consolidation Department attached to the Group's Finance Department, as follows:

- communication of the main Group accounting and financial policies through a procedures manual;
- preparation of specific instructions by the Consolidation Department, including a detailed timetable, that are shared with the affiliates prior to each consolidation;
- preparation of the consolidated financial statements on the basis of the information provided, to cover the entire scope of consolidation; and

- use of a common software package by Group affiliates. The maintenance of this software package and user training are carried out by the Group's Finance Department, with occasional assistance from external consultants.

In addition, consolidated affiliates sign a letter of representation addressed to the Statutory Auditors, which is also sent to headquarters. In this letter, the management of each consolidated affiliate certifies that the financial information sent to headquarters as part of the consolidation process gives a true and fair view of the company's position and results of operations.

4.5.2 Preparation of Pernod Ricard's parent company financial statements

Pernod Ricard prepares its parent company financial statements in accordance with applicable laws and regulations. It prepares the consolidation package in accordance with the instructions received from the Finance Department.

Paris, 18 September 2024

Alexandre Ricard
Chairman & CEO

5

Management Report

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5.1 Key figures from the consolidated financial statements for the year ended 30 June 2024

5.1.1 Income statement

€ millions	30.06.2023	30.06.2024
Net sales	12,137	11,598
Gross margin after logistics expenses	7,246	6,975
Advertising and promotion expenses	(1,939)	(1,872)
Contribution after advertising and promotion expenses	5,307	5,103
Profit from recurring operations	3,348	3,116
Operating profit	3,265	2,724
Financial income/(expense)	(327)	(437)
Corporate income tax	(651)	(766)
Share of net profit/(loss) of associates and net profit of held for sale activities	(4)	(7)
NET PROFIT	2,283	1,514
Of which:		
Non-controlling interests	21	38
Attributable to Group shareholders	2,262	1,476
EARNINGS PER SHARE – BASIC (€)	8.84	5.84
EARNINGS PER SHARE – DILUTED (€)	8.81	5.83

5.1.2 Balance sheet

€ millions	30.06.2023	30.06.2024
ASSETS		
Non-current assets	25,667	25,725
<i>Of which intangible assets and goodwill</i>	<i>19,000</i>	<i>19,040</i>
Current assets	12,008	13,065
Assets held for sale	1	395
TOTAL ASSETS	37,676	39,185
LIABILITIES AND SHAREHOLDERS' EQUITY		
Consolidated shareholders' equity	16,715	16,797
Non-current liabilities	14,026	15,146
Current liabilities	6,935	7,091
Liabilities related to assets held for sale	—	151
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	37,676	39,185

5.1.3 Net debt

€ millions	30.06.2023	30.06.2024
Gross non-current debt	9,851	11,040
Gross current debt	1,536	2,130
Non-current derivative instruments – assets	(3)	—
Current derivative instruments – assets	—	—
Non-current derivative instruments – liabilities	14	10
Current derivative instruments – liabilities	—	6
Cash and cash equivalents	(1,609)	(2,683)
NET DEBT EXCLUDING LEASE LIABILITIES	9,789	10,503
Lease liabilities	484	448
NET DEBT	10,273	10,951
Free cash flow ⁽¹⁾	1,431	963

(1) The calculation of free cash flow is set out in Note 5.3 – Net debt to the management report.

5.1.4 Cash flow statement

€ millions	30.06.2023	30.06.2024
Self-financing capacity before interest and taxes	3,543	3,378
Net interest paid	(288)	(336)
Net income tax paid	(654)	(547)
Decrease/(increase) in working capital requirement	(568)	(768)
Net change in cash flow from operating activities	2,033	1,727
Net change in cash flow used in investing activities	(1,731)	(676)
Net change in cash flow used in financing activities	(1,117)	(209)
Cash flows from discontinued operations	—	—
Translation differences	(103)	232
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,527	1,609
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,609	2,683

5.2 Analysis of business activity and results

- FY 2024 organic net sales broadly stable (up by around 2% excluding Russia), as strong performances in many mature and emerging markets largely offset a still-normalising United States and challenging China.
- Sequential volume recovery throughout H2 in most markets.
- Pricing, operational efficiencies and cost discipline leading to organic gross margin and organic operating margin expansion of 108 bps and 80 bps.
- Investing in brand desirability and sustainable long-term growth with a sharp and consistent A&P policy and an acceleration in strategic investments.
- Continuing active portfolio management, notably with disposals of some Strategic Local Brands and the announcement of the disposal of Strategic Wine Brands.

5.2.1 Presentation of results

5.2.1.1 Net profit from recurring operations, Group share and per share – diluted

€ millions	30.06.2023	30.06.2024
Profit from recurring operations	3,348	3,116
Financial income/(expense) from recurring operations	(291)	(417)
Corporate income tax on recurring operations	(691)	(646)
Non-controlling interests, net profit of discontinued and held for sale activities and share of net profit of associates	(25)	(53)
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS⁽¹⁾	2,340	2,000
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS PER SHARE – DILUTED (€)	9.11	7.90

(1) Profit from recurring operations after taking into account financial income and expenses from recurring operations, corporate income tax on recurring operations, the share of net profit or loss of associates, and net profit of discontinued and held for sale activities.

5.2.1.2 Profit from recurring operations

Group						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	12,137	11,598	(539)	-4.4%	(150)	-1.2%
Gross margin after logistics expenses	7,246	6,975	(271)	-3.7%	37	0.5%
Advertising and promotion expenses	(1,939)	(1,872)	68	-3.5%	59	-3.1%
Contribution after advertising and promotion expenses	5,307	5,103	(203)	-3.8%	97	1.8%
PROFIT FROM RECURRING OPERATIONS	3,348	3,116	(232)	-6.9%	53	1.5%

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Americas						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	3,481	3,340	(141)	-4.1%	(159)	-4.6%
Gross margin after logistics expenses	2,220	2,162	(58)	-2.6%	(33)	-1.5%
Advertising and promotion expenses	(686)	(669)	17	-2.5%	57	-8.3%
Contribution after advertising and promotion expenses	1,534	1,493	(41)	-2.7%	23	1.5%
PROFIT FROM RECURRING OPERATIONS	965	878	(87)	-9.0%	(6)	-0.6%

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Asia/Rest of the World						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	5,191	4,973	(218)	-4.2%	167	3.2%
Gross margin after logistics expenses	2,969	2,851	(117)	-4.0%	155	5.1%
Advertising and promotion expenses	(740)	(678)	62	-8.4%	13	-1.8%
Contribution after advertising and promotion expenses	2,229	2,173	(55)	-2.5%	168	7.4%
PROFIT FROM RECURRING OPERATIONS	1,516	1,461	(55)	-3.6%	132	8.4%

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Europe						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	3,465	3,285	(180)	-5.2%	(158)	-4.6%
Gross margin after logistics expenses	2,057	1,962	(95)	-4.6%	(84)	-4.1%
Advertising and promotion expenses	(513)	(525)	(12)	2.3%	(11)	2.2%
Contribution after advertising and promotion expenses	1,544	1,437	(107)	-6.9%	(95)	-6.2%
PROFIT FROM RECURRING OPERATIONS	867	777	(90)	-10.4%	(74)	-8.6%

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

5.2.2 Organic net sales growth of Strategic International Brands

In millions of 9-litre cases	Volumes	Volumes	Organic growth ⁽¹⁾ in net sales	Of which volume growth	Of which price/mix effect
	30.06.2023	30.06.2024			
Absolut	12.7	12.0	-1%	-5%	+4%
Jameson	10.7	10.7	+1%	0%	+1%
Ballantine's	8.8	8.8	+1%	0%	+1%
Chivas Regal	5.1	4.7	-1%	-6%	+5%
Ricard	4.4	4.3	+3%	-2%	+4%
Malibu	4.7	4.4	-4%	-6%	+2%
Havana Club	4.3	3.5	+8%	-17%	+26%
Beefeater	3.7	3.3	-8%	-10%	+2%
Martell	2.4	2.2	-10%	-11%	+1%
The Glenlivet	1.6	1.4	-6%	-12%	+6%
Mumm	0.6	0.5	-12%	-14%	+2%
Royal Salute	0.3	0.2	+5%	-7%	+12%
Perrier-Jouët	0.3	0.3	+2%	-6%	+8%
STRATEGIC INTERNATIONAL BRANDS	59.5	56.5	-3%	-5%	+2%

(1) Organic growth is defined on page 222.

FY 2024 net sales totalled €11,598 million, an organic decline of 1% (down 4% as reported), with a negative FX impact mainly linked to the Argentinian peso, Turkish lira, US dollar, Chinese yuan and Indian rupee.

By region:

• **Americas, down 5%:**

- **United States, down 9%**, with a Spirits market that continues to normalise. In a still elevated interest rate environment, further inventory adjustments expected in FY 2025, leading to an anticipated decline in Q1,
- Canada broadly stable, with strong RTD growth; market share gains,
- Brazil up slightly, with a favourable basis of comparison and a consumer demand recovery in H2; market share gains,
- Mexico up slightly, with an unfavourable basis of comparison and a soft tourism season; market share gains;

• **Asia-RoW, up 3%:**

- **China, down 10%**, with a challenging macro-economic environment and continuing weak consumer sentiment impacting demand. Stable sales of Martell Noblige, good performance on Premium International Brands Absolut, Jameson, Olmeca and Beefeater. A strong decline expected in Q1, with subdued trade sentiment ahead of the FY 2025 Mid Autumn Festival, contrasting with much stronger consumer sentiment last year in Q1,
- **India, up 6%**, with a very solid, broad-based and accelerating performance underpinned by strong consumer demand,

- Very good growth in Japan and the Taiwan market, with market share gains; decline in South Korea in both net sales and market share,
- Very strong results in Africa and the Middle East, notably in Turkey with an outstanding performance on Chivas, and in Nigeria,
- Flat net sales in South Africa amid difficult macro-economic conditions;
- **Europe, down 5%**, with a solid performance in Europe excluding Russia (up 2%), with strong performances notably in Germany and Poland;
- **Global Travel Retail, up 2%**, full year sales growth with a soft H1 impacted by protracted sales negotiations, and good growth in H2. Passenger numbers fully normalised with the exception of the ongoing recovery of Chinese travellers.

By category:

Jameson continued its international expansion, Absolut saw dynamic growth in Asia-ROW and Europe, Scotch Brands were negatively impacted by the United States and China.

- **Strategic International Brands, down 3%**
- **Strategic Local Brands, up 5%**
- **Specialty Brands, down 2%**
- **Strategic Wine Brands, down 9%**

Our overall portfolio recorded mid-single digit price increases, with slightly lower volumes and an adverse market mix.

5.2.3 Contribution after advertising and promotion expenses

Strong organic gross margin expansion of 108 bps lifted by pricing, operational efficiencies and strict cost control.

A&P spend at €1.9 billion, representing around 16% of net sales, and strong structure cost discipline.

5.2.4 Profit from recurring operations

FY 2024 profit from recurring operations of €3,116 million, representing organic growth of 1.5%, a reported decline of 7%.

Operating margin expanded by 80 bps organically to 28.4%, but declined on a reported basis to 26.9%.

5.2.5 Financial income/(expense) from recurring operations

Higher interest rates led to increased recurring financial expenses with an average cost of debt at 3.2%.

5.2.6 Group share of net profit from recurring operations

Group share of net profit from recurring operations was €2,000 million, down 14.5%.

5.2.7 Group share of net profit

Group share of net profit was €1,476 million, down 35%. Non-recurring operating expenses include Wine business impairment, partially mitigated by proceeds on disposals and reversal of impairment on Kahlúa. Non-recurring income tax includes impacts on deferred tax driven by the reversal of Kahlúa impairment and impairment of deferred taxes on foreign tax credits in the United States.

5.3 Net debt

Reconciliation of net financial debt – Net financial debt is a metric used by the Group to manage its cash and net debt capacity. A reconciliation of net financial debt to the main balance sheet items is provided in Note 4.9 – *Financial instruments to the consolidated financial statements*. The following table shows the change in net debt over the year:

<i>€ millions</i>	30.06.2023	30.06.2024
Profit from recurring operations	3,348	3,116
Other operating income/(expenses)	(83)	(392)
• Depreciation of fixed assets	417	441
• Net change in impairment of goodwill, property, plant and equipment and intangible assets	52	495
• Net change in provisions	(74)	(37)
• Changes in fair value of commercial derivatives and biological assets	(87)	1
• Net (gain)/loss on disposal of assets	(74)	(292)
• Share-based payments	44	45
• Dividends received from associates		2
Sub-total of depreciation and amortisation, changes in provisions and other	278	654
SELF-FINANCING CAPACITY BEFORE INTEREST AND TAXES	3,543	3,378
Decrease/(increase) in working capital requirement	(568)	(768)
Net interest and tax paid	(942)	(884)
Net purchases of non-financial assets and other	(602)	(764)
FREE CASH FLOW	1,431	963
<i>of which recurring free cash flow</i>	<i>1,653</i>	<i>1,175</i>
Net purchases of financial assets and activities and other	(1,129)	38
Changes in scope of consolidation	—	—
• Share capital increases and other changes in shareholders' equity	—	—
• Dividends and interim dividends paid	(1,072)	(1,208)
• (Acquisition)/disposal of treasury shares	(786)	(334)
Sub-total of dividends, acquisition of treasury shares and other	(1,858)	(1,542)
DECREASE/(INCREASE) IN DEBT BEFORE FOREIGN EXCHANGE IMPACT	(1,556)	(541)
Translation differences	53	(46)
Non-cash effect on lease liabilities	(112)	(90)
DECREASE/(INCREASE) IN DEBT AFTER FOREIGN EXCHANGE IMPACT	(1,615)	(677)
Net debt at beginning of period	(8,657)	(10,273)
Net debt at end of period	(10,273)	(10,951)

5.4 Outlook

Leveraging our diversified portfolio and balanced footprint we reiterate our confidence in our medium-term⁽¹⁾ financial framework of aiming for the upper end of 4% to 7% organic net sales growth and 50 bps to 60 bps organic operating margin expansion.

For FY 2025, we expect:

- Full-year organic net sales back to growth, with continued volume recovery, and sustained organic operating margin;

- A soft Q1 with further inventory adjustments in the United States, a continued very weak macro-economic context in China and a good performance in the rest of the world.

⁽¹⁾ At our Capital Market Day in June 2022, we unveiled our FY 2023-FY 2025 medium-term ambitions. The ambitions are relevant beyond this time horizon, as medium-term is understood to refer to the next three to five financial years.

5.5 Definition of alternative performance measures and reconciliation to IFRS measures

Pernod Ricard's management process is based on the following alternative performance measures (APMs), which have been chosen for planning and reporting purposes. The Group's management believes that these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These APMs should be considered as complementary to IFRS measures and reported movements therein.

5.5.1 Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements, acquisitions and disposals, changes in applicable accounting principles and hyperinflation.

The exchange rate impact is calculated by translating the current year's results at the prior year's exchange rates and by adding changes in the current and prior years' translation adjustments.

For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are only included in the organic movement calculations of the current year from the anniversary date of the acquisition.

The impact of hyperinflation on profit from recurring operations in Turkey and Argentina is excluded from organic growth calculations by capping local unit price/cost increases to a maximum of 26% per year, equivalent to 100% over three years.

Where a business, brand, brand distribution right or agency agreement was disposed of or terminated in the prior year, the Group excludes the results for that business from the prior year in the organic movement calculations. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.

This measure enables users to compare the Group's performance on a like-for-like basis, focusing on areas that local management is most directly able to influence.

5.5.2 Free cash flow

Free cash flow comprises net cash from operating activities, aggregated with the proceeds from disposals of property, plant and equipment and intangible assets and after deduction of capital expenditure.

5.5.3 "Recurring" measures

The following three measures represent key indicators for the measurement of the recurring performance of the business, excluding significant items that, because of their nature and their infrequent occurrence, cannot be considered as inherent to the recurring performance of the Group:

- **Recurring free cash flow**

Recurring free cash flow is calculated by restating free cash flow for non-recurring items.

- **Profit from recurring operations**

Profit from recurring operations corresponds to operating profit excluding other non-recurring operating income and expenses.

- **Group share of net profit from recurring operations**

Group share of net profit from recurring operations corresponds to net profit attributable to Group shareholders before other non-recurring operating income and expenses, non-recurring financial income and expenses and non-recurring income taxes.

5.5.4 Net debt

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at the closing rate), including lease liabilities and derivatives designated as fair value hedges and net foreign currency asset hedges (hedging of net investments and similar), less cash and cash equivalents.

5.5.5 EBITDA

EBITDA stands for "earnings before interest, taxes, depreciation and amortisation". EBITDA is an accounting measure calculated using the Group's profit from recurring operations excluding depreciation and amortisation on operating fixed assets.

5.6 Material contracts

5.6.1 Material contracts not related to financing

5.6.1.1 Suntory

In 1988, Allied Domecq entered into a series of agreements with Suntory Ltd, one of Japan's leading producers and distributors of spirits. One of the provisions of these agreements concerned the creation of a joint venture in Japan called Suntory Allied Ltd, in which 49.99% of the share capital and voting rights are owned by Allied Domecq and 50.01% by Suntory Ltd. Suntory Allied Ltd has

been granted the exclusive distribution rights for certain Allied Domecq brands in Japan until 31 March 2029.

The management of Suntory Allied Ltd is jointly controlled by Pernod Ricard, as successor-in-interest to Allied Domecq, and Suntory Ltd.

5.6.1.2 Sale and repurchase agreements

Pernod Ricard did not enter into any sale and repurchase agreements during FY 2024.

5.6.2 Financing contracts

5.6.2.1 Credit agreements

2023 Credit Agreement

On 27 April 2023, Pernod Ricard and certain of its affiliates signed a new sustainability-linked loan totalling €2.1 billion (the "**Credit Agreement**") in order to refinance ahead of term its existing €2.5 billion credit facility maturing in June 2024. The initial maturity date of the Credit Agreement is five years, expiring on 27 April 2028, with an option to extend for one year at the end of the fifth year and an additional year at the end of the sixth year. The first extension option was exercised in March 2024, extending the maturity to 27 April 2029. The facility is linked to two environmental commitments: a reduction in the Group's absolute greenhouse gas emissions (Scopes 1 and 2) and a reduction in its water consumption per unit of alcohol produced.

The obligations of each of the borrowers under the Credit Agreement are guaranteed by Pernod Ricard. No security interest (*sûreté réelle*) was granted under the terms of the Credit Agreement.

The Credit Agreement includes an "Accordion" feature which allows for borrowing of up to an additional €400 million beyond the initial €2.1 billion allocation.

5.6.2.2 Bond issues

The Group has issued bonds (the "**Bonds**") through (i) Pernod Ricard, and (ii) Pernod Ricard International Finance LLC, a wholly owned affiliate of Pernod Ricard, whose issues are guaranteed by Pernod Ricard.

The nominal amount of the Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of the issuer in question, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of said issuer. In addition, Pernod Ricard and Pernod Ricard International Finance LLC have undertaken not to grant any security interests in respect of bonds or other debt securities admitted, or liable to be admitted, to trading on a regulated market, an over-the-counter market or other stock exchange

2022 Credit Agreement (Bilateral Credit)

On 22 March 2022, Pernod Ricard and Pernod Ricard Finance entered into a bilateral revolving credit agreement (the "**Bilateral Credit Agreement**", referred to jointly with the Credit Agreement as the "**credit agreements**") with a principal amount of €500 million, for an initial period of three years, with the option of an extension of one year at the end of the third year and one additional year at the end of the fourth year.

The obligations of Pernod Ricard Finance under the Bilateral Credit Agreement are guaranteed by Pernod Ricard. No security interest (*sûreté réelle*) was granted under the terms of the Bilateral Credit Agreement.

Provisions of the credit agreements

The credit agreements contain customary representations and warranties, as well as the usual restrictive covenants contained in such contracts.

unless the bonds benefit from similar collateral or other collateral approved, as the case may be, by the mass of bondholders (Pernod Ricard) or by the meeting of bondholders (Pernod Ricard International Finance LLC).

These bond issues include a clause regarding change of control, which could trigger the compulsory early repayment of Bonds upon request of each bondholder in the event of a change of control of Pernod Ricard (benefiting a person or a group of persons acting in concert) and leading to a deterioration in Pernod Ricard's credit rating.

In addition, bondholders may request early redemption of these Bonds if certain customary events of default arise.

	Amount (US\$ thousands)	Amount (€ thousands)	Place of issue	Nominal value	Maturity date	Redemption dates	Allocation of net proceeds of the issue	Rate
USD bond of 12/01/2012	850,000		Private placement for institutional investors, and subject to New York State (United States) law	US\$150,000 (with multiples of US\$1,000 in excess of this amount)	15/01/2042	Payable annually in arrears on 15 January and 15 July	Repayment of part of the 2008 syndicated loan denominated in US dollars	Fixed annual rate of 5.50%
EUR bond of 29/09/2014		650,000	Regulated market of Euronext Paris	100,000	27/09/2024	Payable annually in arrears on 27 September	Repayment of bond debt to extend the maturity of the Group's debt	Fixed annual rate of 2.125%
EUR bond of 17/05/2016		600,000	Regulated market of Euronext Paris	100,000	18/05/2026	Payable annually in arrears on 18 May	Repayment of bond debt to extend the maturity of the Group's debt	Fixed annual rate of 1.50%
USD bond of 08/06/2016	600,000		Private placement for institutional investors, and subject to New York State (United States) law	US\$150,000 (with multiples of US\$1,000 in excess of this amount)	08/06/2026	Payable annually in arrears on 8 June and 8 December from 8 December 2016	Repayment of short-term debt and bond debt to extend the maturity of the Group's debt	Fixed annual rate of 3.25%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2027	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0.50%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2031	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0.875%
EUR bond of 06/04/2020		750,000	Regulated market of Euronext Paris	100,000	07/04/2025	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.125%
EUR bond of 06/04/2020		750,000	Regulated market of Euronext Paris	100,000	08/04/2030	Payable annually in arrears on 8 April	General corporate purposes	Fixed annual rate of 1.75%
EUR bond of 06/04/2020		250,000	Regulated market of Euronext Paris	100,000	07/04/2025	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.125%
EUR bond of 06/04/2020		250,000	Regulated market of Euronext Paris	100,000	08/04/2030	Payable annually in arrears on 8 April	General corporate purposes	Fixed annual rate of 1.75%

	Amount (US\$ thousands)	Amount (€ thousands)	Place of issue	Nominal value	Maturity date	Redemption dates	Allocation of net proceeds of the issue	Rate
USD bond of 01/10/2020	600,000		Private placement for institutional investors, and subject to New York State (United States) law	US\$150,000 (with multiples of US\$1,000 in excess of this amount)	01/04/2028	Pavable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 1.25%
USD bond of 01/10/2020	900,000		Private placement for institutional investors, and subject to New York State (United States) law	US\$150,000 (with multiples of US\$1,000 in excess of this amount)	01/04/2031	Pavable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 1.625%
USD bond of 01/10/2020	500,000		Private placement for institutional investors, and subject to New York State (United States) law	US\$150,000 (with multiples of US\$1,000 in excess of this amount)	01/10/2050	Pavable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 2.75%
EUR bond of 04/10/2021		500,000	Regulated market of Euronext Paris	100,000	04/10/2029	Pavable annually in arrears on 4 October	General corporate purposes	Fixed annual rate of 0.125%
EUR bond of 07/04/2022		750,000	Regulated market of Euronext Paris	100,000	07/04/2029	Pavable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.375%
EUR bond of 02/11/2022		600,000	Regulated market of Euronext Paris	100,000	02/11/2028	Pavable annually in arrears on 2 November	General corporate purposes	Fixed annual rate of 3.25%
EUR bond of 02/11/2022		500,000	Regulated market of Euronext Paris	10,000	02/11/2032	Pavable annually in arrears on 2 November	General corporate purposes	Fixed annual rate of 3.75%
EUR bond of 15/09/2023		600,000	Regulated market of Euronext Paris	100,000	15/09/2027	Pavable annually in arrears on 15 September	General corporate purposes	Fixed annual rate of 3.75%
EUR bond of 15/09/2023		750,000	Regulated market of Euronext Paris	100,000	15/09/2033	Pavable annually in arrears on 15 September	General corporate purposes	Fixed annual rate of 3.75%
EUR bond of 07/05/2024		700,000	Regulated market of Euronext Paris	100,000	07/11/2030	Pavable annually in arrears on 7 November	General corporate purposes	Fixed annual rate of 3.375%
EUR bond of 07/05/2024		800,000	Regulated market of Euronext Paris	100,000	07/05/2034	Pavable annually in arrears on 7 May	General corporate purposes	Fixed annual rate of 3.625%

5.6.2.3 Euro Medium Term Notes (EMTN) programme

After obtaining the approval of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on the base prospectus, on 26 May 2020, Pernod Ricard set up a Euro Medium Term Notes (EMTN) programme, updated on 11 October 2021, 24 October 2022 and 24 October 2023 (the “Programme”). Under the terms of the Programme, Pernod Ricard and Pernod Ricard International Finance LLC may issue Bonds by means of private placements in various currencies. The issues of Pernod Ricard International Finance LLC under the programme will be guaranteed by Pernod Ricard SA. The securities may be admitted

to trading on Euronext Paris. The maximum nominal amount of securities outstanding under the Programme is set at €7 billion (or the equivalent in any other currency). During the meeting on 24 April 2024, the Board of Directors authorised Pernod Ricard to issue bonds under the Programme up to a total maximum nominal amount of €2,850 billion less any amounts issued since 30 August 2023 (or the equivalent in any other currency) for a period of one year from 24 April 2024.

5.6.2.4 Sustainability-linked bond

On 7 April 2022, Pernod Ricard conducted its first issuance of bonds incorporating environmental commitments, totalling €750 million with a maturity of seven years.

On 2 November 2022, Pernod Ricard conducted two new bond issuances incorporating the same environmental commitments. The first issuance was for €600 million with a six-year maturity, and the second issuance was for €500 million with a ten-year maturity.

Pernod Ricard has chosen two Key Performance Indicators (KPIs) that are relevant, core and material to its overall business and of strategic significance to the Group’s current and/or future

operations. The KPIs are aligned with the S&R roadmap and the United Nations 2030 SDGs. For these two KPIs, Pernod Ricard has set ambitious Sustainability Performance Targets (SPTs) to highlight its commitment and leadership across the sector, with both short-term and long-term trajectories.

The two criteria chosen are related to environmental topics as follows:

- absolute reduction of greenhouse gas emissions (Scopes 1 and 2);
- reduction in water consumption per unit of alcohol produced at distilleries.

In regard to the key performance indicators to which the bond is linked, Pernod Ricard monitored its performance during the financial year, and progress towards the targets:

KPI	SPT	FY 2018 baseline ⁽¹⁾	FY 2024 performance ⁽¹⁾	Change
Absolute Scope 1 and 2 GHG emissions (ktCO ₂ e) – Market-based	26% reduction by FY 2025 (emissions below 220 ktCO ₂ e)	298	208	-30%
	54% reduction by FY 2030 (emissions below 138 ktCO ₂ e)			
Water consumption per unit of alcohol produced in distilleries (m ³ /kLAA)	12.5% reduction by FY 2025 (consumption below 16.7 m ³ /kLAA)	19.0	16.6	-13%
	20.9% reduction by FY 2030 (consumption below 15.1 m ³ /kLAA)			

(1) For the period from 1 July Y-1 to 30 June Y.

Greenhouse gas emissions in absolute terms (Scopes 1 and 2, as defined in the Group’s Sustainability Linked Financing Framework issued in September 2023) fell by around 30% between FY 2018 and FY 2024.

This progress reflects the efforts made by the Group in recent years to achieve its 2030 objective, in particular:

- the **numerous investments** made in energy efficiency (such as the replacement of boilers with high energy efficiency units and the recycling of steam using mechanical vapour recompression technology);
- the increased **use of biofuels** and biomass in distilleries, especially at the Dalmonach site;
- the **installation of on-site solar panels**; and
- the **purchase of renewable electricity** through PPAs and green certificates in recent years.

In particular, the Nashik site in India has fully transitioned to the exclusive use of biomass in its boilers, instead of coal, thereby reducing its Scope 1 greenhouse gas emissions by around 3,500 tCO₂e. In addition, the Middleton site in Ireland has been able to reduce its Scope 1 greenhouse gas emissions by 7,500 tCO₂e thanks to the deployment of mechanical vapour recompression (MVR) technology on its stills and the installation of boilers that consume less energy.

In FY 2024, water consumption at distilleries fell by around 13% in intensity versus FY 2018. This improved performance is attributable to the programmes put in place across the Group’s distilleries, designed to optimise industrial processes, invest in distribution networks and enhance water recycling measures. In particular, projects run this year to enhance rainwater collection and restore the permeate filter for wastewater treatment at the Middleton site have slashed its water consumption by around 380,000 m³. The Glenlivet site in Scotland has also reduced its water consumption by some 18,000 m³ by installing a closed-loop reuse system for cooling tower water.

These key performance indicators have been subject to verification by an independent third party, which provided a limited assurance conclusion. The report is available on the Group’s website. For more information on the Group’s environmental, social and governance (ESG) performance, see Chapter 3 – *Sustainability & Responsibility*.

5.6.2.5 Factoring agreements

Pernod Ricard has set up programmes to sell trade receivables without recourse to banks, in order to hedge its credit risk. As substantially all of the risks and rewards related to the receivables are transferred to the purchaser in accordance with this programme, transferred receivables are deconsolidated.

At 30 June 2024, the net value of multi-currency receivables sold amounted to an equivalent of €704 million (see Note 4.5 – *Trade receivables and other operating receivables* in Chapter 6 – *Annual consolidated financial statements*).

5.6.2.6 Securitisation (Master Receivables Assignment Agreement)

An international securitisation programme has been set up between certain affiliates of Pernod Ricard and a bank, for the purpose of transferring eligible trade receivables to €STR. As substantially all of the risks and rewards related to the receivables are transferred to the purchaser in accordance with this securitisation programme, transferred receivables are deconsolidated.

At 30 June 2024, the net value of the multi-currency receivables transferred amounted to an equivalent of €420 million (see Note 4.5 – *Trade receivables and other operating receivables* in Chapter 6 – *Annual consolidated financial statements*).

6

Annual consolidated financial statements

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6.1 Consolidated income statement

€ millions	30.06.2023	30.06.2024	Notes
Net sales	12,137	11,598	2
Cost of sales	(4,891)	(4,623)	2
Gross margin after logistics expenses	7,246	6,975	2
Advertising and promotion expenses	(1,939)	(1,872)	2
Contribution after advertising and promotion expenses	5,307	5,103	2
Structure costs	(1,959)	(1,987)	
Profit from recurring operations	3,348	3,116	
Other operating income/(expenses)	(83)	(392)	3.1
Operating profit	3,265	2,724	
Financial expenses	(380)	(505)	3.2
Financial income	53	68	3.2
Financial income/(expenses)	(327)	(437)	
Corporate income tax	(651)	(766)	3.3
Share of net profit/(loss) of associates	(4)	(7)	
Net profit of discontinued and held for sale activities	—	—	
Net profit	2,283	1,514	
of which:			
• non-controlling interests	21	38	
• attributable to Group shareholders	2,262	1,476	
Earnings per share – basic (€)	8.84	5.84	3.4
Earnings per share – diluted (€)	8.81	5.83	3.4

6.2 Consolidated statement of comprehensive income

<i>€ millions</i>	30.06.2023	30.06.2024
Net profit for the period	2,283	1,514
Non-recyclable items		
Actuarial gains/(losses) related to defined benefit plans	(34)	27
<i>Amounts recognised in shareholders' equity</i>	<i>(40)</i>	<i>32</i>
<i>Tax impact</i>	<i>6</i>	<i>(5)</i>
Equity instruments	(13)	9
<i>Unrealised gains and losses recognised in shareholders' equity</i>	<i>(14)</i>	<i>3</i>
<i>Tax impact</i>	<i>1</i>	<i>6</i>
Recyclable items		
Net investment hedges	5	(11)
<i>Amounts recognised in shareholders' equity</i>	<i>7</i>	<i>(15)</i>
<i>Tax impact</i>	<i>(2)</i>	<i>4</i>
Cash flow hedges	(10)	(1)
<i>Amounts recognised in shareholders' equity⁽¹⁾</i>	<i>(13)</i>	<i>(1)</i>
<i>Tax impact</i>	<i>3</i>	<i>—</i>
Translation differences	(548)	103
Other comprehensive income/(expense) for the period, net of tax	(600)	127
Comprehensive income for the period	1,683	1,641
of which:		
• attributable to Group shareholders	1,709	1,590
• non-controlling interests	(26)	51

(1) No impact reclassified to profit or loss for the period.

6.3 Consolidated balance sheet

ASSETS

€ millions	30.06.2023	30.06.2024	Notes
Net amounts			
NON-CURRENT ASSETS			
Intangible assets	12,250	12,234	4.1
Goodwill	6,750	6,806	4.1
Property, plant and equipment	3,901	3,982	4.2
Non-current financial assets	855	932	4.3
Investments in associates	37	58	
Non-current derivative instruments	5	-	4.3/4.10
Deferred tax assets	1,870	1,713	3.3
Total non-current assets	25,667	25,725	
CURRENT ASSETS			
Inventories and work in progress	8,104	8,255	4.4
Trade receivables and other operating receivables	1,814	1,581	4.5
Income taxes receivable	31	122	
Other current assets	435	416	4.6
Current derivative instruments	15	8	4.3/4.10
Cash and cash equivalents	1,609	2,683	4.8
Total current assets	12,008	13,065	
Assets held for sale	1	395	6.7
TOTAL ASSETS	37,676	39,185	

LIABILITIES AND SHAREHOLDERS' EQUITY

€ millions	30.06.2023	30.06.2024	Notes
SHAREHOLDERS' EQUITY			
Share capital	396	393	6.1
Share premium	3,052	3,052	
Retained earnings and translation differences	10,006	10,828	
Group share of net profit	2,262	1,476	
Group shareholders' equity	15,717	15,749	
Non-controlling interests	998	1,048	
Total shareholders' equity	16,715	16,797	
NON-CURRENT LIABILITIES			
Non-current provisions	294	313	4.7
Provisions for pensions and other long-term employee benefits	349	277	4.7
Deferred tax liabilities	3,134	3,153	3.3
Bonds – non-current	9,678	10,907	4.8
Non-current lease liabilities	384	352	4.8
Other non-current financial liabilities	173	133	4.8
Non-current derivative instruments	14	11	4.10
Total non-current liabilities	14,026	15,146	
CURRENT LIABILITIES			
Current provisions	164	158	4.7
Trade payables	3,461	2,930	
Income taxes payable	113	149	3.3
Other current liabilities	1,556	1,607	4.11
Bonds – current	580	1,778	4.8
Current lease liabilities	99	96	4.8
Other current financial liabilities	956	352	4.8
Current derivative instruments	6	21	4.10
Total current liabilities	6,935	7,091	
Liabilities related to assets held for sale	-	151	6.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	37,676	39,185	

6.4 Consolidated statement of changes in shareholders' equity

€ millions	Share capital	Additional paid-in capital	Consolidated reserves	Actuarial gains and losses	Changes in fair value	Cumulative translation differences	Treasury shares	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening position at 1 July 2022	400	3,052	12,416	(268)	(4)	500	(152)	15,944	309	16,253
Comprehensive income for the period	-	-	2,262	(34)	(23)	(498)	-	1,709	(26)	1,683
Change in share capital	(4)	-	-	-	-	-	-	(4)	-	(4)
Share-based payments	-	-	44	-	-	-	-	44	-	44
(Acquisition)/ Disposal of treasury shares	-	-	(474)	-	-	-	(309)	(783)	-	(783)
Dividends and interim dividends distributed	-	-	(1,177)	-	-	-	-	(1,177)	(36)	(1,213)
Other transactions with non-controlling interests	-	-	(15)	-	-	-	-	(15)	751	736
Other movements	-	-	(1)	-	-	-	-	(1)	(1)	(2)
Closing position at 30 June 2023	396	3,052	13,055	(301)	(27)	3	(462)	15,717	998	16,715

€ millions	Share capital	Additional paid-in capital	Consolidated reserves	Actuarial gains and losses	Changes in fair value	Cumulative translation differences	Treasury shares	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening position at 1 July 2023	396	3,052	13,055	(301)	(27)	3	(462)	15,717	998	16,715
Comprehensive income for the period	-	-	1,476	27	8	79	-	1,590	51	1,641
Change in share capital	(4)	-	4	-	-	-	-	-	-	-
Share-based payments	-	-	45	-	-	-	-	45	-	45
(Acquisition)/ Disposal of treasury shares	-	-	(476)	-	-	-	143	(333)	-	(333)
Dividends and interim dividends distributed	-	-	(1,257)	-	-	-	-	(1,257)	(11)	(1,268)
Other transactions with non-controlling interests	-	-	(6)	-	-	-	-	(6)	11	5
Other movements	-	-	(5)	-	-	-	-	(5)	(1)	(6)
Closing position at 30 June 2024	393	3,052	12,836	(275)	(19)	82	(319)	15,749	1,048	16,797

6.5 Consolidated cash flow statement

€ millions	30.06.2023	30.06.2024	Notes
CASH FLOWS FROM OPERATING ACTIVITIES			
Group share of net profit	2,262	1,476	
Non-controlling interests	21	38	
Share of net profit/(loss) of associates, net of dividends received	4	9	
Financial (income)/expenses	327	437	
Tax (income)/expenses	651	766	
Net profit from discontinued operations	—	—	
Depreciation of fixed assets	417	441	
Net change in provisions	(74)	(37)	
Net change in impairment of goodwill, property, plant and equipment and intangible assets	52	495	
Changes in fair value of commercial derivatives	(7)	5	
Changes in fair value of biological assets and investments	(80)	(5)	
Net (gain)/loss on disposal of assets	(74)	(292)	
Share-based payments	44	45	
Self-financing capacity before interest and taxes	3,543	3,378	
Decrease/(increase) in working capital requirement	(568)	(768)	5.1
Interest paid	(292)	(355)	
Interest received	4	19	
Tax paid/received	(654)	(547)	
Net cash from operating activities	2,033	1,727	
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	(702)	(773)	
Proceeds from disposals of property, plant and equipment and intangible assets	100	8	
Purchases of financial assets and activities	(1,159)	(245)	5.2
Disposals of financial assets and activities	30	334	5.2
Net cash used in investing activities	(1,731)	(676)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends and interim dividends paid	(1,072)	(1,208)	
Other changes in shareholders' equity	—	—	
Issuance of long-term debt	1,702	2,815	5.3
Repayment of debt	(845)	(1,357)	5.3
Repayment of lease liabilities	(116)	(125)	
(Acquisition)/Disposal of treasury shares	(786)	(334)	
Net cash used in financing activities	(1,117)	(209)	
Cash flows from non-current assets held for sale	—	—	
Increase/(Decrease) in cash and cash equivalents before foreign exchange impact	(815)	842	
Translation differences	(103)	232	
Increase/(Decrease) in cash and cash equivalents after foreign exchange impact	(918)	1,074	
Cash and cash equivalents at beginning of period	2,527	1,609	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,609	2,683	

6.6 Notes to the consolidated financial statements

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Pernod Ricard SA is a French public limited company (*Société Anonyme*), subject to all laws governing commercial companies in France, including in particular the provisions of the French Commercial Code (*Code de commerce*). The Company has its registered office at 5, cours Paul Ricard, 75008 Paris, France, and is listed on the Euronext stock exchange. The annual consolidated financial statements reflect the accounting position of Pernod Ricard and its affiliates (the "Group"). They are reported in millions of euros, rounded to the nearest million.

The Group manufactures and sells wines and spirits.

The Board of Directors authorised the issue of the annual consolidated financial statements for the financial year ended 30 June 2024 on 30 August 2024.

NOTE 1 Accounting policies and significant events

Note 1.1 Accounting policies and principles

1. Principles and accounting standards governing the preparation of the annual consolidated financial statements

Given its listing in a country of the European Union, and in accordance with Regulation (EC) No. 1606/02, the Group's annual consolidated financial statements for the financial year ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

The accounting policies used to prepare the FY 2024 annual consolidated financial statements are consistent with those used for the FY 2023 annual consolidated financial statements. The Group does not early adopt standards or interpretations.

The Group's financial year runs from 1 July to 30 June.

2. Changes in accounting standards

Standards, amendments and interpretations applicable since 1 July 2023

Since 1 July 2023, the following standards, amendments and interpretations are effective:

- Amendment to IAS 12 "Income Taxes" - International Tax Reform: Pillar Two Model Rules;
- Amendment to IAS 1 "Presentation of Financial Statements": Disclosure of Accounting Policies.

The application of these amendments had no material impact on the Group's financial statements at 30 June 2024.

OECD Pillar Two rules providing for a 15% minimum tax per jurisdiction for multinational corporations have been adopted by the EU and should therefore apply as from 1 January 2024. The corresponding European Directive was transposed into French law in December 2023. Pernod Ricard has applied the exemption under the IAS 12 amendment regarding the recognition and disclosure of deferred taxes under Pillar Two. Accordingly, no deferred tax was recognised in the consolidated financial statements at 30 June 2024 with respect to additional future income tax.

The Group is actively working to implement these new regulations. Based on recent analyses, the Group does not anticipate that this amendment will have a material impact on the consolidated financial statements.

3. Measurement basis

The financial statements are prepared in accordance with the historical cost method, except for certain categories of assets and liabilities, which are measured in accordance with the methods provided by IFRS.

4. Principal uncertainties arising from the use of estimates and judgements by management

Estimates

The preparation of consolidated financial statements in accordance with IFRS means that Group management makes a certain number of estimates and assumptions which have an impact on the amount of the Group's assets and liabilities, and items of profit and loss during the financial year. These estimates are made on the assumption that the Company will continue as a going concern and are based on information available at the time of their preparation. Estimates may be revised where the circumstances on which they were based change or where new information becomes available. Future outcomes can differ from these estimates.

Goodwill and intangible assets

As explained in Note 4.1 - *Intangible assets and goodwill*, in addition to annual impairment tests applied to goodwill and intangible assets with indefinite useful lives (such as trademarks), the Group carries out spot impairment tests where there is an indication that an intangible asset may be impaired. Any impairment loss is calculated using discounted future cash flows and/or the market values of the assets in question. These calculations require the use of assumptions regarding market conditions and projected cash flows, and any changes in these assumptions may thus lead to results different from those initially estimated.

Provisions for pensions and other long-term employee benefits

As explained in Note 4.7 - *Provisions*, the Group runs defined benefit and defined contribution pension plans. In addition, provisions are also recognised in virtue of certain other post-employment benefits such as life insurance and medical care (mainly in the United States and the United Kingdom). The carrying amount of these provisions at the balance sheet date is set out in Note 4.7 - *Provisions*.

These benefit obligations are based on a number of assumptions such as discount rates, future salary increases, employee turnover and life expectancy.

These assumptions are generally updated annually. The assumptions used in the preparation of the financial statements for the year ended 30 June 2024 and the procedures used in their determination are set out in Note 4.7 - *Provisions*. The Group considers that the actuarial assumptions used are appropriate and justified. However, such actuarial assumptions may change in the future and this may have a material impact on the amount of the Group's benefit obligations and on its profits. Sensitivity analyses are presented in Note 4.7 - *Provisions*.

Deferred tax

As explained in Note 3.3 – *Corporate income tax*, the deferred tax assets recognised result mainly from tax loss carryforwards and from temporary differences between the tax base and the carrying amounts of assets and liabilities. Deferred tax assets in respect of tax losses are recognised if it is probable that the Group will have future taxable profits against which such losses may be used. The assessment of whether the Group will be able to use these tax losses is largely a matter of judgement. Analyses are carried out to decide whether or not these tax loss carryforwards are likely to be usable in the future.

Provisions

As explained in Note 4.7 – *Provisions*, the Group is involved in a number of disputes and claims arising in the ordinary course of its business. In some cases, the amounts sought by the claimants are significant and the legal proceedings can take several years. In this context, provisions are calculated on the basis of the Group's best estimate of the amount that will be payable based on the information available (notably that provided by the Group's legal advisers). Any change to assumptions can have a significant effect on the amount of the provision recognised. The carrying amount of these provisions at the balance sheet date is set out in Note 4.7 – *Provisions*.

Judgements

In the absence of standards or interpretations applicable to a specific transaction, Group management uses its judgement to define and apply accounting policies that provide relevant and reliable information in the context of the preparation of the financial statements.

Hyperinflation

According to the provisions of IAS 29, Argentina and Turkey are considered to be hyperinflationary economies.

However, given the contribution of operations in Argentina and Turkey to the Group's financial statements, the impact of the application of IAS 29 has been deemed non-material, and the corresponding restatements have not been made.

5. Business combinations

Business combinations carried out before 1 July 2009 were recognised using the accounting standards in force at 30 June 2009. Business combinations after 1 July 2009 are measured and recognised in accordance with the revised version of IFRS 3, whereby the consideration transferred (cost of the acquisition) is measured at the fair value of assets transferred, equity interests issued and liabilities incurred at the acquisition date. Identifiable assets and liabilities of the acquiree are measured at fair value at the acquisition date. Costs directly attributable to the acquisition, such as legal, due diligence and other professional fees are recognised as other operating expenses as incurred.

Any consideration transferred in excess of the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. The option is available for each transaction to apply either proportionate or full goodwill methods. Goodwill arising on the acquisition of foreign entities is denominated in the functional currency of the business acquired. Goodwill is not amortised. Instead, it is subject to an impairment test once a year or more often if there is any indication that it may have been impaired.

Finally, in accordance with IFRS 3 as revised and IAS 27 as amended, the Group recognises in shareholders' equity the difference between the consideration transferred and the proportionate share of non-controlling interests in the fair value of acquired assets and liabilities.

6. Foreign currency translation

6.1 Presentation currency used in the consolidated financial statements

The Group's annual consolidated financial statements are prepared in euros, which is the functional currency and the presentation currency of the Parent Company.

6.2 Functional currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. In most cases, the functional currency is the entity's local currency. However, in a very limited number of entities, a functional currency that is different from the local currency may be used if it reflects the entity's economic environment and the currency in which most of the entity's transactions are denominated.

6.3 Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are generally translated into the functional currency using the exchange rate applicable at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical exchange rate applicable at the transaction date. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. Any resulting exchange differences are recognised in profit and loss for the period, except for exchange differences arising on debts designated as hedges for the net foreign currency assets of consolidated affiliates. These are recognised directly in shareholders' equity, under translation differences, until the disposal of the net investment. Exchange differences related to operating activities are recognised within operating income and expenses for the period; exchange differences related to financing activities are recognised within financial income and expenses or in shareholders' equity.

6.4 Translation of financial statements of affiliates whose functional currency is different from the euro (the presentation currency)

The balance sheet is translated into euros at the year-end exchange rate. The income statement and cash flow statement are translated on the basis of average exchange rates. The differences resulting from the translation of the financial statements of these affiliates are recognised in translation differences within shareholders' equity under other comprehensive income. On disposal of a foreign entity, the cumulative translation differences recognised in shareholders' equity are reclassified in profit and loss.

7. Assets held for sale and discontinued operations

In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, where they are significant, assets and liabilities held for sale are no longer subject to depreciation or amortisation. They are shown separately in the balance sheet at the lower of the carrying amount or the fair value less costs to sell. An asset is considered as being held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order for this to be the case, the asset must be available for immediate sale and its sale must be highly probable. Items in the balance sheet related to discontinued operations and assets held for sale are presented under specific lines in the annual consolidated financial statements. Income statement items related to discontinued operations and assets held for sale are presented separately in the financial statements for all periods reported if they are significant from a Group perspective.

8. Consideration of climate risks

In 2023, the Group conducted its first climate scenario analysis following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for a selection of three risk categories.

These risks concern:

- shortages of agricultural raw materials;
- business interruption risks on our production sites; and
- the strengthening of carbon price mechanisms.

On a long-term perspective, the analysis results show that few terroirs and productions sites, mainly in India and Brazil, are most likely exposed to extreme climate events.

Regarding the impacts of carbon pricing mechanisms, Pernod Ricard believes that reaching its 2030 Science-Based Target (SBT) would avoid major costs, thanks to reduced operating costs related to lower Scope 1 and 2 emissions. The estimation of direct and indirect impacts along Pernod Ricard’s value chain is still ongoing due to their complexity, and further work in this area will be conducted in 2025. Although still difficult to predict, it is not impossible that this reduction in energy expenditure and the adaptation plan for the risk of increased carbon prices will result in a long-term financial benefit compared with a business-as-usual scenario without the implementation of any additional decarbonisation measure.

Considering the information studied to date, the Group believes that climate change has no short-term impact on the assumptions used to prepare the financial statements, given the nature of its business and its geographical footprint. The Group’s consideration of climate change mitigation and adaptation concerns is notably reflected in its “Good Times from a Good Place” strategy through its commitments in terms of “Net Zero Carbon”, which were further strengthened in 2024, the supply of sustainable agricultural raw materials, the footprint of its terroirs and the circularity of its packaging and promotional items.

In addition:

- Pernod Ricard used the following assumptions in the business plan projections used to prepare its impairment tests:
 - assumptions relating to the short-term effects of climate risks (changes in the price of raw materials, energy and transport, etc.). The long-term effects of these changes cannot be quantified at this stage,
 - more responsible consumption habits, and
 - the costs of implementing the “Good Times from a Good Place” strategy (e.g., those reflected in changes in staff costs or in the cost of sales);
- The implementation of this strategy does not challenge the useful life of its property, plant and equipment. However, and in line with its roadmap and the 2030 target of reducing the climate impact of its activities, the Group is making efforts by means of its industrial investments;
- The Group also affirms its climate commitment through its financing strategy:
 - Since 2022, the Group has issued sustainability-linked bonds (SLBs) for a total of €1.9 billion, with the interest rates linked to the achievement of the Group’s sustainability objectives, measured using the two following criteria:
 - Absolute reduction of greenhouse gas emissions (Scopes 1 and 2),
 - Reduction in water consumption per unit of alcohol produced at distilleries;
 - Pernod Ricard also entered into its first sustainability-linked revolving credit facilities indexed to the two criteria above for a total amount of €2.1 billion in order to refinance an existing facility expiring in June 2024;
- For several years now, all executives – including the Executive Corporate Officer – have been assigned short- and long-term objectives linked to the Group’s sustainability performance. Vesting of shares under the long-term incentives plan for which they are eligible is subject to the two abovementioned criteria.

Note 1.2 Significant events during the financial year

1. Acquisitions and disposals

During the course of the year, Group affiliate Corby Spirit & Wine acquired a 90% stake in Ace Beverage Group Inc, the largest independent player in the fast-growing Canadian ready-to-drink (RTD) market.

The Group also closed the sale of its Clan Campbell blended Scotch whisky brand to Stock Spirits Group, as well as the sale of the Becherovka brand and related assets (including the production facilities in Karlovy Vary) to the Maspex group. These transactions are part of Pernod Ricard's active portfolio management strategy, aimed at adapting to the needs of consumers and providing greater opportunities for premiumisation.

2. Bond issues and redemptions

On 15 September 2023, Pernod Ricard SA carried out a bond issue for an amount of €1,350 million in two tranches: a €600 million four-year tranche and a €750 million ten-year tranche, each bearing interest at a fixed annual rate of 3.75%.

On 24 October 2023, Pernod Ricard SA redeemed in full and at maturity a €500 million bond issued on 24 October 2019, bearing a 0% coupon.

On 7 May 2024, Pernod Ricard SA carried out a bond issue for an amount of €1,500 million across two tranches: a €700 million 6.5-year tranche and an €800 million 10-year tranche, bearing interest at the fixed annual rate of 3.375% and 3.625%, respectively.

After obtaining the approval of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) on the base prospectus, on 26 May 2020, Pernod Ricard set up a Euro Medium Term Notes (EMTN) programme, updated on 11 October 2021, 24 October 2022 and 24 October 2023 (the "Programme"). Under the terms of the Programme, Pernod Ricard and Pernod Ricard International Finance LLC may issue bonds by means of private placements in various currencies. The issues of Pernod Ricard International Finance LLC under the programme will be guaranteed by Pernod Ricard SA. The securities may be admitted to trading on Euronext Paris. The maximum nominal amount of securities outstanding under the Programme is set at €7 billion (or the equivalent in any other currency). During the meeting on 24 April 2024, the Board of Directors authorised Pernod Ricard to issue bonds under the Programme up to a total maximum nominal amount of €2,850 billion less any amounts issued since 30 August 2023 (or the equivalent in any other currency) for a period of one year from 24 April 2024.

NOTE 2 Segment information

Net sales

The Group's net sales primarily comprise sales of finished products and are recorded in the income statement upon transfer of control of the products. They are measured at the fair value of the consideration received or to be received after deducting trade discounts, volume rebates, certain costs associated with business and promotional activity and sales-related taxes and duties, notably excise duties.

Costs of commercial and promotional activity

Pursuant to IFRS 15, certain costs of services rendered in connection with sales, such as advertising programmes in conjunction with distributors, listing costs for new products, promotional activities at point of sale, and advertising and promotion expenses, are deducted directly from net sales if there is no distinct service whose fair value can be reliably measured.

Duties and taxes

In accordance with IFRS 15, certain import duties, in Asia for instance, are classified as cost of sales, as these duties are not specifically re-billed to customers (as is the case for social security stamps in France, for example).

Discounts

In accordance with IFRS 15, early payment discounts are not considered to be financial transactions, but rather are deducted directly from net sales.

Gross margin after logistics expenses, contribution after advertising and promotion expenses, profit from recurring operations and other operating income and expenses

The gross margin after logistics expenses corresponds to net sales (excluding duties and taxes), less cost of sales and logistics expenses. The contribution after advertising and promotion expenses includes the gross margin after logistics expenses and advertising and promotion expenses. The Group applies Recommendation 2013-R03 of the French accounting standards-setter (*Autorité des normes comptables* - ANC), notably as regards the definition of profit from recurring operations. Profit from recurring operations is the contribution after advertising and promotion expenses less trading costs and overheads. This is the indicator used internally to measure the Group's operational performance. It excludes other operating income and expenses, such as those related to restructuring, capital gains and losses on disposals, impairment of property, plant and equipment and intangible assets, and other non-recurring operating income and expenses. These other operating income and expenses are excluded from profit from recurring operations given their unusual, abnormal and infrequent nature, which would distort the understanding of the Group's performance. They are described in detail in Note 3.1 - *Other operating income/ (expenses)*.

The Group is focused on the business of selling and manufacturing wines and spirits. The Group is structured into three operating segments constituted by the following geographical areas: Americas, Europe, and Asia/Rest of the World.

Group management assesses the performance of each operating segment on the basis of net sales and profit from recurring operations, defined as the gross margin after logistics expenses, less advertising and promotion expenses and structure costs. The segments presented are identical to those included in the reporting provided to General Management, in particular for performance analysis.

Income statement and balance sheet items are allocated among the segments on the basis of either the destination of sales or profits. Operating segments follow the same accounting policies as those used for the preparation of the consolidated financial statements. Inter-segment transfers are transacted at market prices.

30.06.2023 € millions	Americas	Asia/Rest of the World	Europe	Total
Income statement items				
Segment net sales	4,076	6,371	9,297	19,744
<i>o/w inter-segment sales</i>	595	1,179	5,832	7,606
Net sales (excluding Group)	3,481	5,191	3,465	12,137
Gross margin after logistics expenses	2,220	2,969	2,057	7,246
Contribution after advertising and promotion expenses	1,534	2,229	1,544	5,307
Profit from recurring operations	965	1,516	867	3,348
Other information				
Current investments	185	163	486	834
Depreciation, amortisation and impairment, net	(73)	(104)	(289)	(467)

30.06.2024 € millions	Americas	Asia/Rest of the World	Europe	Total
Income statement items				
Segment net sales	3,934	6,078	8,831	18,843
<i>o/w inter-segment sales</i>	594	1,106	5,545	7,245
Net sales (excluding Group)	3,340	4,973	3,285	11,598
Gross margin after logistics expenses	2,162	2,851	1,962	6,975
Contribution after advertising and promotion expenses	1,493	2,173	1,437	5,103
Profit from recurring operations	878	1,461	777	3,116
Other information				
Current investments	216	152	511	879
Depreciation, amortisation and impairment, net	66	(358)	(644)	(935)

The impact of right-of-use assets on current investments and net depreciation, amortisation and impairment is as follows:

30.06.2024 € millions	Americas	Asia/Rest of the World	Europe	Total
Current investments	17	85	38	141
Depreciation, amortisation and impairment, net	(15)	(47)	(51)	(114)

BREAKDOWN OF NET SALES BY BRAND

€ millions	30.06.2023	30.06.2024	Change	Change (%)
Strategic International Brands	7,694	7,168	(526)	-7%
Strategic Local Brands	2,150	2,104	(46)	-2%
Strategic wines	478	423	(55)	-12%
Specialty	757	846	89	12%
Other products	1,058	1,057	(1)	0%
TOTAL	12,137	11,598	(539)	-4%

BREAKDOWN OF NET SALES BY COUNTRY

€ millions	United States	China	India	France	Other countries	Total
Net sales for FY 2023	2,341	1,361	1,392	578	6,465	12,137
Net sales for FY 2024	2,166	1,123	1,408	561	6,341	11,598

The Group does not disclose the breakdown of non-current assets by country, as a significant proportion of these assets consists of brands and goodwill, which are analysed based on the sales they generate by country, and not based on the legal entity.

NOTE 3 Notes to the income statement

Note 3.1 Other operating income/(expenses)

Other operating income and expenses include impairment of property, plant and equipment and intangible assets, costs relating to restructuring and integration, capital gains or losses on disposals, as well as other non-recurring operating income and expenses. These other operating income and expenses are excluded from profit from recurring operations given their unusual, abnormal and infrequent nature, which would distort the understanding of the Group's performance.

Other operating income and expenses break down as follows:

€ millions	30.06.2023	30.06.2024
Impairment of property, plant and equipment and intangible assets	(35)	(499)
Gains or losses on asset disposals and acquisition costs	125	267
Net restructuring and reorganisation expenses	(163)	(142)
Disputes and risks	18	(10)
Other non-recurring operating income and expenses	(28)	(7)
Other operating income/(expenses)	(83)	(392)

In FY 2024, other operating income and expenses consisted mainly of net impairment of property, plant and equipment and intangible assets for €499 million, notably in connection with the sale of strategic international wine brands (see Note 6.7 – Events after the reporting period) and gains and losses on disposals of assets and acquisition costs for €267 million relating to the sales of the Clan Campbell and Becherovka brands (see section 1 of Note 1.2 – *Significant events during the financial year*).

Note 3.2 Financial income/(expense)

€ millions	30.06.2023	30.06.2024
Interest expense on net financial debt	(267)	(444)
Interest expense on lease liabilities	(12)	(14)
Interest income on net financial debt	7	68
Net financing cost	(272)	(390)
Structuring and placement fees	(2)	(1)
Net financial impact of pensions and other long-term employee benefits	(11)	(16)
Other net financial income/(expense) from recurring operations	(7)	(9)
Financial income/(expense) from recurring operations	(291)	(417)
Foreign currency gains/(losses)	(30)	(17)
Other non-recurring financial income and expenses	(5)	(3)
TOTAL FINANCIAL INCOME/(EXPENSE)	(327)	(437)

In the year to 30 June 2024, the net financing cost included financial expenses of €262 million on bonds, commercial paper for €43 million, factoring and securitisation agreements for €50 million, interest on lease liabilities for €14 million, and other expenses for €21 million.

Weighted average cost of debt

The Group's weighted average cost of debt was 3.2% over FY 2024 compared to 2.6% over FY 2023.

Weighted average cost of debt is defined as net financing costs plus structuring and placement fees as a proportion of average net financial debt outstanding plus the average amount outstanding on receivables assignment programmes.

Note 3.3 Corporate income tax

Analysis of the income tax expense

€ millions	30.06.2023	30.06.2024
Current income tax	(624)	(498)
Deferred income tax	(27)	(268)
TOTAL	(651)	(766)

Analysis of effective tax rate – Net profit from continuing operations before tax

€ millions	30.06.2023	30.06.2024
Operating profit	3,265	2,724
Financial income/(expense)	(326)	(437)
Taxable profit	2,938	2,287
Theoretical tax expense at the income tax rate in France	(759)	(591)
Impact of tax rate differences by jurisdiction	172	157
Tax impact of changes in exchange rates	17	2
Re-estimation of deferred tax assets linked to tax rate changes	(1)	1
Impact of tax losses used/not used	31	(14)
Impact of reduced/increased tax rates on taxable results	—	1
Taxes on distributions	(40)	(46)
Other impacts	(72)	(276)
Effective income tax expense	(651)	(766)
Effective tax rate	22%	33%

The increase in the effective tax rate is mainly attributable to the impairment of assets held for sale described in Note 6.7 – *Events after the reporting period*, recognised in other operating income and expenses and with no effect on the tax charge.

Deferred tax is recognised on temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet and is measured using the balance sheet approach.

Deferred taxes relating to right-of-use assets and lease liabilities are recognised on a net basis.

The effects of changes in tax rates are recognised in shareholders' equity or in profit and loss in the year in which the change of tax rates is decided.

Deferred tax assets are recognised in the balance sheet when it is more likely than not that they will be recovered in future years. In order to evaluate the Group's ability to recover these assets, particular account is taken of projections of taxable income determined by the Group at the end of each financial year.

All assumptions used, particularly growth in operating profit and net financial income or expense taking into account interest rates, are updated by the Group at the reporting date based on data determined by the relevant management teams.

Deferred tax assets and liabilities are not discounted to present value.

Deferred taxes break down by type as follows:

€ millions	30.06.2023	30.06.2024
Margins in inventories	200	190
Fair value adjustments on assets and liabilities	25	23
Provisions for pension benefits	59	39
Deferred tax assets relating to tax loss carryforwards	1,047	1,012
Provisions (other than provisions for pensions benefits) and other items	537	449
TOTAL DEFERRED TAX ASSETS	1,870	1,713
Accelerated tax depreciation	202	213
Fair value adjustments on assets and liabilities	2,739	2,744
Pension plan assets and other items	193	196
TOTAL DEFERRED TAX LIABILITIES	3,134	3,153

Tax loss carryforwards (recognised and unrecognised) represented potential tax savings of €1,272 million at 30 June 2024 and €1,284 million at 30 June 2023. The potential tax savings at 30 June 2024 and 30 June 2023 relate to tax loss carryforwards with the following expiry dates:

At 30 June 2023

Year	Tax effect of tax loss carryforwards € millions	
	Losses recognised	Losses not recognised
2023	0	5
2024	0	3
2025	0	3
2026	1	4
2027 and beyond	737	211
No expiry date	309	12
TOTAL	1,047	237

At 30 June 2024

Year	Tax effect of tax loss carryforwards € millions	
	Losses recognised	Losses not recognised
2024	3	6
2025	1	3
2026	6	4
2027	1	7
2028 and beyond	771	219
No expiry date	231	22
TOTAL	1,012	260

The Group's income taxes payable break down as follows:

(€ millions)	30.06.2023	30.06.2024
Other current tax liabilities	5	60
Uncertain tax positions	108	90
TOTAL CURRENT TAX LIABILITIES	113	149

Note 3.4 Earnings per share

Basic and diluted earnings per share are calculated on the basis of the weighted average number of outstanding shares, less the weighted average number of dilutive instruments. For the purposes of determining earnings per share, the average number of outstanding shares is equal to the weighted average number of outstanding shares less the weighted average number of treasury shares.

The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments (such as stock options, convertible bonds, etc.) on the theoretical number of shares. When funds are obtained at the date of exercise of the dilutive instruments, the "treasury stock" method is used to determine the theoretical number of shares to be taken into account.

Numerator (€ millions)	30.06.2023	30.06.2024
Group share of net profit	2,262	1,476
Denominator (number of shares)		
Average number of outstanding shares	256,048,280	252,595,588
Dilutive effect of performance share grants	701,248	545,642
Dilutive effect of stock options	128,725	47,076
Average number of outstanding shares – diluted	256,878,253	253,188,307
Earnings per share (€)		
Earnings per share – basic	8.84	5.84
Earnings per share – diluted	8.81	5.83

Note 3.5 Expenses by type

Operating profit notably includes depreciation, amortisation and impairment expenses as well as employee benefits expense as follows:

<i>€ millions</i>	30.06.2023	30.06.2024
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE	(466)	(936)
Salaries and payroll costs	(1,565)	(1,664)
Pensions, medical expenses and other similar benefits under defined-benefit plans	(34)	(28)
Share-based payments	(44)	(45)
TOTAL EMPLOYEE BENEFITS EXPENSE	(1,643)	(1,737)

NOTE 4 Notes to the balance sheet

Note 4.1 Intangible assets and goodwill

Intangible assets are measured at cost on initial recognition. With the exception of assets with indefinite useful lives, they are amortised on a straight-line basis over their useful lives, which is generally less than five years, and are impaired when their recoverable amount is less than their carrying amount. Amortisation of intangible assets is recognised within operating items in the income statement.

In the context of the Group's activities, and in accordance with IAS 38 "Intangible Assets", research and development costs are recognised as expenses in the financial year during which they are incurred, except for certain development costs which meet the capitalisation criteria described by the standard.

€ millions	Movements during the period						30.06.2023
	30.06.2022	Acquisitions	Additions and reversals	Disposals	Translation adjustments	Other movements	
Goodwill	6,284	827	—	—	(211)	(4)	6,896
Trademarks	13,935	1,125	—	—	(459)	(1)	14,600
Other intangible assets	565	48	—	(33)	(18)	9	572
Gross value	20,784	2,000	—	(33)	(688)	4	22,068
Goodwill	(139)	—	(12)	—	1	4	(146)
Trademarks	(2,634)	—	(21)	—	105	—	(2,550)
Other intangible assets	(354)	—	(63)	33	11	1	(372)
Amortisation/impairment	(3,127)	—	(96)	33	117	5	(3,068)
INTANGIBLE ASSETS, NET	17,657	2,000	(96)	—	(571)	9	19,000

€ millions	Movements during the period						30.06.2024
	30.06.2023	Acquisitions	Additions and reversals	Disposals	Translation adjustments	Other movements	
Goodwill	6,896	79	—	(58)	50	(74)	6,893
Trademarks	14,599	32	—	(35)	100	(591)	14,106
Other intangible assets	572	42	—	(22)	2	(9)	586
Gross value	22,068	153	—	(115)	152	(674)	21,584
Goodwill	(146)	—	(7)	42	1	23	(87)
Trademarks	(2,550)	—	199	—	(25)	319	(2,056)
Other intangible assets	(373)	—	(64)	22	—	14	(402)
Amortisation/impairment	(3,069)	—	129	64	(24)	356	(2,545)
INTANGIBLE ASSETS, NET	19,000	153	129	(52)	127	(318)	19,039

Goodwill

Goodwill is tested for impairment at least once a year and whenever there is an indication that it may be impaired. To perform these tests, goodwill is allocated by geographical area on the basis of asset groups at the date of each business combination. These asset groups correspond to groups of assets which jointly generate identifiable cash flows that are largely independent. If impairment is identified, an impairment loss is recognised in profit and loss for the financial year.

Goodwill mainly stems from the acquisitions of Allied Domecq in July 2005 and Vin&Sprit in July 2008. The change in the value of goodwill in the period was mainly due to the various acquisitions and disposals carried out since the start of the year, as well as currency fluctuations.

Trademarks

The entry value of acquired trademarks is determined using an actuarial calculation of estimated future profits or using the royalty method and corresponds to the fair value of the trademarks at the date of acquisition. As the Group's trademarks are intangible assets with indefinite useful lives, they are not amortised but are rather subject to an impairment test at least once a year or whenever there is an indication that they may be impaired. Trademarks acquired as a part of acquisitions of foreign entities are denominated in the functional currency of the business acquired.

The main trademarks recognised on the balance sheet are: Absolut, Ballantine's, Beefeater, Bumbu, Chivas Regal, Kahlúa, Luc Belaire, Malibu and Martell. Most of these were recognised at the time of the acquisitions of Seagram, Allied Domecq and Vin&Sprit. The change in the gross value of trademarks in the period was mainly due to the various acquisitions and disposals, as well as currency fluctuations.

Impairment of non-current assets

In accordance with IAS 36, intangible assets and property, plant and equipment are subject to impairment tests whenever there is an indication that the asset may be impaired and at least once a year for non-current assets with indefinite useful lives (goodwill and trademarks).

The assets subject to impairment tests are included in cash-generating units (CGUs), corresponding to linked groups of assets which generate identifiable cash flows. The CGUs include assets related to the Group's brands and are allocated in accordance with the three geographical areas defined by the Group, on the basis of the sale destination of the products. Impairment tests on CGUs are carried out in the third quarter and are regularly monitored until the reporting date in order to verify the relevance of the business plans and any changes to the market data underlying the discount rates used.

When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognised within operating items. The recoverable amount of the CGU is the higher of its market value and its value in use.

Value in use is measured based on cash flows projected over a 19-year period. This period reflects the characteristics of the Group's brands and their production assets, which typically have long useful lives. Discounted projected cash flows are established based on annual budgets and multi-year business plans, extrapolated to subsequent years by gradually

converging growth for the last year of the plan for each brand and market towards a perpetual growth rate. The calculation includes a terminal value derived by capitalising the cash flows generated in the last year of the plan. Assumptions applied to sales and advertising and promotion expenses are determined by management based on previous results and long-term development trends in the markets concerned. The cash flow projection methodology takes into account, with respect to working capital requirement and capital expenditure, the specific features of white spirits and maturing alcohols. The present values of discounted cash flows are sensitive to these assumptions, as well as to consumer trends and economic factors.

Market value is based either on the sale price, net of selling costs, that could be obtained under normal market conditions or earnings multiples observed in recent transactions relating to comparable assets. The discount rate used for these calculations is an after-tax rate applied to after-tax cash flows and corresponds to the weighted average cost of capital. This rate reflects specific rates for each market or geographical area, depending on the risks that they represent. Assumptions made in terms of future changes in net sales and in terms of terminal values are reasonable and consistent with market data available for each of the CGUs. Additional impairment tests are applied where events or specific circumstances indicate potential impairment.

In addition to annual impairment tests applied to goodwill and trademarks, specific impairment tests are applied where there is an indication that an asset may be impaired.

The data and assumptions used for the annual impairment tests applied to cash-generating units (CGUs) are as follows:

€ millions	Method used to determine the recoverable amount	Net carrying amount of goodwill at 30.06.2024	Net carrying amount of trademarks at 30.06.2024	Value in use		
				Discount rate 2023	Discount rate 2024	Perpetual growth rate
Europe	Value in use based on the discounted cash flow method	2,055	4,341	6.85%	6.99%	From -1% to +2.5%
Americas		3,898	7,021	8.12%	8.61%	From -1% to +2.5%
Asia/Rest of the World		854	688	8.44%	8.59%	From -1% to +2.5%

The following table shows the amount of any additional impairment at 30 June 2024 of assets making up the brands' CGUs or the associated goodwill, which would result from:

- a 50 basis point (bp) decrease in the growth rate of the contribution after advertising and promotion expenses;
- a 50 basis point increase in the after-tax discount rate;
- a 50 basis point decrease in the perpetual growth rate over the duration of the multi-year business plans.

€ millions	50 bp decrease in growth rate of contribution after advertising and promotion	50 bp increase in after-tax discount rate	50 bp decrease in perpetual growth rate
Europe	—	(6)	—
Americas	—	(12)	(5)
Asia/Rest of the World	—	—	—
TOTAL	—	(18)	(5)

Note 4.2 Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and broken down by component. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Useful life is reviewed on a regular basis. The average depreciable lives for the major categories of property, plant and equipment are as follows:

Buildings	15 to 50 years
Plant, equipment and tooling	5 to 15 years
Other non-current assets	3 to 5 years
Vines	25 to 33 years

Depreciation of property, plant and equipment is recognised within operating items in the income statement.

In accordance with the amendments to IAS 41 and IAS 16, vines are valued at cost and depreciated over their useful lives. In accordance with IAS 41, agricultural produce (harvests) continues to be recognised at fair value on the balance sheet, after deducting estimated selling costs, as from the date at

which it is possible to obtain a reliable assessment of price, for example by referring to an active market. Changes in fair value are recognised in the income statement. Land on which biological assets are planted is measured in accordance with IAS 16.

In accordance with IFRS 16, right-of-use assets for leases are recognised as property, plant and equipment in the class corresponding to the underlying assets, with the corresponding recognition of a lease liability. Leases mainly concern offices occupied by the Group that are recognised under Buildings. The value of right-of-use assets is determined on the basis of the amount of the lease liability, adjusted for the amount of prepaid rent, initial direct costs, benefits received from lessors and, where applicable, remediation costs. Right-of-use assets relating to leases are depreciated over the term of the lease. The accounting principles for determining the lease liability are detailed in Note 4.8 – *Financial liabilities*.

Items of property, plant and equipment, including right-of-use assets, are impaired when their recoverable amount falls below their net carrying amount.

Movements during the period

€ millions	Movements during the period							30.06.2023	O/w right-of-use assets
	30.06.2022	Acquisitions	Additions and reversals	Disposals	Translation adjustments	Other movements			
Land	503	23	—	(9)	(12)	19	524	60	
Buildings	2,040	110	—	(42)	(45)	84	2,147	505	
Machinery and equipment	2,509	119	—	(67)	(63)	68	2,566	39	
Other property, plant and equipment	1,004	142	—	(41)	(12)	27	1,120	82	
Property, plant and equipment in progress	301	447	—	(1)	(10)	(260)	477	—	
Advances on property, plant and equipment	9	9	—	—	(1)	(5)	12	—	
Gross value	6,366	850	—	(160)	(143)	(67)	6,845	686	
Land	(59)	—	(9)	—	3	(7)	(72)	(18)	
Buildings	(807)	(2)	(133)	31	21	(1)	(891)	(210)	
Machinery and equipment	(1,439)	(5)	(148)	60	34	34	(1,464)	(18)	
Property, plant and equipment in progress	(469)	(1)	(80)	34	10	(10)	(516)	(43)	
Depreciation/impairment	(2,775)	(8)	(370)	125	68	16	(2,944)	(290)	
PROPERTY, PLANT AND EQUIPMENT, NET	3,591	842	(370)	(35)	(75)	(51)	3,901	396	

€ millions	Movements during the period						30.06.2024	O/w right-of-use assets
	30.06.2023	Acquisitions	Additions and reversals	Disposals	Translation adjustments	Other movements		
Land	524	8	—	(1)	—	(156)	375	13
Buildings	2,147	86	—	(49)	7	(16)	2,175	515
Machinery and equipment	2,566	147	—	(45)	11	(167)	2,512	80
Other property, plant and equipment	1,120	144	—	(55)	(1)	(59)	1,149	75
Property, plant and equipment in progress	477	448	—	—	4	(298)	632	—
Advances on property, plant and equipment	12	6	—	—	—	(6)	13	—
Gross value	6,845	839	—	(150)	21	(700)	6,855	683
Land	(72)	—	(9)	1	—	46	(34)	(3)
Buildings	(891)	—	(125)	38	(2)	76	(904)	(241)
Machinery and equipment	(1,464)	—	(168)	37	(8)	188	(1,415)	(28)
Property, plant and equipment in progress	(516)	—	(82)	46	(1)	33	(521)	(36)
Depreciation/impairment	(2,944)	—	(383)	121	(10)	344	(2,873)	(309)
PROPERTY, PLANT AND EQUIPMENT, NET	3,901	839	(383)	(29)	10	(357)	3,982	374

Note 4.3 Financial assets

Financial assets consist mainly of Group interests in non-consolidated companies, loans, sureties and deposits, guarantee deposits required by the tax regulations of certain countries and plan assets for pension obligations (not entering into the scope of IFRS 9).

Equity instruments

Investments in non-consolidated entities are recognised in the balance sheet at fair value. Fair value adjustments and the disposal gain or loss are recognised, in accordance with the management intention, either (i) in the income statement under financial income/financial expenses - other non-recurring financial items, or (ii) in consolidated shareholders' equity under other comprehensive income that will not be reclassified to profit or loss.

Fair value is determined on the basis of the financial criteria most appropriate to the specific situation of each company. The fair value of financial assets listed on a financial market is their stock market value. The measurement criteria generally used for other investments in non-consolidated entities are share of shareholders' equity and future profitability.

Loans, guarantees and deposits

Loans, guarantees and deposits are measured at amortised cost.

€ millions	30.06.2023		30.06.2024	
	Current	Non-current	Current	Non-current
Net financial assets				
Equity instruments	—	432	—	502
Net value of IAS 19 plans in surplus	—	230	—	233
Loans, guarantees and deposits		186		192
Other financial assets	—	7	—	5
Total net non-current financial assets	—	855	—	932
Derivative instruments	15	5	8	—
FINANCIAL ASSETS	15	860	8	932

The table below shows the movements of financial assets, excluding derivative instruments:

€ millions	Movements during the period						30.06.2023
	30.06.2022	Acquisitions	Additions	Disposals	Translation adjustments	Other movements	
Equity instruments	345	119	—	(2)	(16)	(15)	432
Net value of IAS 19 plans in surplus	239	—	—	—	(2)	(7)	230
Loans, guarantees and deposits	171	51	—	(40)	(1)	6	187
Other financial assets	8	2	—	—	—	—	9
Gross value	763	173	—	(41)	(19)	(16)	859
Provisions for loans, guarantees and deposits	(1)	—	—	—	—	—	(1)
Provisions for other financial assets	—	—	(3)	—	—	—	(3)
Provisions	(1)	—	(3)	—	—	—	(4)
NON-CURRENT FINANCIAL ASSETS, NET	761	173	(3)	(42)	(19)	(16)	855

€ millions	Movements during the period						30.06.2024
	30.06.2023	Acquisitions	Additions	Disposals	Translation adjustments	Other movements	
Equity instruments	432	62	—	—	5	3	502
Net value of IAS 19 plans in surplus	230	—	—	—	3	1	233
Loans, guarantees and deposits	187	29	—	(16)	(13)	7	195
Other financial assets	9	—	—	(5)	—	3	7
Gross value	859	91	—	(21)	(6)	13	937
Provisions for loans, guarantees and deposits	(1)	—	(2)	—	—	—	(2)
Provisions for other financial assets	(3)	—	—	—	—	—	(2)
Provisions	(4)	—	(1)	—	—	1	(5)
NON-CURRENT FINANCIAL ASSETS, NET	855	91	(1)	(21)	(6)	14	932

Financial assets at 30 June 2024 mainly comprise equity instruments for €502 million, corresponding in particular to investments made by the Group's private equity arm, Convivialité Ventures (see Note 4.9 – *Financial instruments*) and IAS 19 plans in surplus, for €233 million (see Note 4.7 – *Provisions*).

Note 4.4 Inventories and work in progress

Inventories are measured at the lower of either their cost (acquisition cost and cost of production, including indirect production overheads) or their net realisable value. Net realisable value is the selling price less the estimated costs of completion and sale of inventories. Most inventories are valued using the weighted average cost method. The cost of long-cycle inventories is computed using a single method which includes distilling and ageing costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year in order to undergo the ageing process used for certain wines and spirits before being sold.

The inventories and work in progress break down as follow:

€ millions	Movements during the period					30.06.2023
	30.06.2022	Change in gross values	Change in impairment	Translation adjustments	Other movements	
Raw materials	228	80	—	(10)	4	303
Work in progress	5,847	623	—	(37)	4	6,437
Goods in inventory	876	87	—	(84)	11	890
Finished products	495	79	—	(19)	(17)	538
Gross value	7,446	869	—	(150)	3	8,169
Raw materials	(15)	—	1	1	—	(13)
Work in progress	(24)	—	5	—	—	(19)
Goods in inventory	(24)	—	(2)	2	1	(23)
Finished products	(14)	—	3	1	—	(10)
Impairment	(77)	—	7	4	1	(65)
NET INVENTORIES	7,369	869	7	(146)	4	8,104

€ millions	Movements during the period					30.06.2024
	30.06.2023	Change in gross values	Change in impairment	Translation adjustments	Other movements	
Raw materials	303	(10)	—	(5)	(15)	274
Work in progress	6,437	623	—	27	(309)	6,779
Goods in inventory	890	(11)	—	(19)	(32)	828
Finished products	538	(51)	—	(2)	(16)	469
Gross value	8,169	551	—	1	(371)	8,350
Raw materials	(13)	—	(3)	—	—	(16)
Work in progress	(19)	—	(12)	—	2	(29)
Goods in inventory	(23)	—	(5)	—	—	(28)
Finished products	(10)	—	(11)	—	—	(21)
Impairment	(65)	—	(31)	—	2	(94)
NET INVENTORIES	8,104	551	(31)	1	(369)	8,255

At 30 June 2024, ageing inventories intended mainly for use in whisky and cognac production accounted for 87% of work in progress. The Group has no significant dependence on its suppliers.

Note 4.5 Trade receivables and other operating receivables

Trade receivables and other operating receivables are recognised initially at their fair value, which usually corresponds to their nominal value. Impairment allowances are recognised in line with the losses expected over the life of the receivable.

The following tables break down trade receivables and other operating receivables at 30 June 2024 and 30 June 2023 by due date:

€ millions	Net carrying amount	Not due	Days past due				
			<30 days	31 to 90 days	91 to 180 days	181 to 360 days	>360 days
NET CARRYING AMOUNTS							
Trade receivables and other operating receivables at 30 June 2023	1,814	1,616	100	42	25	18	11
<i>o/w impairment</i>	(106)	(27)	(1)	(2)	(2)	(20)	(54)
Trade receivables and other operating receivables at 30 June 2024	1,581	1,229	134	100	81	20	17
<i>o/w impairment</i>	(91)	(25)	(4)	(1)	(5)	(2)	(54)

Changes in the impairment of trade receivables and other operating receivables were as follows:

€ millions	FY 2023	FY 2024
At 1 July	127	106
Allowances for the year	27	10
Reversals during the year	(14)	(20)
Used during the year	(24)	(4)
Translation adjustments	(10)	(1)
AT 30 JUNE	106	91

At 30 June 2024, there was no evidence that called into question the creditworthiness of non-impaired past due receivables. More specifically, non-impaired receivables over 12 months past due showed no additional credit-related risk. There is no significant concentration of risks.

The Group continued to implement its receivables assignment programmes in respect of several affiliates. Receivables sold under these programmes totalled €1,124 million at 30 June 2024 and €749 million at 30 June 2023. As substantially all risks and rewards associated with the receivables were transferred, they were deconsolidated.

Note 4.6 Other current assets

Other current assets break down as follows:

€ millions	30.06.2023	30.06.2024
Advances and down payments	42	56
Tax accounts receivable, excluding income tax	227	225
Prepaid expenses	122	113
Other receivables	44	23
TOTAL	435	416

Note 4.7 Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions for contingencies and losses are recognised to cover probable outflows of resources that can be estimated and that give rise to a present obligation as a result of past events. In the event where a potential obligation as a result of past events exists, but where the occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Group's commitments. The amounts provided for are measured by taking account of the most probable assumptions or using statistical methods, depending on the nature of the obligations. Provisions notably include:

- provisions for restructuring;
- provisions for pensions and other long-term employee benefits;
- provisions for disputes (tax other than corporate income tax, legal, employee-related).

Disputes are kept under regular review, on a case-by-case basis, by the Legal Department of each affiliate or region or by the Group's Legal Department, drawing on the help of external legal consultants in the most significant or complex cases. A provision is recognised when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. The amount of the provision is the best estimate of the expenditure required to settle the obligation.

The cost of restructuring measures is fully provisioned in the financial year, and is recognised in profit and loss under "Other operating income/(expenses)" when it is material and results from a Group obligation to third parties arising from a decision made by the competent corporate body that has been announced to the third parties concerned before the reporting date. This cost mainly involves redundancy payments, early retirement payments, the cost of notice periods not served, training costs of departing individuals and site closure costs. Retirement of property, plant and equipment, and impairment of inventories and other assets, as well as other costs (moving costs, training of transferred individuals, etc.) directly related to the restructuring measures are also recognised in restructuring costs. The amounts provided for correspond to forecast future payments to be made in connection with restructuring plans, discounted to present value when the payment schedule is such that the effect of the time value of money is significant.

1. Breakdown of provisions

Provisions for contingencies and losses at the reporting date break down as follows:

€ millions	30.06.2023	30.06.2024
Non-current provisions		
Provisions for pensions and other long-term employee benefits	349	277
Other non-current provisions for contingencies and losses	294	313
Current provisions		
Provisions for restructuring	68	66
Other current provisions for contingencies and losses	96	92
TOTAL	807	748

2. Changes in provisions (other than provisions for pensions and other long-term employee benefits)

€ millions	Movements during the period							30.06.2024
	30.06.2023	Additions	Reversals – Utilisations	Reversals – Surplus	Reclassifications	Translation adjustments	Other movements	
Provisions for restructuring	68	71	(55)	(19)	—	—	1	66
Other current provisions	96	27	(7)	(8)	(10)	(5)	(1)	92
Other non-current provisions	294	48	(9)	(35)	19	(6)	2	313
TOTAL PROVISIONS	458	146	(71)	(62)	9	(11)	2	471

Some Group companies are involved in disputes as part of their normal business activities. They are also subject to tax audits, some of which may lead to an adjustment. The main disputes are described in Note 6.5 – *Disputes*.

At 30 June 2024, the provisions recorded by the Group for all disputes and risks in which it is involved amounted to €405 million, excluding uncertain tax positions recognised in income taxes payable. The Group does not provide details (with exceptions), as it believes the disclosure of the amount of any provision booked in consideration of each pending dispute would be likely to cause serious harm to the Group.

The change in other current and non-current provisions during the period reflects the following:

- additions to provisions stem mainly from proceedings brought against the Company and its affiliates, as part of the normal course of business and the emergence of new risks, including tax risks (other than corporate income tax risks);
- reversals of provisions are made at the time of corresponding payments or where the risk is considered to be nil. Reversals of surplus amounts primarily concern the re-evaluation or the statute of limitation of certain risks, including tax risks.

3. Provisions for pensions and other long-term employee benefits

In accordance with applicable national legislation, the Group's employee benefit obligations are composed of:

- long-term post-employment benefits (retirement bonuses, pensions, medical expenses, etc.);
- long-term benefits payable during the period of employment.

Defined contribution plans

Contributions are recognised as expenses as they are incurred. As the Group is not committed beyond the amount of such contributions, no provision is recognised in respect of defined contribution plans.

Defined benefit plans

For defined benefit plans, the projected unit credit method is used to measure the present value of defined benefit obligations, current service cost and, if applicable, past service cost. The measurement is made at each reporting date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate and discount rate) and other assumptions concerning employees (mainly average salary increase, employee turnover and life expectancy). The assumptions used in FY 2023 and FY 2024 and the methods used for their determination are described below.

A provision is recognised in the balance sheet for the difference between the actuarial debt of related obligations (actuarial liabilities) and any assets dedicated to funding the plans, measured at their fair value, and includes past service costs and actuarial gains and losses.

The cost of defined benefit plans has three components, which are accounted for as follows:

- the service cost is recognised in operating income and expenses. It includes:
 - the cost of services rendered during the period (current service cost),
 - the cost of past services resulting from the amendment or curtailment of a plan, recognised in full in profit and loss for the period in which the services were performed (past service cost),
 - gains and losses on settlement;
- the financial component, recorded in financial income and expenses, comprises the impact of discounting the liabilities, net of the expected return on plan assets, measured using the same discount rate as that used to measure plan obligations;
- revaluations of liabilities (assets) are recognised in other comprehensive income not reclassifiable to profit or loss, and consist mainly of actuarial gains and losses, namely the change in plan obligations and assets due to changes in assumptions and to experience gains or losses, the latter representing the difference between the expected impact of some actuarial assumptions applied to previous valuations and the actual impact. Depending on the type of plan and the governing legislation in certain regions, if the plan assets exceed the obligations recognised in the financial statements, any assets generated may be limited to the present value of future refunds from the plan and expected reductions in future contributions (asset ceiling).

The Group grants the following pension and retirement benefits and other post-employment benefits (medical insurance or life insurance):

- in France, benefit obligations mainly comprise arrangements for retirement indemnities (non-funded) and supplementary pension benefits (partly funded);
- in the United States and Canada, benefit obligations include pension plans guaranteed to employees (funded) as well as post-employment medical plans (unfunded);
- in Ireland, the United Kingdom and the Netherlands, benefit obligations mainly consist of pension plans granted to employees.

Defined benefit plans in the Group relate mainly to affiliates in the United Kingdom, North America and the rest of Europe. Defined benefit plans are subject to an annual actuarial valuation

on the basis of assumptions depending on the country. Under these pension and other benefit plan agreements, employees receive at the date of retirement either a capital lump sum payment or an annuity. These amounts depend on the number of years of employment, final salary and the position held by the employee. At 30 June 2024, fully or partly funded benefit obligations totalled €3,254 million, equivalent to 95% of the total benefit obligations.

Certain affiliates, mainly those located in North America, also provide their employees with post-employment medical cover. These benefit obligations are unfunded. They are measured using the same assumptions as those used for the pension obligations in the countries in question.

Several affiliates, mainly in Europe, also provide their employees with other long-term benefits. Benefit obligations of this type are mainly in respect of long-service awards.

The table below presents a reconciliation of provisions between 30 June 2023 and 30 June 2024:

€ millions	30.06.2023			30.06.2024		
	Pension obligations	Medical expenses and other employee benefits	Total	Pension obligations	Medical expenses and other employee benefits	Total
Net (asset)/liability at beginning of period	(13)	134	121	12	106	119
Net expense/(income) for the period	36	5	42	25	10	35
Actuarial (gains)/losses ⁽¹⁾	60	(20)	39	(27)	(5)	(32)
Employer contributions	(59)	—	(59)	(54)	—	(54)
Benefits paid directly by the employer	(9)	(7)	(16)	(8)	(8)	(16)
Changes in scope of consolidation	—	—	—	—	(5)	(5)
Translation adjustments	(3)	(5)	(8)	(3)	—	(3)
Net (asset)/liability at end of period	12	107	119	(55)	98	44
Amount recognised in assets	(230)	—	(230)	(233)	—	(233)
AMOUNT RECOGNISED IN LIABILITIES	242	107	349	178	98	277

(1) Recognised in "Other comprehensive income".

Actuarial gains and losses correspond mainly to the update of actuarial assumptions and values of plan assets.

The net financial impact recognised in profit and loss in respect of pensions and other long-term employee benefits breaks down as follows:

Expense for the financial year (€ millions)	30.06.2023			30.06.2024		
	Pension obligations	Medical expenses and other employee benefits	Total	Pension obligations	Medical expenses and other employee benefits	Total
Current service cost	30	3	34	25	3	28
Interest on the provision	(3)	4	1	(3)	5	2
• o/w interest on the obligation	152	4	156	172	5	177
• o/w interest on the assets	(158)	—	(158)	(178)	—	(178)
• o/w interest on the limitation of the assets	3	—	3	3	—	3
Fees/levies/premiums	9	—	9	11	—	11
Impact of plan amendments/curtailments	—	—	—	(7)	(1)	(8)
Impact of settlements	—	—	—	(1)	—	(1)
Actuarial (gains)/losses	—	(2)	(2)	—	3	3
Effect of the asset ceiling (including the impact of IFRIC 14)	—	—	—	—	—	—
NET EXPENSE/(INCOME) RECOGNISED IN PROFIT AND LOSS	36	5	42	25	10	35

Changes in provisions for pensions and other long-term employee benefits are shown below:

Net liability recognised in the balance sheet (€ millions)	30.06.2023			30.06.2024		
	Pension obligations	Medical expenses and other employee benefits	Total	Pension obligations	Medical expenses and other employee benefits	Total
Change in the actuarial value of cumulative benefit obligations						
Actuarial value of cumulative benefit obligations at beginning of period	4,130	134	4,264	3,467	106	3,574
Current service cost	30	3	34	25	4	28
Interest cost (effect of discounting)	152	4	156	172	5	177
Employee contributions	5	—	5	5	—	5
Benefits paid	(259)	(7)	(266)	(384)	(8)	(392)
Administrative fees/premiums/levies	(1)	—	(1)	—	—	—
Plan amendments/curtailments	—	—	—	(7)	(1)	(8)
Settlements	—	—	—	(1)	—	(1)
Actuarial (gains)/losses	(547)	(23)	(570)	29	(2)	27
Translation differences	(45)	(5)	(50)	37	(1)	36
Changes in scope of consolidation	2	—	2	(1)	(5)	(6)
Actuarial value of cumulative benefit obligations at end of period	3,467	106	3,574	3,342	98	3,440
Change in the fair value of plan assets						
Fair value of plan assets at beginning of period	4,198	—	4,198	3,507	—	3,507
Interest income on plan assets	158	—	158	178	—	178
Experience gains/(losses) on plan assets	(609)	—	(609)	59	—	59
Employee contributions	5	—	5	5	—	5
Employer contributions	59	—	59	54	—	54
Benefits paid	(251)	—	(251)	(377)	—	(377)
Administrative fees/premiums/levies	(9)	—	(9)	(11)	—	(11)
Plan amendments/curtailments	—	—	—	—	—	—
Settlements	—	—	—	—	—	—
Translation differences	(45)	—	(45)	39	—	39
Changes in scope of consolidation	2	—	2	(2)	—	(2)
Fair value of plan assets at end of period	3,507	—	3,507	3,452	—	3,452
Present value of funded benefits	3,378	—	3,378	3,254	—	3,254
Fair value of plan assets	3,507	—	3,507	3,452	—	3,452
Deficit/(Surplus) on funded benefits	(129)	—	(129)	(198)	—	(198)
Present value of unfunded benefits	89	106	195	88	98	186
Effect of the asset ceiling (including the impact of IFRIC 14)	52	—	52	56	—	56
NET (ASSETS)/LIABILITIES RECOGNISED IN THE BALANCE SHEET	12	106	118	(54)	98	44

At 30 June 2024	Actuarial value of cumulative benefit obligations		Fair value of plan assets		Plan asset ceiling		Amount recognised in liabilities and shareholders' equity		Amount recognised in assets	
	(€ millions)	%	(€ millions)	%	(€ millions)	%	(€ millions)	%	(€ millions)	%
United Kingdom	2,628	76%	2,794	81%	—	0%	47	17%	(213)	91%
United States	265	8%	213	6%	—	0%	52	19%	—	0%
Canada	88	3%	136	4%	56	100%	27	10%	(19)	8%
Ireland	228	7%	189	6%	—	0%	40	15%	(1)	1%
France	81	2%	15	0%	—	0%	66	24%	—	0%
Other countries	150	4%	105	3%	—	0%	45	16%	—	0%
TOTAL	3,440	100%	3,452	100%	56	100%	277	100%	(233)	100%

Plan assets break down between the different asset classes (bonds, shares, etc.) as follows:

Breakdown of plan assets	30.06.2023		30.06.2024	
	Pension obligations	Medical expenses and other employee benefits	Pension obligations	Medical expenses and other employee benefits
Shares	10%	N/A	10%	N/A
Bonds	9%	N/A	9%	N/A
Other money market funds	10%	N/A	6%	N/A
Property assets	3%	N/A	2%	N/A
Other	68%	N/A	73%	N/A
TOTAL	100%	N/A	100%	N/A

N/A: not applicable

At 30 June 2024, "Other" assets notably included the value of the insurance policy taken out with Rothesay Life covering the obligations insured as part of the buy-in conducted in FY 2020.

Contributions payable by the Group in FY 2024 in respect of funded benefits are estimated at €42 million.

Benefits payable in respect of defined benefit plans over the next ten years break down as follows:

Benefits payable over the next ten years € millions	Pension obligations	Medical expenses and other employee benefits
2025	230	7
2026	238	7
2027	249	7
2028	250	7
2029	257	7
2030/2034	1,403	36

At 30 June 2023 and 30 June 2024, the main assumptions used for the measurement of pension obligations and other long-term employee benefits were as follows:

Actuarial assumptions in respect of obligations	30.06.2023		30.06.2024	
	Pension obligations	Medical expenses and other employee benefits	Pension obligations	Medical expenses and other employee benefits
Discount rate	5.16%	5.50%	4.99%	5.13%
Average rate of increase in annuities	3.43%	N/A	3.38%	N/A
Average salary increase	3.34%	3.90%	3.39%	3.92%
Expected increase in medical expenses				
• Initial rate	N/A	6.14%	N/A	6.78%
• Final rate	N/A	4.81%	N/A	4.35%

N/A: not applicable.

Actuarial assumptions in respect of the expense for the financial year	30.06.2023		30.06.2024	
	Pension obligations	Medical expenses and other employee benefits	Pension obligations	Medical expenses and other employee benefits
Discount rate	3.85%	3.56%	5.16%	5.50%
Average rate of increase in annuities	3.40%	N/A	3.43%	N/A
Average salary increase	3.18%	3.57%	3.34%	3.90%
Expected increase in medical expenses				
• Initial rate	N/A	5.13%	N/A	6.14%
• Final rate	N/A	4.12%	N/A	4.81%

N/A: not applicable.

Actuarial assumptions at 30 June 2024 (pension and other benefit obligations) By region	United Kingdom	United States	Canada	Eurozone countries	Other non-eurozone countries
Discount rate	5.11%	5.19%	5.06%	3.50%	5.83%
Average rate of increase in annuities	3.52%	N/A	N/A	2.28%	1.98%
Average salary increase	2.65%	2.98%	3.00%	3.39%	6.99%
Expected increase in medical expenses					
• Initial rate	8.70%	8.00%	4.73%	3.92%	N/A
• Final rate	5.40%	4.00%	3.42%	3.92%	N/A

N/A: not applicable.

The obligation period-related discount rates used within the eurozone are as follows:

- short-term rate (3-5 years): 3.10%;
- medium-term rate (5-10 years): 3.30%;
- long-term rate (more than 10 years): 3.30%.

Discount rates are determined by reference to the yield at the reporting date on premium category corporate bonds (if available), or on government bonds, with maturities similar to the estimated duration of the benefit obligations.

The expected rate of return on assets corresponds to the discount rate, in accordance with IAS 19.

The sensitivity of the debt to changes in the discount rate is shown in the table below:

€ millions	Pension obligations	Medical expenses and other employee benefits	Total
Obligations at 30 June 2024	3,342	98	3,440
Obligations at 30 June 2024 with a 0.5% decrease in the discount rate	3,535	104	3,639
Obligations at 30 June 2024 with a 0.5% increase in the discount rate	3,168	93	3,261

The impact of a change in the rate of increase in medical expenses would be as follows:

Post-employment medical benefits (€ millions)	Effect of change		
	With current rate	1% increase	1% decrease
On the present value of the benefit obligations at 30 June 2024	75	6	(5)
On the expense for FY 2024	5	—	—

The experience gains or losses on the benefit obligations and plan assets are set out below:

€ millions	30.06.2024	
	Pension obligations	Medical expenses and other employee benefits
Amounts of experience losses or (gains) on benefit obligations	13	—
Percentage compared with amounts of benefit obligations	0.4%	0.2%
Amounts of financial assumption losses or (gains) on benefit obligations	38	(2)
Percentage compared with amounts of benefit obligations	1.1%	-1.7%
Amounts of demographic assumption losses or (gains) on benefit obligations	(22)	—
Percentage compared with amounts of benefit obligations	-0.7%	-0.3%
Amounts of experience losses or (gains) on plan assets	(59)	—
Percentage compared with amounts of plan assets	-1.7%	0.0%
Amounts of experience losses or (gains) on the asset ceiling	2	—
Percentage compared with amounts of plan assets	0.1%	0.0%
Average duration (years)	11.34	10.67

Note 4.8 Financial liabilities

The Group applies IFRS 9, IAS 32 and IFRS 7. Borrowings and other financial liabilities are recognised, on the basis of their effective interest rates, in accordance with the amortised cost method. The effective interest rate includes all costs, commissions and fees payable under the contract between the parties. Under this method, costs that are directly attributable to the acquisition or issue of the financial liability are recognised in profit and loss on the basis of the effective interest rate.

In accordance with IAS 7 “Statement of Cash Flows”, cash and cash equivalents presented in assets and liabilities in the balance sheet and shown in the consolidated cash flow statements include items that are immediately available as cash or are readily convertible into a known amount of cash and which are subject to an insignificant risk of changes in value. Cash is composed of cash at bank and on hand, short-term deposits with an initial maturity of less than three months and money market mutual funds that are subject to an insignificant risk of changes in value. Cash equivalents are short-term investments with a maturity of less than three months. Bank overdrafts, which are considered to be equivalent to financing, are excluded from cash and cash equivalents.

In accordance with IFRS 16, the Group assesses whether a contract is, or contains, a lease if the contract conveys, at inception, the right to control the use of an identified asset for a set period of time in exchange for consideration.

The lease liability is initially calculated at the present value of the future lease payments. The discount rates are based on the Group’s borrowing rate plus a spread to take into account country-specific economic environments. They are estimated in each currency using available market data. They take into account the term of the leases. Lease payments may include fixed or variable payments that depend on a rate or index known at the commencement date of the lease.

The period used to calculate the lease liability corresponds to the non-cancellable term of the contract, unless it is reasonably certain that the Group will exercise a renewal option beyond this period. The probability of exercising an option is determined on a lease-by-lease basis, taking into account management’s intentions. This liability is then calculated at amortised cost using the effective interest rate method.

Leases are recognised in the balance sheet from the commencement date. They are presented in “Lease liabilities” with a corresponding entry in “Property, plant and equipment”, depending on the nature of the underlying asset (see Note 4.2 – *Property, plant and equipment*). Lease liabilities comprise a current and non-current portion on the basis of the expected future payments.

In the income statement, depreciation expenses are recognised on the basis of the use of the underlying asset and interest expenses are presented in financial income and expenses.

In the cash flow statement, repayments of lease liabilities are reported under “Repayment of lease liabilities” in cash flows from financing activities, while interest payments are reported under “Interest paid” in cash flows from operating activities.

The Group has chosen not to apply IFRS 16 to leases corresponding to assets with a low unit replacement value or to short-term leases. These leases are recognised directly in expenses.

Net financial debt, as defined and used by the Group, corresponds to total gross financial debt (translated at the closing exchange rate), including lease liabilities and derivatives designated as fair value hedges and net foreign currency asset hedges (hedging of net investments and similar), less cash and cash equivalents.

1. Analysis of net financial debt by type and maturity

€ millions	30.06.2023			30.06.2024		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	580	9,678	10,258	1,778	10,907	12,685
Syndicated loan	—	—	—	—	—	—
Commercial paper	801	—	801	196	—	196
Other borrowings and debt	155	173	328	156	133	288
Other financial liabilities	956	173	1,129	352	133	485
Gross financial debt	1,536	9,851	11,387	2,130	11,040	13,170
Fair value hedge derivatives – assets	—	—	—	—	—	—
Fair value hedge derivatives – liabilities	—	14	14	—	10	10
Fair value hedge derivatives	—	14	14	—	10	10
Net investment hedge derivatives – assets	—	(3)	(3)	—	—	—
Net investment hedge derivatives – liabilities	—	—	—	6	—	6
Net investment hedge derivatives	—	(3)	(3)	6	—	6
Financial debt after hedging	1,536	9,862	11,398	2,136	11,050	13,186
Cash and cash equivalents	(1,609)	—	(1,609)	(2,683)	—	(2,683)
Net financial debt excluding lease liabilities	(73)	9,862	9,789	(547)	11,050	10,503
Lease liabilities	99	384	484	95	352	448
NET FINANCIAL DEBT	26	10,246	10,273	(451)	11,402	10,951

The change in net financial debt by cash and non-cash items is analysed below:

€ millions	30.06.2023	Changes in cash flows	Changes in cash flows with no cash impact			30.06.2024
		Total cash flows	Foreign currency gains and losses	Change in fair value	Other	
Bonds	10,258	2,114	48	4	262	12,685
Syndicated loan	—	—	—	—	—	—
Commercial paper	801	(603)	—	—	(2)	196
Other borrowings and debt	328	(52)	12	—	—	288
Gross financial debt	11,387	1,458	60	4	261	13,170
Fair value hedge derivatives – assets	—	—	—	—	—	—
Fair value hedge derivatives – liabilities	14	—	—	(4)	—	10
Fair value hedge derivatives	14	—	—	(4)	—	10
Economic net investment hedge derivatives – assets	(3)	—	—	—	3	—
Economic net investment hedge derivatives – liabilities	—	—	—	—	6	6
Economic net investment hedge derivatives – liabilities	(3)	—	—	—	9	6
Financial debt after hedging	11,398	1,458	60	—	270	13,186
Cash and cash equivalents	(1,609)	(1,095)	21	—	—	(2,683)
Net financial debt excluding lease liabilities	9,789	363	81	—	270	10,503
Lease liabilities	484	(125)	—	—	89	448
NET FINANCIAL DEBT	10,273	238	81	—	359	10,951

2. Breakdown of debt excluding lease liabilities by currency before and after foreign exchange hedging instruments at 30 June 2023 and 30 June 2024

At 30 June 2023 € millions	Gross financial debt	Amount hedged	Debt after hedging	Cash at bank and in hand	Net debt after hedging	% debt after hedging	% net debt after hedging
EUR	8,094	563	8,657	(517)	8,140	76%	83%
USD	3,261	(112)	3,149	(190)	2,959	28%	30%
GBP	—	(55)	(55)	(125)	(180)	0%	-2%
SEK	1	(101)	(100)	(42)	(141)	-1%	-1%
Other currencies	31	(284)	(253)	(736)	(988)	-2%	-10%
FINANCIAL DEBT BY CURRENCY	11,387	11	11,398	(1,609)	9,789	100%	100%

At 30 June 2024 € millions	Gross financial debt	Amount hedged	Debt after hedging	Cash at bank and in hand	Net debt after hedging	% debt after hedging	% net debt after hedging
EUR	9,776	(662)	9,114	(1,463)	7,651	69%	73%
USD	3,296	723	4,018	(276)	3,743	30%	36%
GBP	1	(107)	(106)	(156)	(262)	-1%	-2%
SEK	1	(123)	(122)	(38)	(161)	-1%	-2%
Other currencies	96	186	282	(750)	(468)	2%	-4%
FINANCIAL DEBT BY CURRENCY	13,170	16	13,186	(2,683)	10,503	100%	100%

3. Breakdown of fixed-rate/floating-rate debt excluding lease liabilities before and after interest rate hedging instruments at 30 June 2023 and 30 June 2024

€ millions	30.06.2023				30.06.2024			
	Debt before hedging		Debt after hedging		Debt before hedging		Debt after hedging	
Fixed-rate debt	10,565	93%	10,380	91%	12,871	98%	12,685	96%
Floating-rate debt	834	7%	1,018	9%	314	2%	501	4%
FINANCIAL DEBT AFTER HEDGING BY RATE TYPE	11,398	100%	11,398	100%	13,186	100%	13,186	100%

At 30 June 2024, before taking account of any hedges, the Group's gross debt was 97% fixed rate and 3% floating rate. After hedging, the floating-rate portion was 4%.

4. Schedule of financial liabilities at 30 June 2024

The following table shows the maturity of future financial liability-related cash flows (nominal and interest). Floating-rate interest flows have been estimated on the basis of rates at 30 June 2023 and 30 June 2024.

At 30 June 2023 € millions	Carrying amount	Contractual flows	<6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	(11,387)	(11,321)	(1,398)	(97)	(1,675)	(1,176)	(29)	(1,077)	(5,869)
Interest	—	(1,984)	(107)	(95)	(202)	(177)	(150)	(150)	(1,105)
Gross financial debt	(11,387)	(13,305)	(1,504)	(192)	(1,877)	(1,353)	(179)	(1,226)	(6,973)
Lease liabilities	(484)	534	42	66	80	66	55	44	182
Cross-currency swaps	3	—	—	—	—	—	—	—	—
Flows payable	—	(480)	—	(10)	(470)	—	—	—	—
Flows receivable	—	470	—	5	465	—	—	—	—
Derivatives - liabilities	(23)	(30)	(9)	(4)	(7)	(7)	—	—	—
Derivatives - liabilities	(20)	(40)	(9)	(9)	(12)	(7)	—	—	—
TOTAL FINANCIAL LIABILITIES	(11,891)	(12,811)	(1,471)	(135)	(1,809)	(1,294)	(124)	(1,182)	(6,792)

At 30 June 2024 € millions	Carrying amount	Contractual flows	<6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	(13,170)	(13,051)	(918)	(1,070)	(1,187)	(29)	(1,683)	(1,363)	(6,801)
Interest	—	(2,616)	(170)	(125)	(281)	(254)	(254)	(222)	(1,310)
Gross financial debt	13,170	(15,667)	(1,088)	(1,195)	(1,468)	(283)	(1,937)	(1,585)	(8,112)
Lease liabilities	(448)	528	40	68	89	71	55	46	159
Cross-currency swaps	(6)	—	—	—	—	—	—	—	—
Flows payable	—	(477)	—	(477)	—	—	—	—	—
Flows receivable	—	465	—	465	—	—	—	—	—
Derivatives - liabilities	(25)	(27)	(16)	(4)	(7)	—	—	—	—
Derivatives - liabilities	(31)	(39)	(16)	(16)	(7)	—	—	—	—
TOTAL FINANCIAL LIABILITIES	12,691	(15,178)	(1,064)	(1,143)	(1,386)	(212)	(1,882)	(1,539)	(7,952)

5. Credit lines

At 30 June 2024, credit lines mainly comprised the multi-currency syndicated loan of €2,100 million, a bilateral line of €500 million and a Champagne loan of €260 million. No drawdowns have been made on these credit lines.

6. Bonds

Nominal amount	Interest rate	Issue date	Maturity	Carrying amount at 30.06.2024 € millions
EUR 650 million	2.13%	29.09.2014	27.09.2024	660
EUR 1,000 million	1.13%	06.04.2020	07.04.2025	1,002
EUR 600 million	1.50%	17.05.2016	18.05.2026	600
USD 600 million	3.25%	08.06.2016	08.06.2026	550
EUR 600 million	3.75%	15.09.2023	15.09.2027	616
EUR 500 million	0.50%	24.10.2019	24.10.2027	500
USD 600 million	1.25%	01.10.2020	01.04.2028	560
EUR 600 million	3.25%	02.11.2022	02.11.2028	606
EUR 750 million	1.38% *	07.04.2022	07.04.2029	744
EUR 500 million	0.13%	04.10.2021	04.10.2029	493
EUR 1,000 million	1.75%	06.04.2020	08.04.2030	1,009
EUR 700 million	3.38%	07.05.2024	07.11.2030	695
USD 900 million	1.63%	01.10.2020	01.04.2031	837
EUR 500 million	0.88%	24.10.2019	24.10.2031	498
EUR 500 million	3.75%	02.11.2022	02.11.2032	504
EUR 750 million	3.75%	15.09.2023	15.09.2033	759
EUR 800 million	3.63%	07.05.2024	07.05.2034	795
USD 850 million	5.50%	12.01.2012	15.01.2042	802
USD 500 million	2.75%	01.10.2020	01.10.2050	456
Total bonds				12,685

* Subject to the achievement of the key performance indicators to which this bond is linked.

7. Offsetting of financial assets and financial liabilities

The table below shows the amounts of financial assets and financial liabilities before and after offsetting.

The amounts offset in the balance sheet were established in accordance with IAS 32. Accordingly, financial assets and financial liabilities are offset and the net amount is shown in the balance sheet if and only if the Group has a legally enforceable right to set off the recognised amounts, and if it intends to settle on a net basis. The assets and liabilities offset stem from the multi-currency cash pooling arrangement implemented within the Group.

At 30 June 2023 € millions	Gross financial assets and liabilities	Amounts offset in the balance sheet	Net amounts in the balance sheet	Impact of master netting and similar arrangements	Financial instruments received as collateral	Net amounts under IFRS 7
ASSETS						
Cash and cash equivalents	1,882	(273)	1,609	—	—	—
LIABILITIES						
Bank borrowings and debt	601	(273)	328	—	—	—

At 30 June 2024 € millions	Gross financial assets and liabilities	Amounts offset in the balance sheet	Net amounts in the balance sheet	Impact of master netting and similar arrangements	Financial instruments received as collateral	Net amounts under IFRS 7
ASSETS						
Cash and cash equivalents	3,123	(441)	2,683	—	—	—
LIABILITIES						
Bank borrowings and debt	729	(441)	288	—	—	—

Note 4.9 Financial instruments

1. Fair value of financial instruments

€ millions	Fair value level	Breakdown by accounting classification				30.06.2023	
		Fair value through profit or loss	Fair value through other comprehensive income	Assets at amortised cost	Liabilities at amortised cost	Carrying amount	Fair value
ASSETS							
Equity instruments	Level 1 and 3	—	432	—	—	432	432
Guarantees, deposits, investment-related loans and receivables	Level 2	—	—	186	—	186	186
Trade receivables and other operating receivables	Level 2	—	—	1,814	—	1,814	1,814
Other current assets	Level 2	—	—	435	—	435	435
Derivatives - assets	Level 2	13	7	—	—	20	20
Cash and cash equivalents	Level 1	1,609	—	—	—	1,609	1,609
LIABILITIES							
Bonds	Level 1	—	—	—	10,258	10,258	9,308
Bank borrowings and debt	Level 2	—	—	—	1,129	1,129	1,129
Lease liabilities	Level 2	—	—	—	484	484	484
Derivatives - liabilities	Level 2	18	2	—	—	20	20

€ millions	Fair value level	Breakdown by accounting classification				30.06.2024	
		Fair value through profit or loss	Fair value through other comprehensive income	Assets at amortised cost	Liabilities at amortised cost	Carrying amount	Fair value
ASSETS							
Equity instruments	Level 1 and 3	—	502	—	—	502	502
Guarantees, deposits, investment-related loans and receivables*	Level 2	—	—	192	—	192	192
Trade receivables and other operating receivables	Level 2	—	—	1,581	—	1,581	1,581
Other current assets	Level 2	—	—	416	—	416	416
Derivatives - assets	Level 2	7	1	—	—	8	8
Cash and cash equivalents	Level 1	2,683	—	—	—	2,683	2,683
LIABILITIES							
Bonds	Level 1	—	—	—	12,685	12,685	11,804
Bank borrowings and debt	Level 2	—	—	—	485	485	485
Lease liabilities	Level 2	—	—	—	448	448	448
Derivatives - liabilities	Level 2	25	7	—	—	31	31

* Including €1,124 million of assets derecognised with continuing involvement as regards factoring and securitisation deposits.

The methods used are as follows:

- debt: the fair value of the debt is determined for each loan by discounting future cash flows on the basis of market rates at balance sheet date, adjusted for the Group's credit risk. For floating-rate bank debt and bank overdrafts, fair value is approximately equal to the carrying amount;
- bonds: market liquidity enabled the bonds to be valued at their fair value using the quoted prices;
- other long-term financial liabilities: the fair value of other long-term financial liabilities is calculated for each loan by discounting future cash flows using an interest rate taking into account the Group's credit risk at the balance sheet date;
- derivatives: the market value of instruments recognised in the financial statements at the balance sheet date was calculated on the basis of available market data, using current valuation models.

The hierarchical levels of the fair value hierarchy below are in line with the definitions in the amended version of IFRS 7 "Financial Instruments: Disclosures":

- Level 1: fair value based on quoted prices in active markets;

- Level 2: fair value measured based on observable market data (other than quoted prices included in Level 1);
- Level 3: fair value measured using valuation techniques based on unobservable market data.

In accordance with IFRS 13, derivatives were measured taking into account the Credit Valuation Adjustment (CVA) and the Debt Valuation Adjustment (DVA). The measurement is based on historical data (rating of counterparty banks and probability of default). At 30 June 2024, the impact was not significant.

Equity instruments mainly consist of minority stakes in innovative companies in the conviviality sector that are mostly unlisted and have been acquired by Convivialité Ventures, the Group's private equity arm. Their fair value has been measured at level 3 of the hierarchy, based on valuations used in their most recent funding rounds. In the absence of recent transactions, acquisition cost is considered to be the best possible estimate of fair value, except where underperformance versus the budget or other events occur giving rise to the recognition of an impairment loss. These investments are not individually material.

2. Risk management

Management and monitoring of financial risks is performed by the Financing and Treasury Department. Reporting to the Group Finance Department, it oversees all financial exposures and processes or validates all financing, investment and hedging transactions, as part of a programme approved by General Management.

All financial instruments hedge existing or forecast hedge transactions or investments. They are contracted with a limited number of counterparties that have a first-class rating.

Management of liquidity risk

At 30 June 2024, the Group's cash and cash equivalents totalled €2,683 million (compared with €1,609 million at 30 June 2023). An additional €2,860 million of medium-term revolving credit facilities with banks was confirmed and undrawn. Group financing is provided in the form of long-term debt (bank loans, bonds, etc.) and short-term borrowings (commercial paper and bank overdrafts) as well as factoring and securitisation programmes, which provide adequate financial resources to ensure business continuity. The Group also set up a €7 billion Euro Medium Term Note (EMTN) programme in May 2020, updated on 11 October 2021, 24 October 2022 and 24 October 2023. The Group's short-term financial debt after hedging was €2,136 million at 30 June 2024 (compared to €1,536 million at 30 June 2023).

While the Group has not identified any other material cash requirement, it cannot be fully guaranteed that it will be able to continue to access the funding and refinancing needed for its day-to-day operations and capital expenditure on satisfactory terms, given the uncertain economic environment.

The credit ratings sought by Pernod Ricard from rating agencies on its long-term and short-term debt are Baa1/P2 from Moody's and BBB+/A2 from Standard & Poor's, respectively.

The Group's bank and bond debt contracts include covenants that, if breached, could trigger accelerated repayment clauses.

Furthermore, while the vast majority of the Group's cash surplus is placed with affiliates of global banks enjoying the highest agency ratings, it cannot be ruled out that these Group investments may lose some of their liquidity and/or value.

The currency controls in place in certain countries limit the Group's ability to use cash (prohibition on investment with the Group) and, in some cases, delay the possibility of paying dividends (authorisation is required from the relevant authorities, notably in Cuba). At 30 June 2024, cash with delayed availability amounted to €229 million, including €226 million relating to Cuba.

Specific terms of financing agreements and the schedule of financial liability maturity are respectively disclosed in the "Material contracts" subsection of the management report and in Note 4.8 – *Financial liabilities* to the consolidated financial statements.

Management of currency risk

As the Group consolidates its financial statements in euros, it is exposed to fluctuations against the euro by the currencies in which its assets and liabilities are denominated (asset risk) or in which transactions are carried out (transaction and translation risks).

While some hedging strategies limit exposure, there is no absolute protection against exchange rate fluctuations.

In terms of asset risk, financing foreign currency-denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied for the acquisition of Seagram, Allied Domecq and Vin&Sprit, with part of the debt being denominated in US dollars, reflecting the importance of cash flows generated in dollars or linked currencies.

Currency fluctuations against the euro (notably the US dollar) may impact the nominal amount of liabilities and the financial expense recorded in euros in the consolidated financial statements, which could affect the Group's reported results.

For operational currency risk, the Group's international operations expose it to currency risks affecting transactions carried out by affiliates in a currency other than their operating currency (transaction accounting risk).

As a rule, it is Group policy to invoice end customers in the functional currency of the distributing entity. Exposure to currency risk on intra-Group invoicing between producer and distributor affiliates is managed via a monthly payment centralisation procedure involving most countries with freely convertible and transferable currencies and whose internal legislation allows this participation. This system hedges against net exposure using forward exchange contracts.

Residual risk is partially hedged by financial derivatives (forward purchases, forward sales or options) intended to hedge certain or highly probable non-Group receivables and payables.

In addition, the Group may use firm or optional hedges with the aim of reducing the impact of currency fluctuations on its operating activities in some Brand Companies that make significant purchases in currencies other than the euro – especially USD, GBP or SEK – or in order to secure the payment of dividends back to the parent.

Management of interest rate risk

At 30 June 2024, the Pernod Ricard Group's debt comprised floating-rate debt (mainly commercial paper and other bank borrowings) and fixed-rate debt (mainly bonds), in addition to a hedging portfolio including USD swaps.

The Group cannot guarantee that these hedges will prove sufficient, or that it will be able to maintain them on acceptable terms.

SCHEDULE OF DEBT AND FLOATING-RATE EUR HEDGES (NOTIONAL VALUE, IN € MILLIONS)

At 30 June 2024 € millions	<1 year	>1 year and <5 years	>5 years	Total
Total assets (cash)	1,463	—	—	1,463
Total floating-rate liabilities	(179)	4	(13)	(189)
Net floating-rate debt before hedging	1,283	4	(13)	1,274
Derivatives	662	—	—	662
NET FLOATING-RATE DEBT AFTER HEDGING	1,946	4	(13)	1,936

SCHEDULE OF DEBT AND FLOATING-RATE USD HEDGES (NOTIONAL VALUE, IN USD MILLIONS)

At 30 June 2024 \$ millions	<1 year	>1 year and <5 years	>5 years	Total
Total assets (cash)	276	—	—	276
Total floating-rate liabilities	—	(40)	—	(40)
Net floating-rate debt before hedging	276	(40)	—	235
Derivatives	(713)	(197)	—	(910)
NET FLOATING-RATE DEBT AFTER HEDGING	(437)	(237)	—	(674)

Analysis of the sensitivity of financial instruments to interest rate risk (impact on the income statement)

A rise or fall of 50 basis points in interest rates (USD and EUR) would result in an increase or decrease of €4 million in the cost of net debt.

Analysis of the sensitivity of financial instruments to interest rate risk (impact on shareholders' equity)

A relative change of plus or minus 50 basis points in interest rates (USD and EUR) would not generate any gain or loss on shareholders' equity.

Analysis of the sensitivity of financial instruments used to hedge risks related to agricultural raw materials (impact on shareholders' equity)

At 30 June 2024, the sensitivity of the portfolio was not significant.

Counterparty risk in financial transactions

The Group could be exposed to counterparty default via its cash investments, hedging instruments or the availability of committed but undrawn financing lines. In order to limit this exposure, the Group rigorously selects counterparties based on several criteria, including credit ratings, and on repayment schedules.

However, no assurance can be given that this careful selection will be enough to protect the Group against risks of this type, particularly in the current economic environment.

Note 4.10 Interest rate, foreign exchange and commodity derivatives

Pursuant to the amended version of IFRS 9 “Financial Instruments”, all derivative instruments must be recognised in the balance sheet at fair value, determined on the basis of standard market valuation models or external prices issued by financial institutions.

Where the derivative has been designated as a fair value hedge, changes in the value of the derivative and of the hedged item are recognised in profit and loss for the same period. If the derivative has been designated as a cash flow hedge, the change in value of the effective portion of the hedge is recognised in other comprehensive income. It is recognised in profit and loss when the hedged item is itself recognised in profit and loss.

However, the change in value of the ineffective component of the derivative is recognised directly in profit and loss. If the derivative is designated as a hedge of a net investment in a foreign operation, the change in value of the effective portion of the hedge is recognised in shareholders’ equity and the change in value of the ineffective portion is recognised in profit and loss.

Hedging instruments (by risk category and hedge type)

Hedge type at 30 June 2023 € millions	Description of financial instrument	Notional amount of contracts				Fair value	
		<1 year	>1 year and <5 years	>5 years	Total	Assets	Liabilities
Fair value hedges						—	14
Interest rate hedges	Swaps	—	184	—	184	—	14
Currency and interest rate hedges	Cross-currency swaps	—	—	—	—	—	—
Net investment hedges						3	—
Currency hedges	FX forwards	—	—	—	—	—	—
Currency and interest rate hedges	Cross-currency swaps	—	460	—	460	3	—
Derivatives included in net debt						3	14
Cash flow hedges						4	2
Interest rate hedges	Swaps	—	—	—	—	—	—
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards & FX options	—	—	—	—	—	—
Commodity hedges	Swaps	24	6	—	30	4	2
Non-hedge accounting						13	4
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards	2,029	—	—	2,029	13	4
Interest rate hedges	Swaps	—	—	—	—	—	—
TOTAL DERIVATIVES						20	20
Total non-current						5	14
Total current						15	6

Hedge type at 30 June 2024 € millions	Description of financial instrument	Notional amount of contracts				Fair value	
		<1 year	>1 year and <5 years	>5 years	Total	Assets	Liabilities
Fair value hedges		—	—	—	—	—	10
Interest rate hedges	Swaps	—	187	—	187	—	10
Currency and interest rate hedges	Cross-currency swaps	—	—	—	—	—	—
Net investment hedges		—	—	—	—	—	6
Currency hedges	FX forwards	—	—	—	—	—	—
Currency and interest rate hedges	Cross-currency swaps	460	—	—	460	—	6
Derivatives included in net debt		—	—	—	—	—	16
Cash flow hedges		—	—	—	—	1	1
Interest rate hedges	Swaps	—	—	—	—	—	—
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards & FX options	—	—	—	—	—	—
Commodity hedges	Swaps	—	—	—	—	1	1
Non-hedge accounting		—	—	—	—	7	14
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards	2,262	—	—	2,262	7	14
Interest rate hedges	Swaps	—	—	—	—	—	—
Total derivatives		—	—	—	—	8	31
Total non-current		—	—	—	—	1	11
TOTAL CURRENT		—	—	—	—	7	21

The notional amount of these contracts is the nominal value of the contracts. Foreign currency-denominated notional amounts in cross-currency swaps are shown in euros at the exchange rate agreed. For other instruments, notional amounts denominated in foreign currencies are translated into euros at year-end exchange rates. Estimated market values are based on information available on the financial markets and valuation methods appropriate to

the type of financial instrument. These valuation methods yield results consistent with the valuations provided by bank counterparties.

The Group's hedging instruments at 30 June 2024 were not ineffective.

Hedged items (by category and hedge type)

Hedge type at 30 June 2023 € millions	Carrying amount of hedged item		Cumulative FVH adjustments included in carrying amount of hedged item		Balance sheet item in which hedged item is included	CFH reserves	Change in fair value of CFH derivatives through OCI
	Assets	Liabilities	Assets	Liabilities			
Fair value hedges (FVHs)							
Interest rate risk							
Fixed-rate bonds hedged	—	184	—	14	Bond issues	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	Bond issues	N/A	N/A
Currency risk							
Firm commitment	—	—	—	—	—	—	—
Cash flow hedges (CFHs)							
Interest rate risk							
Floating rates of bonds	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	—	—	—
Currency risk							
Hedges of future foreign currency sales	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—
Commodity risk							
Commodity hedges	N/A	N/A	N/A	N/A	N/A	2	(3)
Net investment hedges (NIHs)							
Net assets hedged	460	—	N/A	N/A	N/A	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—

N/A: not applicable.

Hedge type at 30 June 2024 € millions	Carrying amount of hedged item		Cumulative FVH adjustments included in carrying amount of hedged item		Balance sheet item in which hedged item is included	CFH reserves	Change in fair value of CFH derivatives through OCI
	Assets	Liabilities	Assets	Liabilities			
Fair value hedges (FVHs)							
Interest rate risk							
Fixed-rate bonds hedged	—	187	—	10	Bond issues	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	Bond issues	N/A	N/A
Currency risk							
Firm commitment	—	—	—	—	—	—	—
Cash flow hedges (CFHs)							
Interest rate risk							
Floating rates of bonds	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	—	—	—
Currency risk							
Hedges of future foreign currency sales	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—
Commodity risk							
Commodity hedges	N/A	N/A	N/A	N/A	N/A	—	(1)
Net investment hedges (NIHs)							
Net assets hedged	460	—	N/A	N/A	N/A	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—

N/A: not applicable.

Note 4.11 Other current liabilities

Other current liabilities break down as follows:

€ millions	30.06.2023	30.06.2024
Tax and social security payables	835	856
Other current liabilities	721	750
TOTAL	1,556	1,607

Other current liabilities at 30 June 2024 mainly comprise the interim dividend payment of €591 million on 19 July 2024. Most of these other current liabilities are due within one year.

NOTE 5 Notes to the cash flow statement

1. Working capital requirement

Working capital requirement increased by €768 million. The breakdown is as follows:

- inventory: €503 million;
- trade receivables: €(203) million;
- trade payables: €524 million;
- other: €(57) million.

2. Purchases/Disposals of financial assets and activities

Purchases of financial assets and activities net of disposals generated a cash outflow of €88 million, mainly related to acquisitions and disposals of activities in the period, related in particular to the transactions described in Section 1 of Note 1.2 – *Significant events during the financial year*.

3. Issuance/repayment of debt

During the financial year, the Pernod Ricard Group issued €2,815 million in long-term debt and repaid €1,357 million in debt. These transactions mainly correspond to the bond issues and redemptions described in Section 2 of Note 1.2 – *Significant events during the financial year*.

The Group also paid €140 million in respect of its lease liabilities, of which €125 million related to repayment of the nominal amount and €14 million to interest payments reported in cash flows from operating activities.

NOTE 6 Additional information

Note 6.1 Shareholders' equity

1. Share capital

In April 2024, the Group carried out a capital reduction by cancelling 2,302,985 shares previously held in treasury and acquired in particular under the Group's share buyback programme. Following this transaction, the share capital was reduced to €392,659,559.40, divided into 253,328,748 shares with a par value of €1.55 per share:

	Number of shares	Amount (€ millions)
Share capital at 30 June 2023	255,631,733	396
Share capital at 30 June 2024	253,328,748	393

All Pernod Ricard shares are issued and fully paid for a par value of €1.55. Only one type of Pernod Ricard shares exists. These shares obtain double voting rights if they have been registered for an uninterrupted period of ten years.

2. Treasury shares

Treasury shares are recognised on acquisition as a deduction from equity. Subsequent changes in the value of treasury shares are not recognised. When treasury shares are sold, any difference between the acquisition cost and the fair value of the shares at the date of disposal is recognised as a change in shareholders' equity and has no impact on profit and loss for the year.

At 30 June 2024, Pernod Ricard and its controlled affiliates held 2,068,400 Pernod Ricard shares for a value of €311 million. These treasury shares are reported, at cost, as a deduction from shareholders' equity.

As part of its stock option and free share grant plans, Pernod Ricard SA holds shares either directly (treasury shares) or indirectly (calls or repurchase options). These shares may be allocated if options are exercised under the stock option plans or, in the case of free shares, if performance targets are met.

3. Interim dividend

In April 2024, the Board of Directors decided to pay an interim dividend of €2.35 per share for FY 2024, i.e., a total payout of €591 million. The interim dividend was paid on 19 July 2024 and recognised under "Other current liabilities" in the balance sheet at 30 June 2024.

4. Capital management

The Group manages its share capital in such a way as to optimise its cost of capital and profitability for its shareholders, provide security for all its counterparties and maintain a high credit rating. In this context, the Group may adjust its payment of dividends to shareholders, redeem part of its share capital, buy back its treasury shares and authorise share-based payment plans.

5. Liquidity agreement

On 24 May 2012, Pernod Ricard SA put in place a 12-month liquidity agreement, effective from 1 June 2012, through Rothschild & Cie Banque. The agreement is tacitly renewable for successive periods of 12 months. It complies with the French Financial Markets Association (*Association Française des Marchés Financiers - AMAFI*) Code of Ethics, which was approved by the AMF in its decision of 21 March 2011.

The sum of €5 million was allocated for the implementation of the liquidity agreement.

Note 6.2 Share-based payments

The Group applies IFRS 2 "Share-based Payments" to transactions whose award and settlement are share-based.

Pursuant to this standard, stock options and performance shares granted to employees are measured at fair value. The amount of such fair value is recognised in the income statement over the vesting period of the rights with a corresponding increase in shareholders' equity.

This fair value is calculated using valuation models taking into account the characteristics of the plan and market data at the date of grant and on the basis of Group management's assumptions.

Description of share-based payment plans

The Group grants long-term incentive plans to high-level executives, key Group executives and high-potential managers. As of the grant on 10 November 2021, these plans are granted through shares, whether or not subject to internal or external performance conditions; the stock option mechanism is no longer used for new grants. In addition, for all plans granted since 10 November 2021, the presence condition has been revised to three years instead of four years previously.

In the course of FY 2024, two share grant plans were set up on 10 November 2023:

- a performance share plan including:
 - a performance condition based on the positioning of the overall performance of the Pernod Ricard share (TSR⁽¹⁾) compared to the overall performance of a panel of 12 peers over the period from 10 November 2023 to 10 November 2026 inclusive (three years),

- a performance condition based on the average achievement of the profit from recurring operations target (actual versus annual objectives) measured over three consecutive financial years, including that in which the shares were granted,
- a condition relating to the achievement of corporate social responsibility (CSR) targets measured over three consecutive financial years, including that in which the shares were granted;
- a performance share plan including:
 - a performance condition based on the average achievement of the consolidated profit from recurring operations target (actual versus annual objectives) measured over three consecutive financial years, including that in which the shares were granted,
 - a condition relating to the achievement of corporate social responsibility (CSR) targets measured over three consecutive financial years, including that in which the shares were granted.

The expense recognised for options/shares vested or in the process of being vested during the financial year (period from 1 July 2023 to 30 June 2024) is described below:

Stock options	Type of options	With/without performance conditions	Number of beneficiaries	Commencement date for exercise of options	Expiry date	Subscription or purchase price (€)	Outstanding options at 30 June 2024	Stock option expense for FY 2024 (€ thousands)
Plan dated 08.11.2019	Purchase	With conditions	14	9/11/2023	8/11/2027	€162.79	82,884	273
Plan dated 27.11.2020	Purchase	With conditions	14	28/11/2024	27/11/2028	€154.11	113,469	806

Performance shares	Type of shares	With/without performance conditions	Number of beneficiaries	Shares vested from	Shares available from	Outstanding shares at 30 June 2024	Share expense for FY 2024 (€ thousands)
Plan dated 08.11.2019	Free	With conditions	820	9/11/2023	9/11/2023	—	1,841
Plan dated 27.11.2020	Free	With conditions	754	28/11/2024	28/11/2024	220,604	7,368
Plan dated 10.11.2021	Free	With and without conditions	777	12/11/2024	12/11/2024	200,902	11,128
Plan dated 10.11.2022	Free	With and without conditions	810	11/11/2025	11/11/2025	250,981	12,958
Plan dated 10.11.2023	Free	With conditions	506	11/11/2026	11/11/2026	261,951	7,430

The history of stock option plans that have not yet expired is presented in the “Corporate governance” section of the Universal Registration Document.

For vested stock option plans, the total number of options outstanding is 237,694, with an average remaining life of two years and two months.

As at 30 June 2024, the Group recognised an expense of €1 million in operating items for the two stock option plans vested or in the process of vesting during the financial year, as well as an expense of €41 million in respect of the five performance share plans.

Annual expenses € millions	30.06.2023	30.06.2024
Stock options – with corresponding adjustment to shareholders’ equity	2	1
Performance and free shares – with corresponding adjustment to shareholders’ equity	39	41
TOTAL ANNUAL EXPENSES	41	42

⁽¹⁾ Total shareholder return.

Changes made to outstanding stock options/shares during the financial year (period from 1 July 2023 to 30 June 2024) are described below:

Stock options	Type of options	With/without performance conditions	Options outstanding at 30.06.2023	Allocated during the period	Cancelled during the period	Exercised during the period	Expired during the period	Options outstanding at 30.06.2024
Plan dated 06.11.2015	Purchase	With conditions	15,015	—	—	15,015	—	—
Plan dated 17.11.2016	Purchase	With conditions	47,645	—	—	11,222	—	36,423
Plan dated 09.11.2017	Purchase	With conditions	53,500	—	—	9,240	—	44,260
Plan dated 21.11.2018	Purchase	With conditions	78,993	—	—	4,866	—	74,127
Plan dated 08.11.2019	Purchase	With conditions	82,884	—	—	—	—	82,884
Plan dated 27.11.2020	Purchase	With conditions	136,711	—	23,242	—	—	113,469

Performance shares	Type of shares	With/without performance conditions	Shares outstanding at 30.06.2023	Allocated during the period	Cancelled during the period	Transferred during the period	Expired during the period	Shares outstanding at 30.06.2024
Plan dated 08.11.2019	Free	With conditions	146,259	—	1,513	144,746	—	—
Plan dated 27.11.2020	Free	With conditions	242,846	—	22,072	170	—	220,604
Plan dated 10.11.2021	Free	With and without conditions	226,761	—	25,730	129	—	200,902
Plan dated 10.11.2022	Free	With and without conditions	280,996	—	30,015	—	—	250,981
Plan dated 10.11.2023	Free	With conditions	—	281,919	19,968	—	—	261,951

The average strike price of options exercised during FY 2024 was €113.29.

The assumptions used in calculating the fair values of the options and shares granted over the financial year, using the binomial or Monte Carlo models and the terms under which the options/shares were granted, are as follows:

	Type of shares	With/without performance conditions	Initial share price (€) ⁽¹⁾	Strike price (€)	Expected volatility	Expected dividend yield	Risk-free interest rate	IFRS 2 fair value (€)
Plan dated 10.11.2023	Free	With conditions	164.30	N/A	N/A	2.54%	N/A	152.25
Plan dated 10.11.2023	Free	With conditions	164.30	N/A	23%	2.54%	3.10%	82.88

N/A: not applicable.

(1) Closing rate at grant date.

The fair values are fixed upon implementation of each plan and do not vary year on year. For this reason, only the values relating to the plans granted during FY 2024 are presented above (information on previous plans is available in the prior-year universal registration documents).

From 2012 onwards, the volatility assumption used for the plans is based on a multi-criteria approach taking into consideration:

- historic volatility over a period equal to the duration of the options;
- implied volatility calculated on the basis of options available in financial markets.

Two share plans were granted on 10 November 2023.

For one of the plans, part of the grant is contingent on the positioning of the overall performance of the Pernod Ricard share (TSR⁽²⁾) compared to the overall performance of a panel of 12 peers: the shares will pre-vest provided that the positioning of the overall performance of the Pernod Ricard share (TSR⁽²⁾) is equal to or greater than seventh position out of 13 (the number will be determined in bands according to the level of performance

achieved). The other part of the grant is subject to an internal performance condition, the achievement of which will depend on the average achievement of the Group's annual profit from recurring operations target for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026, at constant exchange rates and scope. The fair value of these plans corresponds to the market price of the share on the grant date, less the loss of dividends expected during the vesting period (i.e., three years for all beneficiaries) and includes the likelihood of achieving the TSR performance condition. The IFRS 2 accounting expense for the plan in relation to this condition will be adjusted at the end of the vesting period at the latest.

The fair value of the other plan (with internal performance conditions) corresponds to the market price of the share at the grant date, less the loss of dividends expected during the vesting period (i.e., three years for all beneficiaries).

For all these plans, vesting is contingent on the presence condition being met on 11 November 2026.

Note 6.3 Off-balance sheet commitments

€ millions	Total	<1 year	>1 year and <5 years	>5 years
COMMITMENTS GIVEN AT 30.06.2023	3,682	1,413	1,768	501
Commitments given in connection with the Group's scope of consolidation	237	237	—	—
Investment commitments	20	20	—	—
Commitments given as part of specific transactions	—	—	—	—
Other	217	217	—	—
Commitments given in connection with the financing of the Company	19	14	1	5
Financial guarantees given	19	14	1	5
Other	—	—	—	—
Commitments relating to the issuer's operating activities	3,426	1,163	1,767	496
Firm and irrevocable commitments to purchase raw materials	3,008	847	1,715	446
Tax commitments (customs and other guarantees)	195	130	17	48
Operating lease agreements	7	3	3	1
Other	216	183	32	1

€ millions	Total	<1 year	>1 year and <5 years	>5 years
COMMITMENTS RECEIVED AT 30.06.2023	3,033	356	2,619	58
Commitments received in connection with the Group's scope of consolidation	—	—	—	—
Commitments received as part of specific transactions in relation to competition and markets	—	—	—	—
Other	—	—	—	—
Commitments received in connection with the financing of the Company	2,969	351	2,618	—
Lines of credit received and not used	2,868	260	2,608	—
Financial guarantees received	101	91	10	—
Other	—	—	—	—
Commitments relating to the issuer's operating activities	65	5	2	58
Contractual commitments relating to business activity and development	63	5	1	57
Other	2	—	1	1

⁽²⁾ Total shareholder return.

€ millions	Total	<1 year	>1 year and <5 years	>5 years
COMMITMENTS GIVEN AT 30.06.2024	4,075	1,589	1,828	658
Commitments given in connection with the Group's scope of consolidation	400	362	—	38
Investment commitments	48	9	—	38
Commitments given as part of specific transactions	—	—	—	—
Other	353	353	—	—
Commitments given in connection with the financing of the Company	68	57	—	11
Financial guarantees given	68	57	—	11
Other	—	—	—	—
Commitments relating to the issuer's operating activities	3,606	1,170	1,828	608
Firm and irrevocable commitments to purchase raw materials	3,094	751	1,785	558
Tax commitments (customs and other guarantees)	142	79	15	48
Lease contracts	8	3	4	2
Other	362	337	24	1

€ millions	Total	< 1 year	> 1 year and < 5 years	> 5 years
COMMITMENTS RECEIVED AT 30.06.2024	3,067	111	2,882	75
Commitments received in connection with the Group's scope of consolidation	—	—	—	—
Commitments received as part of specific transactions in relation to competition and markets	—	—	—	—
Other	—	—	—	—
Commitments received in connection with the financing of the Company	2,983	105	2,878	—
Lines of credit received and not used	2,885	20	2,865	—
Financial guarantees received	98	85	13	—
Other	—	—	—	—
Commitments relating to the issuer's operating activities	84	6	4	74
Contractual commitments relating to business activity and development	81	6	2	73
Other	3	—	2	1

1. Lines of credit received and not used

Lines of credit received and not used at 30 June 2024 correspond primarily to the nominal amounts of the syndicated loan and a bilateral credit line (see Note 4.8 – *Financial liabilities*).

2. Firm and irrevocable commitments to purchase raw materials

In the context of their cognac, wine, champagne and whiskies production, the Group's main affiliates have signed raw material supply agreements for eaux-de-vie, grapes, base wines and grain in the amount of €3,094 million.

Note 6.4 Contingent liabilities

Contingent tax liabilities

Pernod Ricard has received several notices of tax adjustment for 2007 to 2019, specifically concerning the tax deductibility of promotion and advertising expenses for an amount of 10,317 million Indian rupees (equivalent to €116 million, including interest as of the date of the reassessment), which includes the amount reassessed during a special audit carried out in 2017. This special audit covered other various topics for a total amount of 1,343 million Indian rupees (equivalent to €15 million).

It should be noted that the level and amount of this risk pertaining to promotion and advertising expenses have been gradually and significantly reduced in recent years and that the Company obtained two court rulings in its favour in 2020 for the period from 2007 to 2014. These court decisions further strengthen Pernod Ricard India's position on the tax deductibility of advertising and promotion expenses. Reassured by these decisions and after consulting with its tax advisers, Pernod Ricard India will continue to dispute the merits of the reassessment proposal and believes it has a probable chance of success in litigation. Accordingly, no provision has been booked for this matter.

Note 6.5 Disputes

In the normal course of business, Pernod Ricard is involved in a number of individual and collective legal, governmental, arbitration and administrative proceedings.

A provision for such proceedings is only recognised under "Other provisions for contingencies and losses" (see Note 4.7 – Provisions) when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. In the latter case, the provisioned amount corresponds to the best estimate of the risk. The provisioned amount recorded is based on the assessment of the level of risk on a case-by-case basis, it being specified that any events arising during the proceedings may at any time require that risk to be reassessed.

The provisions recorded by Pernod Ricard at 30 June 2024 for all disputes and risks in which it is involved amounted to negative €405 million, versus €390 million at 30 June 2023 (see Note 4.7 – Provisions), excluding uncertain tax positions recognised in income taxes payable. Pernod Ricard provides no further details (other than in exceptional circumstances), as disclosing the amount of any provision for ongoing litigation could cause the Group serious harm.

To the best of the Company's knowledge, there are no other legal, arbitration or governmental proceedings or exceptional events (including any proceedings of which the Company is aware that is pending or threatened) that may have or have had over the last 12 months a material impact on the profitability of the Company and/or the Group, other than those described below.

Contingent liabilities related to the change in the legal framework applicable to the Delhi Route to Market

In November 2021, the new Excise Policy applicable in the National Capital Territory of Delhi changed the alcohol distribution system, from government-run corporation model to private distributors and retailers.

The context of the change in route to market is currently under investigation by two government agencies. These investigations relate to accusations that irregularities were committed by certain Delhi officials, as well as distributors and retailers, in the development and implementation of this excise policy.

In that context, on 2 February 2023, a Delhi District Court took cognisance of a charge sheet filed by the Enforcement Directorate of India, claiming that, among others, Pernod Ricard India and one of its employees might have benefited from undue gains under the new Excise Policy, allegedly in breach of certain provisions of the Indian Prevention against Money Laundering Act.

The investigation by the authorities is still ongoing. There have been no significant developments as regards Pernod Ricard India since it began and neither the exact exposure nor its likelihood of occurrence can be assessed at this stage.

As a responsible corporate citizen, Pernod Ricard India is committed to comply with the laws of the country and will vigorously defend all allegations made against it.

Disputes relating to trademarks

Havana Club

The Havana Club trademark is owned by a joint venture, Havana Club Holding SA (HCH), which is 50%-held by Pernod Ricard. The brand has been registered by HCH in more than 200 countries. In the United States, this trademark has been owned since 1976 by "Cubaexport", an affiliate of Pernod Ricard's Cuban partner in the Havana Club joint venture. The intellectual property rights over the American trademark are currently being challenged in the United States courts by a Pernod Ricard competitor (Bacardi).

1. Havana Club US trademark dispute before the District Court for the District of Columbia (DC Case)

- In 1995, Bacardi petitioned the Trademark Trial and Appeal Board (TTAB), which is the judicial body of the US Patent and Trademark Office (USPTO), to cancel Cubaexport's registration of the Havana Club trademark in the United States.
- In January 2004, the TTAB denied the petition, thereby refusing to cancel the registration. Bacardi appealed the decision to the US District Court for the District of Columbia (DC Court). The DC Court proceedings were suspended after the USPTO refused to renew the trademark in 2006, but resumed in January 2016 after renewal was granted. Bacardi then filed additional claims to challenge the 2016 renewal. In response, Cubaexport filed two motions in August 2016: one to dismiss all actions launched by Bacardi regarding the merits of the case and one to expedite proceedings on certain aspects.

- On 6 March 2023, the DC Court granted in part and denied in part Cubaexport's motions, sending the case back for an analysis to be conducted on the merits of the arguments in the denied motions.
- On 19 April 2023, Cubaexport responded to Bacardi's initial claims and submitted a counterclaim for infringement of its Havana Club trademark in the United States.
- The parties are still awaiting the DC Court's decision on Cubaexport's counterclaim while discovery proceedings on the merits of the claims are underway.

2. "Section 211" and the "No Stolen Trademarks Honored in America Act"

- In 1998, the United States Congress adopted Section 211 (also known as the "Bacardi Act" because it was adopted further to intense lobbying by Bacardi representatives). The Bacardi Act has two main effects on the Havana Club trademark registered by Cubaexport: 1) it prohibits US courts from recognising and enforcing the rights of Cuban companies over trademarks associated with assets nationalised by the Cuban government; and 2) it makes the renewal of these trademarks by their legitimate owners subject to obtaining a specific licence from the Office of Foreign Assets Control (OFAC), which has discretionary power to grant such a licence.
- Consequently, since coming into force, Section 211 has impacted Cubaexport in two ways:
 - Cubaexport has been deprived of any legal recourse against the illegal use of its trademark in the United States by Bacardi, which has distributed rum there since 1996 under the trademark "Havana Club", produced in Puerto Rico.
 - In order to renew its trademark registration with the USPTO, Cubaexport must apply for and obtain specific prior authorisation from the OFAC every ten years.
- In 2002, the Dispute Settlement Body of the World Trade Organisation (WTO) condemned Section 211 on the grounds that it was incompatible with the TRIPS Agreement and, in particular, with national treatment and most-favoured nation obligations. To date, the United States has not adopted any measures to comply with this decision (i.e., amending or repealing Section 211).
- In November 2023, a bill for the No Stolen Trademarks Honored in America Act (NST) passed the House of Representatives and is now before the Senate. The NST aims to reinforce the effects of Section 211 by extending the prohibition on courts to all US federal agencies, including the USPTO and OFAC, which would technically make it impossible for Cubaexport to renew its trademark. The bill is currently on stand-by pending analysis by the Senate.

3. Renewal of the Havana Club trademark in the United States

- In 1976, Cubaexport registered the Havana Club trademark with the USPTO in the United States for 20 years.
- In 1996, Cubaexport applied to the USPTO to renew its trademark for ten years.
- In 2006, Cubaexport applied to the USPTO to renew its trademark but, based on the contents of Section 211 as adopted in 1998, the USPTO refused to grant the trademark's renewal without an OFAC licence. Cubaexport therefore applied for a licence from the OFAC but was denied. It filed an appeal against the OFAC's decision with the US District Court for the District of Columbia, but the case was dismissed in 2009. Cubaexport then appealed this decision with the Court of Appeals for the District of Columbia, which in 2011 upheld the decision of the court of first instance. Cubaexport subsequently took the case to the US Supreme Court with the support of the French government, the National Foreign Trade Council and the Washington Legal Foundation. In 2012, the Supreme Court refused to hear the case, putting an end to Cubaexport's dispute with the OFAC.

- Between 2012 and 2015, Cubaexport's Havana Club trademark was "frozen" with the USPTO.
- In 2015, Cubaexport once again applied to the OFAC for a licence to renew its trademark and was successful. On this ground, Cubaexport applied to the USPTO in 2016 to renew its trademark retroactively from 2006 to 2016 and for a further ten years until 2026.
- In 2025, Cubaexport will once again have to apply for a licence from the OFAC to renew its trademark with the USPTO in January 2026 for another ten-year period.

4. Trademark renewal dispute before the US District Court for the District of Virginia (USPTO Case)

- In 2021, Bacardi filed a motion against the USPTO with the US District Court for the District of Virginia to cancel the trademark renewal granted in 2016 on the grounds that the USPTO lacked jurisdiction to renew the trademark. Cubaexport is not a party to this dispute.
- In 2022, the US District Court of Virginia dismissed Bacardi's claims. Bacardi appealed the decision.
- In June 2024, the Court of Appeal reversed the decision of the US District Court of Virginia and decided to send the case back for analysis on the merits.
- If, at the end of these proceedings, the US District Court of Virginia were to grant Bacardi's request and conclude that the USPTO had acted beyond its jurisdiction in granting the renewal, Cubaexport's trademark registration would be considered to have expired as of 2006.

A finding in the Group's favour would enable the Havana Club joint venture to distribute its Cuban rum in the United States under the Havana Club trademark on the lifting of the embargo.

Tax disputes

The Group's companies are regularly audited by the tax authorities in the countries in which they are registered.

The assessment of the risk related to each tax dispute is regularly reviewed by the affiliate or region concerned and by the Group's Tax Department, with the assistance of external counsel for the most material or complex cases. Provisions are recognised if necessary. Pernod Ricard provides no further details (other than in exceptional circumstances), as disclosing the amount of any provision for ongoing tax litigation could cause the Group serious harm.

India

Pernod Ricard India (P) Ltd has an ongoing dispute with the Indian customs authorities over the declared transaction value of concentrates of alcoholic beverages (CAB) imported into India. Customs are challenging the transaction values, arguing that some competitors used different values for the import of similar goods. This matter was ruled on by the Supreme Court, which issued an order in July 2010, setting out the principles applicable for the determination of values that should be taken into account for the calculation of duty. Pernod Ricard India (P) Ltd has already paid the corresponding amounts up to 2001. For the period between 2001 and December 2010, Pernod Ricard India (P) Ltd has paid almost the entire differential duty as determined by customs in Delhi following the initial adjustment notice received in 2011. A second notice received in 2013 and confirmed by a court on 14 August 2017 has been suspended by the Supreme Court. As regards the Company's CAB imports since 2011, Indian authorities have issued reports challenging the transaction values as well as three show cause notices dated 2022, but failed to disclose all the data underlying their allegations. The Group has filed court requests to obtain such data and continues to actively work with the authorities and courts to resolve pending issues. In addition, pending resolution of the dispute, the customs authorities have demanded bank guarantees for the additional adjusted duties. The company challenged this request before the Supreme Court and obtained

a stay of execution in March 2023. Furthermore, a Common Adjudicating Authority (CAA) has been appointed in New Delhi to adjudicate upon the case. On 16 April 2024, Pernod Ricard India filed a common reply to all three show cause notices before the CAA.

Pernod Ricard India (P) is also involved in a debate with the Indian customs authorities over the transaction value of international products imported into India. Discussions are ongoing with the relevant authorities and courts.

Moreover, Pernod Ricard India (P) received several notices of tax adjustment for 2007 to 2018 relating to the tax deductibility of advertising and promotion expenses (see Note 6.4 – *Contingent liabilities*). In 2020, Pernod Ricard India (P) obtained two court rulings in its favour for the period from 2007 to 2014, strengthening its position on the tax deductibility of advertising and promotion expenses.

It should be noted that a provision for the above-mentioned disputes is only recognised, as appropriate in other provisions for risks and charges (see Note 4.7 – Provisions) or in income taxes payable (see Note 3.3 – Corporate income tax), when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. The amount of the provision is the best estimate of the expenditure required to settle the liability.

Commercial disputes

Colombia

Two separate complaints were filed jointly before the Colombian Competition Agency (*Superintendencia de Industria y Comercio*) on 14 November 2017 by the department of Cundinamarca and its wholly owned distilling company Empresa de Licores de Cundinamarca against Pernod Ricard SA, Pernod Ricard Colombia SA and a competitor company. In late December 2020, Pernod Ricard Colombia received notice of a similar complaint, initially filed in September 2019 by the departments of Valle and Antioquia (as well as wholly owned distillation companies). The complaint alleges that the defendants have committed violations of the Colombian Unfair Competition Act and, in particular, Articles 7 and 18 thereof, through the illegal import of spirits into Colombia. The complaints allege that the companies have gained an unfair market advantage over local producers through such activity. The plaintiffs seek damages corresponding to the loss of profits and taxes over the period 2013 to 2017 (2019 in the case of Valle and Antioquia).

Pernod Ricard intends to vigorously defend itself against such allegations. These complaints contain allegations that are similar to those made in prior legal proceedings before the New York courts brought by Cundinamarca, the Republic of Colombia and several other Colombian departments in 2004. The New York proceedings were voluntarily discontinued by the parties in 2012.

Note 6.6 Related parties

Transactions with associates and joint ventures were immaterial in the financial year ended 30 June 2024.

The compensation paid to Corporate Officers and Executive Committee members in return for their services to the Group is detailed below:

€ millions	30.06.2023	30.06.2024
Board of Directors ⁽¹⁾	1	1
Executive Committee		
• Short-term benefits	17	11
• Post-employment benefits	4	3
• Share-based compensation ⁽²⁾	11	12
TOTAL EXPENSES RECOGNISED FOR THE YEAR	33	27

(1) Directors' compensation.

(2) The cost of share-based payments corresponds to the expenses recognised in profit and loss over the period in respect of stock options and performance shares granted to members of the Group Executive Committee.

In addition, the Executive Corporate Officer (Chairman and CEO) is eligible for the following severance payments (the subject of a related-party agreement approved by the Shareholders' Meeting of 17 November 2016):

- one-year non-compete clause, together with a payment corresponding to 12 months' compensation;
- forced departure clause subject to performance conditions, together with a maximum payment corresponding to 12 months' compensation.

These clauses were not implemented in the course of the past financial year.

Note 6.7 Events after the reporting period

On 16 July 2024, the Group signed an agreement to sell its strategic international wine brands to Australian Wine Holdco Limited (AWL), a consortium of international institutional investors and owner of Accolade Wines. This disposal will allow Pernod Ricard to further strengthen its premiumisation strategy and to direct its resources to its portfolio of premium international spirits and champagne brands that drive the growth of its business. The transaction is the result of Pernod Ricard's continuous assessment of its strategic opportunities, in line with its longstanding policy to deliver sustainable value for its shareholders, employees, clients and partners.

IFRS 5 "Assets held for sale" was applied on 30 June 2024, leading to the reclassification of assets and liabilities held for sale within "Assets held for sale" and "Liabilities related to assets held for sale", mainly including trademarks, property, plant and equipment and inventories. An impairment loss of €682 million was recognised in "Other operating income/(expenses)" in respect of these assets.

Closing of the transaction remains subject to fulfilment of customary closing conditions, including regulatory clearances, and is expected to occur in the first six months of 2025.

Note 6.8 Fees of the Statutory Auditors and members of their network for the 12-month financial year⁽¹⁾

€ millions	KPMG			Deloitte & Associés			Other			Total		
	Amount (excl. VAT)			Amount (excl. VAT)			Amount (excl. VAT)			Amount (excl. VAT)		
	FY 2023	FY 2024	%	FY 2023	FY 2024	%	FY 2023	FY 2024	%	FY 2023	FY 2024	%
AUDIT												
Statutory audit, certification, review of individual and consolidated financial statements⁽³⁾												
Issuer ⁽²⁾	0.9	0.8	16%	0.8	0.8	16%	—	—	—	1.7	1.5	14%
Fully consolidated affiliates	2.9	3.6	73%	3.9	3.8	76%	0.4	0.4	100%	7.3	7.8	75%
Subtotal	3.8	4.4	90%	4.7	4.5	90%	0.4	0.4	100%	9.0	9.4	90%
Non-audit services⁽⁴⁾												
Issuer ⁽²⁾	0.2	0.3	6%	0.2	0.3	6%	—	—	0%	0.4	0.5	5%
Fully consolidated affiliates	0.2	0.2	4%	0.2	0.2	4%	—	—	0%	0.4	0.5	5%
Of which legal, tax, social	0.1	0.3	6%	0.3	0.4	8%	—	—	0%	0.4	0.7	7%
Subtotal	0.4	0.5	10%	0.4	0.5	10%	—	—	0%	0.8	1.0	10%
Total	4.2	4.9	100%	5.1	5.0	100%	0.4	0.4	100%	9.9	10.4	100%

(1) For the period under review, this refers to services provided and recognised in the income statement during a financial year.

(2) The issuer is understood to be the Parent Company.

(3) Including the services of independent experts or members of the Statutory Auditors' network employed to audit the financial statements.

(4) This section sets out the non-audit services provided to the issuer or its affiliates by the Statutory Auditors or the members of their networks. They may be required by law or by the provisions stipulated at the request of the Group or its affiliates and comply with independence requirements.

NOTE 7 Consolidation scope

The annual consolidated financial statements include the financial statements of the Parent Company, Pernod Ricard SA, and those of entities controlled by the Parent Company ("the affiliates"). Control is the power to influence the financial and operating policies of an entity so as to obtain benefits from its activities, irrespective of the percentage held in the entity. Non-controlling interests in the net assets of consolidated affiliates are presented separately from Parent Company shareholders' equity. Non-controlling interests include both the interests of minority shareholders at the date of the original business combination and minority interests in any subsequent changes to shareholders' equity.

Intragroup transactions and internal profits and losses relating to consolidated companies are eliminated.

Companies over which the Group exercises significant influence are accounted for under the equity method.

Note 7.1 Consolidation scope

The main changes to the Group's scope of consolidation in FY 2024 are presented in Note 1.2 – *Significant events during the financial year*.

Note 7.2 List of main consolidated companies

Company	Country	% interest 30.06.2023	% interest 30.06.2024
Pernod Ricard SA	France	Parent company	Parent company
Laurenskirk (Pty) Ltd	South Africa	80	80
Pernod Ricard South Africa PTY Ltd	South Africa	100	100
Black Forest Distillers GmbH	Germany	100	100
Pernod Ricard Deutschland GmbH	Germany	100	100
Pernod Ricard Andorra, SLU	Andorra	100	100
Pernod Ricard Angola, LDA	Angola	100	100
Pernod Ricard Argentina SRL	Argentina	100	100
Yerevan Brandy Company	Armenia	100	100
Pernod Ricard Pacific Holding Pty Ltd	Australia	100	100
Pernod Ricard Winemakers Pty Ltd	Australia	100	100
Pernod Ricard Austria GmbH	Austria	100	100
Pernod Ricard Belgium SA	Belgium	100	100
Pernod Ricard Brasil Indústria e Comércio Ltda.	Brazil	100	100
Pernod Ricard Bulgaria EOOD	Bulgaria	100	100
Ace Beverage Group Inc.*	Canada	0	46
Corby Spirit and Wine Limited*	Canada	46	46
Hiram Walker & Sons Limited	Canada	100	100
Pernod Ricard Canada Ltée	Canada	100	100
Pernod Ricard Chile SpA	Chile	100	100
Pernod Ricard (China) Trading Co., Ltd	China	100	100
Pernod Ricard Colombia SA	Colombia	100	100
Pernod Ricard Korea Imperial Company Ltd.	South Korea	100	100
Pernod Ricard Korea Ltd	South Korea	100	100
Havana Club International SA	Cuba	50	50
Pernod Ricard Denmark A/S	Denmark	100	100
Bodeboca SL	Spain	100	100
Pernod Ricard España	Spain	100	100
Pernod Ricard Winemakers Espana, SAU	Spain	100	100
Vermuteria de Galicia	Spain	80	80
Pernod Ricard Estonia OÜ	Estonia	100	100
Austin, Nichols & Co., Inc	United States	100	100
Castle Brands, Inc.	United States	100	100
Código US LLC	United States	50	50
Del Maguey Inc.	United States	100	100
Firestone & Robertson Distilling Company LLC	United States	100	100
Pernod Ricard Americas Travel Retail LLC	United States	100	100
Pernod Ricard Kenwood Holding LLC	United States	100	100
Pernod Ricard USA Finance Inc.	United States	100	100
Pernod Ricard USA LLC	United States	100	100
Rabbit Hole Spirits, LLC	United States	80	80
Skrewball LLC	United States	70	70
Smooth Ambler Spirits Co.	United States	100	100
Sovereign Brands LLC	United States	33	33
Pernod Ricard Finland OY	Finland	100	100
Augier Robin Briand & Cie	France	100	100
Champagne Perrier-Jouët	France	100	100

Company	Country	% interest 30.06.2023	% interest 30.06.2024
Château Sainte Marguerite	France	60	60
Domaines Jean Martell	France	100	100
Financière Moulins de Champagne	France	100	100
GH Mumm & Cie SVCS	France	100	100
Le Maine au Bois	France	100	100
Lina 16	France	100	100
Lina 3	France	100	100
Lina 5	France	100	100
Martell & Co SA	France	100	100
Martell Mumm Perrier-Jouët	France	100	100
Vignobles Mumm Perrier-Jouët	France	100	100
Pernod Ricard Finance SA	France	100	100
Pernod Ricard Middle East and North Africa	France	100	100
Pernod Ricard North America SAS	France	100	100
Pernod Ricard France SAS	France	100	100
Société Lillet Frères	France	100	100
Spirits Partners SAS	France	100	100
Pernod Ricard Ghana Limited	Ghana	100	100
Pernod Ricard Hellas ABEE	Greece	100	100
Allied Spirits & Wine (China) Ltd	Hong Kong	100	100
Pernod Ricard Asia Duty Free Ltd	Hong Kong	100	100
Pernod Ricard Hong Kong Ltd	Hong Kong	100	100
Peri Mauritius	Mauritius	100	100
Pernod Ricard India Private Limited	India	100	100
Comrie Limited	Ireland	100	100
Irish Distillers Group Unlimited Company	Ireland	100	100
Irish Distillers Ltd	Ireland	100	100
Samuelson International DAC	Ireland	100	100
Irish Distillers International LTD	Ireland	100	100
Pernod Ricard Israel Limited	Israel	0	100
Pernod Ricard Italia SPA	Italy	100	100
The Kyoto Distillery KK	Japan	100	100
Pernod Ricard Japan KK	Japan	100	100
Pernod Ricard Kazakhstan	Kazakhstan	100	100
Pernod Ricard Kenya Limited	Kenya	100	100
Pernod Ricard Lietuva UAB	Lithuania	100	100
La Hechicera Company Sarl	Luxembourg	51	51
Pernod Ricard Malaysia SDN BHD	Malaysia	100	100
Pernod Ricard Maroc	Morocco	100	100
Pernod Ricard Mexico SA de CV	Mexico	100	100
Seagram Myanmar Company Ltd*	Myanmar	34	34
Pernod Ricard Norway AS	Norway	100	100
Pernod Ricard Winemakers New Zealand Limited	New Zealand	100	100
Allied International Holdings BV	Netherlands	100	100
Pernod Ricard Nederland BV	Netherlands	100	100
PR Goal Nederland BV	Netherlands	100	100
Pernod Ricard Peru SA	Peru	100	100
Pernod Ricard Philippines, Inc.	Philippines	70	70
Agros Holding SA	Poland	100	100
Wyborowa SA	Poland	100	100
Pernod Ricard Portugal – Distribuição, SA	Portugal	100	100
Pernod Ricard Dominicana, SA	Dominican Republic	100	100
Pernod Ricard Czech Republic s.r.o.	Czech Republic	0	100
Pernod Ricard Romania SRL	Romania	100	100
Allied Domecq (Holdings) Limited	United Kingdom	100	100

Company	Country	% interest 30.06.2023	% interest 30.06.2024
Allied Domecq Limited	United Kingdom	100	100
AD Overseas (Europe) Limited	United Kingdom	100	100
Allied Domecq Spirits & Wine Holdings Limited	United Kingdom	100	100
Allied Domecq Spirits & Wine Limited	United Kingdom	100	100
AD Westport Limited	United Kingdom	100	100
Chivas Brothers (Holdings) Ltd	United Kingdom	100	100
Chivas Brothers Ltd**	United Kingdom	100	100
Chivas Brothers International Ltd**	United Kingdom	100	100
Chivas Brothers Pernod Ricard	United Kingdom	100	100
Chivas Holdings (IP) Limited	United Kingdom	100	100
Chivas Investments Limited**	United Kingdom	100	100
Coates & Co (Plymouth) Limited	United Kingdom	100	100
Dillon Bass Ltd	United Kingdom	74	100
Edward Dillon (Bonders) Ltd	United Kingdom	100	100
Goal Acquisitions (Holdings) Ltd	United Kingdom	100	100
Goal Acquisitions Ltd	United Kingdom	100	100
Italicus Ltd	United Kingdom	50	50
Pernod Ricard UK Group Limited	United Kingdom	100	100
Pernod Ricard UK Ltd	United Kingdom	100	100
PR Goal 3 Ltd	United Kingdom	100	100
The Whisky Exchange	United Kingdom	100	100
World Brands Duty Free Ltd	United Kingdom	100	100
Pernod Ricard Rouss CJSC	Russia	100	100
Pernod Ricard Singapore PTE Ltd	Singapore	100	100
Pernod Ricard Slovakia s.r.o	Slovakia	100	100
Distilled Innovation AB	Sweden	100	100
Pernod Ricard Sweden AB	Sweden	100	100
The Absolut Company AB	Sweden	100	100
Pernod Ricard Swiss SA	Switzerland	100	100
Pernod Ricard Taiwan Ltd	Taiwan	100	100
Pernod Ricard Thailand Ltd	Thailand	100	100
Pernod Ricard Istanbul Ic ve Dis Ticaret Limited Sirketi	Turkey	100	100
Pernod Ricard Ukraine	Ukraine	100	100
Pernod Ricard Uruguay SA	Uruguay	100	100
Pernod Ricard Vietnam Company Limited	Vietnam	100	100

* Ace Beverage Group Inc., Corby Spirit and Wine Limited and Seagram Myanmar Company Ltd are consolidated using the full consolidation method because of the Group's majority control over the entities.

** Limited companies that are members, or with affiliates that are members, of UK partnerships.

In accordance with Regulation 7 of The Partnerships (Accounts) Regulations 2008, annual financial statements have not been prepared for the aforementioned companies as said UK companies are consolidated within the Pernod Ricard Group consolidated financial statements.

6.7 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the Statutory Auditors' report on the financial statements of Pernod Ricard issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 30 June 2024

To the Pernod Ricard S.A. Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of Pernod Ricard S.A. for the year ended 30 June 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 June 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 July 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Key audit matters**Brands' valuation***(Notes 1.1.4 and 4.1 to the consolidated financial statements)*

As of 30 June 2024, indefinite-life brands were recorded in the balance sheet for a net carrying amount of €12,050 million, i.e. 31% of total assets.

Cash Generating Units ("CGUs") are defined as the brand and all assets required to generate the cash flows associated with the brand. An impairment loss is recorded when their net carrying amount exceeds their recoverable amount. Their recoverable amount is determined as part of mandatory annual impairment tests given their indefinite life and/or specific tests required in the event of an indication of a loss in value. Recoverable amounts are generally determined based on discounted future cash flow calculations and involve significant management judgements of components such as price and volume growth rates, the timing of future operating expenses and discount and long-term growth rates.

Based on its annual impairment test results, the Company recorded a net reversal of impairment before tax of €199 million for the year ended 30 June 2024, as disclosed in Note 4.1 to the consolidated financial statements.

Furthermore, the sensitivity of CGUs' recoverable amounts to assumptions was analysed by management and presented in Note 4.1. Changes in these assumptions could give rise to further impairment losses.

Considering the weight of brands on the balance sheet, the complexity of the models used and their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the recoverable amount of brands to be a key audit matter presenting a risk of material misstatement.

Responses as part of our audit

Our procedures mainly consisted in:

- assessing the principles and methods of calculating CGUs' accounting and recoverable amounts;
- testing the operation of Group controls covering the calculation of CGUs' recoverable amounts;
- for CGUs with a recoverable amount close to their carrying amount ("sensitive brands' CGUs"), confirming the results of the valuation model used by management by comparing them with the results of our models;
- corroborating the reasonableness of the main data and assumptions underlying the estimates (such as the discount rates and long-term growth rates), primarily for "sensitive brands' CGUs", especially with regard to available market analyses and in relation to economic environments where the Group operates;
- being informed of the commercial outlook of the brands based on interviews with management and comparing the accounting estimates of prior period cash flow projections with corresponding actual values to assess reliability;
- testing the arithmetical accuracy of the valuations used by the Company on a sample basis;
- assessing management's sensitivity analysis on recoverable amounts to changes in main assumptions.

We also assessed the appropriateness of the disclosures in Notes 1.1.4 and 4.1 to the consolidated financial statements and verified the arithmetical accuracy of the presented sensitivity analysis.

Tax risks*(Notes 1.1.4, 4.7, 4.7.1, 4.7.2, 6.4 and 6.5 to the consolidated financial statements)*

The Group operates in numerous different tax jurisdictions. The tax authorities of the countries in which the Group companies operate regularly have queries on issues relating to their everyday activities.

Tax audits can therefore give rise to tax reassessments and litigation with these tax authorities. The assessment of the risk related to each tax litigation is regularly reviewed by each concerned affiliate or region and by the Group's tax department, with the support of its external counsels for the most significant and complex litigations. Part of the amount of provisions for contingences for all legal disputes or risks involving the Group relate to tax risks and litigation. More particularly, the Indian affiliate is involved in disputes with customs and tax authorities over, among others, the declared transaction value of imported products into India and the tax deductibility of promotional and advertising expenses. As indicated in the Note 6.5 "Disputes", the reassessment proposals are only the subject of provisions or income tax payables where appropriate, when it is likely that a current liability resulting from a past event will require an outflow of resources which can be reliably estimated.

Given the Group's exposure to tax issues, which are in part specific to its business sector, and the high level of management judgement in estimating the risks and amounts recorded, we considered tax risks to be a key audit matter and the understatement of the corresponding provisions to be a possible source of material misstatement in the financial statements.

Based on discussions with management, we have been informed of the procedures implemented by the Group to identify uncertain tax positions and, where necessary, provide for tax risks or income tax payables.

In addition, we assessed the judgements made by management in evaluating the probability of taxes being payable, the amount of potential exposure and the reasonableness of the estimates adopted for provisions for tax risks or income tax payables. We particularly focused on the impact of changes in local tax regulations and ongoing audits conducted by local tax authorities.

To assess whether the tax liabilities were appropriately recognised, and with the assistance of our tax experts, we:

- conducted interviews with the Group's tax department and regional and local management teams in order to assess the current state of the investigations and reassessments made by tax authorities and monitor the development of ongoing tax disputes;
- consulted the recent Group company decisions and correspondence with local tax authorities, and reviewed the correspondence between the relevant companies and their lawyers, where necessary;
- analysed lawyers' responses to our information requests;
- performed a critical review of the estimates and positions adopted by management;
- assessed whether the latest developments were taken into account in the provisions recorded in the balance sheet.

We also assessed the disclosures in Notes 1.1.4, 4.7, 4.7.1, 4.7.2, 6.4 and 6.5 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information should be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Pernod Ricard by the Shareholders' Meeting held on 13 May 2003 for Deloitte & Associés and on 17 November 2016 for KPMG SA.

As at 30 June 2024, Deloitte & Associés and KPMG SA were in the 21st year and 8th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 18 September 2024

The Statutory Auditors,

French original signed by

KPMG SA

Caroline Bruno-Diaz

Partner

Adrien Johner

Partner

Deloitte & Associés

Marc de Villartay

Partner

Loris Strappazon

Partner

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7.1 Pernod Ricard SA income statement

For the financial years ended 30 June 2023 and 30 June 2024

<i>€ thousands</i>	FY 2023	FY 2024
Net sales	422,706	440,468
Royalties	20,118	17,150
Other income	1,655	1,450
Reversals of operating provisions and impairment, and expense transfers	33,463	14,635
Operating income	477,942	473,702
Cost of sales and external services	(410,421)	(414,311)
Duties and other taxes	(11,549)	(11,582)
Staff costs	(143,720)	(158,422)
Depreciation, amortisation, provisions and impairment	(36,378)	(62,898)
Other expenses	(9,823)	(8,171)
Operating expenses	(611,891)	(655,384)
Net operating income/(loss)	(133,949)	(181,682)
Income from equity investments	2,172,025	2,329,558
Interest and related income	113,371	168,319
Reversals of financial provisions and impairment, and expense transfers	215,711	329,797
Foreign exchange gains	294,501	3,720
Net proceeds on disposals of marketable securities	-	169
Financial income	2,795,608	2,831,563
Additions to provisions	(348,640)	(622,646)
Interest and related expenses	(219,171)	(282,285)
Foreign exchange losses	(193,652)	(12,058)
Net expenses on disposals of marketable securities	-	(23,442)
Financial expenses	(761,463)	(940,431)
Net financial income/(expense)	2,034,145	1,891,132
Profit from recurring operations	1,900,196	1,709,450
Net non-recurring income/(expense)	(30,805)	(93,916)
Profit before income tax	1,869,391	1,615,534
Corporate income tax	98,785	143,089
PROFIT FOR THE YEAR	1,968,176	1,758,624

7.2 Pernod Ricard SA balance sheet

At 30 June 2023 and 30 June 2024

ASSETS

<i>€ thousands</i>	Net value 30.06.2023	Gross value 30.06.2024	Depreciation, amortisation, provisions and impairment	Net value 30.06.2024	Notes
Concessions, patents and licences	28,750	34,244	(5,522)	28,722	
Other intangible assets	69,040	183,477	(106,714)	76,763	
Advances and down payments	17,024	9,797	-	9,797	
Intangible assets	114,814	227,518	(112,236)	115,282	2
Land	485	485	-	485	
Buildings	28,456	35,192	(8,169)	27,023	
Machinery and equipment	373	965	(739)	226	
Other property, plant and equipment	16,711	34,670	(20,718)	13,952	
Advances and down payments	443	380	-	380	
Property, plant and equipment	46,468	71,692	(29,626)	42,066	2
Equity investments	13,019,759	13,230,068	(461,261)	12,768,807	3
Loans and advances to equity investments	69,468	53,361	-	53,361	3 & 4
Other non-current financial assets	310,730	160,454	1	160,455	3 & 4
Non-current financial assets	13,399,957	13,443,883	(461,260)	12,982,623	3
Total non-current assets	13,561,239	13,743,093	(603,122)	13,139,971	
Advances and supplier prepayments	476	978	-	978	4
Trade receivables	502,802	550,516	(3,764)	546,752	
Other receivables	1,902,898	4,839,666	(3,300)	4,836,366	
Receivables	2,405,700	5,390,182	(7,064)	5,383,118	4
Marketable securities	146,897	153,199	-	153,199	5
Cash at bank and in hand	5,590	7,594	(2,300)	5,294	
Prepaid expenses	16,074	16,659	-	16,659	6
Total current assets	2,574,737	5,568,612	(9,364)	5,559,248	
Bond redemption premiums	45,020	60,342	-	60,342	6
Unrealised foreign exchange losses	171,057	169,647	-	169,647	6
TOTAL ASSETS	16,352,053	19,541,694	(612,486)	18,929,208	

LIABILITIES AND SHAREHOLDERS' EQUITY

<i>€ thousands</i>	30.06.2023	30.06.2024	Notes
Share capital	396,229	392,659	7
Share, merger and contribution premiums	3,039,030	3,039,029	
Statutory reserves	41,140	41,140	
Regulated reserves	179,559	179,559	
Reserves	220,699	220,699	
Retained earnings	1,364,500	1,696,396	
Profit for the year	1,968,176	1,758,624	
Interim dividends pending appropriation	(521,727)	(590,567)	
Shareholders' equity	6,466,908	6,516,840	8
Provisions for contingencies and losses	479,867	571,586	9
Bonds	8,506,429	10,924,944	4 & 12
Bank borrowings and debt	-	-	4
Other borrowings and debt	26,884	6,930	4
Borrowings and debt	8,533,312	10,931,874	
Trade payables	214,059	198,842	
Tax and social security payables	64,541	59,855	
Amounts due on non-current assets and related accounts	9,403	9,608	
Other payables	565,123	619,425	
Operating payables	853,126	887,730	4
Deferred income	13,608	10,916	4 & 10
Total liabilities	9,400,046	11,830,520	
Unrealised foreign exchange gains	5,232	10,262	10
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,352,053	18,929,208	

7.3 Pernod Ricard SA cash flow statement

For the financial years ended 30 June 2023 and 30 June 2024

€ thousands	FY 2023	FY 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,968,176	1,758,624
Net additions to depreciation, amortisation, provisions and impairment	48,759	309,373
Changes in provisions	94,145	92,544
Capital gains and losses on disposals of assets and other items	(46)	124
Cash from operations before change in working capital requirement	2,111,034	2,160,665
Decrease/(increase) in working capital requirement	654,919	(90,079)
Change in debt from operating activities	2,765,953	2,070,587
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of non-financial assets (net of disposals)	(40,460)	(37,793)
Purchases of non-current financial assets (net of disposals)	(316,919)	(151,139)
Change in debt from investing activities	(357,379)	(188,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
Medium- and long-term bond issues	268,269	720,070
Medium- and long-term borrowings and debt	(7,781)	(15,322)
Other changes in equity	(451,367)	(150,450)
Dividends paid	(1,056,567)	(1,188,492)
Change in debt from financing activities	(1,247,446)	(634,195)
Change in short-term net debt	1,161,128	1,247,459
NET CASH/(SHORT-TERM NET DEBT) AT BEGINNING OF YEAR	346,944	1,508,072
NET CASH/(SHORT-TERM NET DEBT) AT END OF YEAR	1,508,072	2,755,531

Note: Presentation of the cash flow statement

Changes in net debt comprise changes in borrowings and debt as well as cash and cash equivalents.

Net debt breaks down as follows:

€ thousands	30.06.2023	30.06.2024
Borrowings and debt	(26,884)	(6,930)
Bonds	(71,991)	(1,770,437)
Intra-group current account	1,454,459	4,374,405
Marketable securities	146,897	153,199
Cash at bank and in hand	5,590	5,294
Net cash/(short-term net debt) at end of year	1,508,072	2,755,531
Bonds	(8,434,438)	(9,154,507)
Borrowings and debt	45,020	60,342
MEDIUM- AND LONG-TERM NET DEBT AT END OF YEAR	(8,389,418)	(9,094,165)
TOTAL NET DEBT AT END OF YEAR	(6,881,346)	(6,338,634)

7.4 Analysis of Pernod Ricard SA income statement and balance sheet

7.4.1 Relations between the Parent Company and its affiliates

The main role of Pernod Ricard SA, the Group's Parent Company, is to carry out general interest and coordination activities in strategy, financial control of affiliates, external growth, marketing, development, research, human resources and communications. Pernod Ricard SA's financial relations with its affiliates mainly involve the billing of royalties for the use of trademarks owned by Pernod Ricard SA, other miscellaneous billings and the receipt of dividends.

7.4.2 Income statement and balance sheet for the financial year ended 30 June 2024

Analysis of the income statement for the financial year ended 30 June 2024

Operating income totalled €474 million for FY 2024, down €4 million on the prior year.

Operating expenses were €655 million for FY 2024, up €43 million versus €612 million one year ago.

The net operating loss was €182 million for FY 2024, representing a deterioration of €48 million versus the prior year.

Net financial income amounted to €1,891 million for FY 2024, down €143 million versus income of €2,034 million one year ago (see Note 18).

Non-recurring income and expenses represented a net expense of €94 million for FY 2024.

Lastly, corporate income tax represented a benefit of €143 million for FY 2024, in connection with the effects of tax consolidation during the year.

As a result, profit for the year came out at €1,759 million.

Analysis of the balance sheet at 30 June 2024

Assets

Total net non-current assets stood at €13,140 million at 30 June 2024, versus €13,561 million at the previous year-end, i.e., a decrease of €421 million, mainly attributable to a €417 million decline in non-current financial assets (see Note 3).

Current assets amounted to €5,559 million at 30 June 2024, an increase of €2,985 million compared with 30 June 2023.

Accrued assets, amounting to €230 million, consist of unrealised foreign exchange losses and bond redemption premiums.

Liabilities and shareholders' equity

Shareholders' equity amounted to €6,517 million at 30 June 2024, versus €6,467 million at 30 June 2023. The main movements during the period were as follows:

- profit for the year of €1,759 million;
- the payment of the balance of the dividend for FY 2024 for €667 million;
- the payment of an interim dividend of €2.35 per share in respect of FY 2024, amounting to €591 million, on 19 July 2024;
- the continuation of the share buyback programme, with the cancellation of shares bought back for a total amount of €451 million.

Provisions for contingencies and losses amounted to €572 million, an increase of €92 million year on year.

During the period, borrowings and debt increased by €2,399 million, mainly due to:

- the issue of four bonds for €600 million, €750 million, €700 million and €800 million, and the redemption of a bond for €500 million;
- an increase in accrued interest, for €48 million;
- the impact of foreign exchange on borrowings denominated in US dollars, for €20 million.

Operating payables amounted to €888 million, an increase of €35 million, mainly due to:

- a reduction in trade payables, for €15 million;
- an increase in miscellaneous payables, including a €14 million decrease in the tax current accounts and a €69 million increase in dividends payable.

Accrued liabilities amounting to €10 million at 30 June 2024, comprise unrealised foreign exchange gains, which increased by €5 million compared with 30 June 2023.

7.5 Notes to the Pernod Ricard SA parent company financial statements

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Pernod Ricard SA is a French public limited company (*société anonyme*), subject to all laws governing commercial companies in France, including in particular the provisions of the French Commercial Code (*Code de commerce*). The Company has its registered office at 5, cours Paul Ricard, 75008 Paris, France, and is listed on the Euronext stock exchange.

At 30 June 2024, total assets stood at €18,929,208 thousand. Profit for the year, as shown in the income statement, was €1,758,624 thousand. The financial year covered the 12-month period from 1 July 2023 to 30 June 2024.

NOTE 1 Accounting policies

The annual financial statements have been prepared in accordance with the provisions of the French General Chart of Accounts (*Plan comptable général*), which apply under Regulation 2014-03 of the French accounting standards-setter (*Autorité des normes comptables* – ANC) of 5 June 2014 and all subsequently amended rules. General accounting rules have been applied, in accordance with the principle of prudence, pursuant to the following basic assumptions:

- going concern;
- consistency of accounting policies from one financial year to the next;
- accruals basis of accounting;
- in accordance with the general rules of preparing and presenting annual financial statements.

The standard method used to measure items recorded in the balance sheet is the historical cost method.

1.1 Intangible assets

The trademarks acquired from the merger of Pernod and Ricard in 1975 and from subsequent mergers are the Company's main intangible assets.

Intangible assets are initially measured at cost. Amortisation is calculated on a straight-line basis over the expected useful lives of the assets.

As part of its digital transformation, Pernod Ricard SA has developed tools to leverage data generated by the Group's various activities. The production of these algorithms falls within the scope of the accounting regulations for internally-generated intangible assets. Development costs are recognised as intangible assets from the date on which technical feasibility is demonstrated and the related human and material resources are sufficient.

1.2 Property, plant and equipment

Property, plant and equipment is initially measured at cost (purchase price plus ancillary costs but excluding acquisition-related fees). Depreciation is calculated using the straight-line or declining-balance methods, based on the estimated useful lives of the assets:

- buildings: between 20 and 50 years (straight-line);
- building fixtures and fittings: 10 years (straight-line);
- equipment: 5 years (straight-line);
- furniture, office equipment: 10 years (straight-line) or 4 years (declining-balance).

1.3 Non-current financial assets

The gross value of investments comprises their acquisition cost, excluding ancillary costs.

If the value in use of investments is lower than their acquisition cost, an impairment loss is recognised in financial income and expenses for the amount of the difference.

Pernod Ricard SA mainly uses two methods to estimate the value in use of its equity investments:

- the enterprise value of the main investments is estimated based on the most recent estimate of the net asset value, by identifying in particular unrealised capital gains on assets held by the affiliates, such as trademarks. Net asset value is estimated based on methods such as the discounted cash flow method. The term of the cash flow projections reflects the characteristics of the Group's brands and their production assets. Discounted projected cash flows are established based on annual budgets and multi-year business plans, extrapolated to subsequent years by gradually converging growth for the last year of the plan for each brand and market towards a perpetuity growth rate. The calculation includes a terminal value determined by capitalising the cash flows generated in the last year of the plan;
- for other equity investments, value in use is estimated based on the share of the affiliate's equity represented by the investment.

1.4 Receivables

Receivables are recognised at their nominal value. An impairment loss is recognised if their recoverable amount falls below their carrying amount.

1.5 Marketable securities

Marketable securities include treasury shares acquired in connection with stock option and performance share plans and earmarked for that purpose at the time of acquisition.

A liability is recognised when it becomes probable that the rights to receive the marketable securities concerned by the plans will be exercised. For other marketable securities, an impairment loss is recognised when the cost price exceeds the market price.

1.6 Bonds

Redemption premiums are amortised over the term of the bonds.

1.7 Provisions for contingencies and losses

Provisions for contingencies and losses are recognised in accordance with Accounting Regulation 2000-06 on liabilities, issued on 7 December 2000 by the French accounting regulatory committee (*Comité de réglementation comptable* – CRC).

This regulation provides that a liability be recognised when an entity has a present obligation towards a third party and that it is probable or certain that it will result in an outflow of resources to the third party without equivalent consideration being received. A present obligation must exist at the reporting date for a provision to be recognised.

1.8 Pensions and other long-term employee benefits

Since the financial year ended 30 June 2014, the Company has opted to recognise the full liability for pensions and other long-term employee benefits in the balance sheet, as provided by ANC Recommendation 2013-02. At 30 June 2024, the provision for pensions and other long-term employee benefits was €39 million.

Following the decision published by the IFRIC in April 2021 on IAS 19 "Employee Benefits", covering the attribution of benefits to periods of service and clarifying the periods over which employee benefits should be attributed when allocating the IAS 19 expense, the Company has chosen, since FY 2022, in accordance with the update of 17 November 2021 to ANC Recommendation 2013-02 of 7 November 2013 on the rules for measuring and recognising pension commitments and similar benefits, to apply this accounting method for its financial statements prepared in accordance with French accounting principles.

1.9 Translation of receivables and payables denominated in foreign currency

Payables, receivables and cash balances denominated in foreign currencies are translated into euros as follows:

- translation of all payables, receivables and cash balances denominated in foreign currencies at period-end exchange rates;
- recognition of a provision for currency risk for any unrealised currency losses, after taking into account the effect of any offsetting foreign exchange hedging transactions.

Pernod Ricard SA has several hedging relationships and generates an overall foreign currency position for economic hedging instruments and hedged items that do not form a hedging relationship in order to calculate the currency risk provision.

1.10 Forward financial instruments

Differences arising from changes in the value of financial instruments used as hedges are recognised in profit or loss in a manner symmetrical to that of the underlying income and expenses.

1.11 Corporate income tax

Pernod Ricard SA is subject to the French tax consolidation system defined by the law of 31 December 1987. Under certain conditions, this system allows income taxes payable by profitable companies to be offset against tax losses of other companies. The system is governed by Articles 223-A *et seq.* of the French Tax Code (*Code général des impôts*).

Each company in the tax group calculates and recognises its income tax expense as if it were taxed as a stand-alone entity.

The effects of tax consolidation are recognised in the Pernod Ricard SA financial statements.

1.12 Related parties

The majority of transactions with related parties are carried out with directly or indirectly held affiliates.

NOTE 2 Property, plant and equipment and intangible assets

2.1 Gross value

<i>€ thousands</i>	30.06.2023	Acquisitions	Disposals/ Retirements	30.06.2024
Trademarks	32,473	-	-	32,473
Trademark costs	1,733	39	-	1,772
Software	139,292	44,184	-	183,477
Advances and down payments on intangible assets	17,024	30,115	(37,343)	9,796
TOTAL INTANGIBLE ASSETS	190,523	74,338	(37,343)	227,518
Land	485	-	-	485
Buildings	35,192	-	-	35,192
Machinery and equipment	947	17	-	964
Other property, plant and equipment	33,861	843	(33)	34,671
Advances and down payments	443	742	(804)	380
TOTAL PROPERTY, PLANT AND EQUIPMENT	70,928	1,602	(837)	71,692

2.2 Depreciation and amortisation

<i>€ thousands</i>	30.06.2023	Additions	Reversals	30.06.2024
Trademarks	(5,088)	-	-	(5,088)
Trademark costs	(368)	(65)	-	(433)
Software	(70,253)	(36,460)	-	(106,715)
TOTAL AMORTISATION OF INTANGIBLE ASSETS	(75,709)	(36,525)	-	(112,236)
Land	-	-	-	-
Buildings	(6,736)	(1,433)	-	(8,169)
Machinery and equipment	(574)	(165)	-	(739)
Other property, plant and equipment	(17,150)	(3,579)	11	(20,718)
TOTAL DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	(24,460)	(5,177)	11	(29,626)

NOTE 3 Non-current financial assets

3.1 Gross value

€ thousands	30.06.2023	Acquisitions/ Additions	Corporate actions	Disposals/ Retirements	30.06.2024
Investments in consolidated entities ⁽¹⁾	13,203,296	16,820	-	(103)	13,220,013
Investments in non-consolidated entities	9,415	-	-	-	9,415
Other equity investments	640	-	-	-	640
Advances on investments	-	-	-	-	-
Equity investments	13,213,351	16,820	-	(103)	13,230,068
Loans and advances to equity investments	69,469	-	-	(16,107)	53,361
Deposits and guarantees	4,469	374	-	-	4,843
Liquidity agreement	5,354	-	-	(225)	5,129
Treasury shares	300,906	300,933	(451,356)	-	150,483
TOTAL	13,593,549	318,127	(451,356)	(16,435)	13,443,884

(1) The change in investments in consolidated entities is mainly due to the capital increases at Créateurs de Convivialité Venture for €15 million and Easy 24 for €1.7 million.

3.2 Impairment

€ thousands	30.06.2023	Additions	Reversals	30.06.2024
Investments in consolidated entities ⁽¹⁾	(187,880)	(270,762)	3,092	(455,549)
Investments in non-consolidated entities	(5,072)	-	-	(5,072)
Other equity investments	(640)	-	-	(640)
Advances on investments	-	-	-	-
Equity investments	(193,592)	(270,762)	3,092	(461,261)
Treasury shares	-	1	-	1
TOTAL	(193,592)	(270,761)	3,092	(461,260)

(1) The change in this item corresponds to the impairment of Pernod Ricard Central South America and additions to provisions in respect of Pernod Ricard Pacific Holdings securities in connection with the agreement to sell its strategic international wine brands, as well as to Lina 20 and Créateurs de Convivialité Venture securities.

NOTE 4 Maturity of receivables and payables

4.1 Receivables

€ thousands	Gross amount	Due in 1 year or less	Due in more than 1 year
Loans and advances to equity investments	53,361	-	53,361
Loans	-	-	-
Other non-current financial assets	160,454	150,483	9,971
Receivables and other non-current financial assets	213,815	150,483	63,332
Current assets other than marketable securities and cash at bank and in hand	5,391,162	5,039,010	352,152
Prepaid expenses	16,659	16,659	-
TOTAL	5,621,636	5,206,151	415,485

4.2 Payables

€ thousands	Gross amount	Due in 1 year or less	Due in 1 to 5 years	Due in more than 5 years
Bonds (see breakdown in Note 12)	10,924,944	1,770,437	3,610,486	5,544,021
Bank borrowings and debt	-	-	-	-
Other borrowings and debt	6,930	6,930	-	-
Trade payables	198,842	198,842	-	-
Tax and social security payables	59,855	59,855	-	-
Amounts due on non-current assets and related accounts	9,608	9,608	-	-
Other payables ⁽¹⁾	619,424	619,424	-	-
Deferred income	10,916	703	-	10,213
TOTAL	11,830,519	2,665,799	3,610,486	5,554,234

(1) Mainly tax current accounts for €29 million and dividends payable for €591 million.

NOTE 5 Marketable securities

€ thousands or units	30.06.2023		Acquisitions ⁽¹⁾		Corporate actions		Reclassifications		Exercise/Disposal ⁽²⁾		30.06.2024	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Pernod Ricard shares	-	-	-	-	-	-	-	-	-	-	-	-
Gross value	939,045	146,897	203,600	34,146	-	-	-	-	(185,388)	(27,843)	957,257	153,199
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
NET VALUE	939,045	146,897	203,600	34,146	-	-	-	-	(185,388)	(27,843)	957,257	153,199

(1) Of which €19 million for the 2020 plan and €15 million for the 2023 plan.

(2) Of which mainly €23 million for the vesting of free shares (2019 plans) and €5 million for the exercise of stock options (2015, 2016, 2017 and 2018 plans).

NOTE 6 Prepaid expenses and other accrued assets

€ thousands	30.06.2023	Increases	Decreases	30.06.2024
Prepaid expenses	16,074	585	-	16,659
Bond redemption premiums	45,020	22,807	(7,484)	60,342
Unrealised foreign exchange losses ⁽¹⁾ (see breakdown in Note 1.9)	171,057	-	(1,410)	169,647
TOTAL	232,151	23,392	(8,894)	246,649

(1) The €170 million in unrealised foreign exchange losses at 30 June 2024 is attributable mainly to the remeasurement of assets and liabilities denominated in US dollars at the closing euro exchange rate on 30 June 2024.

NOTE 7 Composition of the share capital

At 30 June 2024, the share capital comprised 253,328,748 shares with a par value of €1.55 each. The total share capital thus amounted to €392,659,559.40.

On 24 April 2024, the Company carried out a capital reduction in the amount of €3,569,626.75, by cancelling 2,302,985 shares previously held in treasury and acquired in particular in connection with the Company's share buyback programme.

NOTE 8 Shareholders' equity

€ thousands	30.06.2023	Appropriation of profit	Cancellation of shares bought back ⁽²⁾	Distribution of dividends	2024 profit	30.06.2024
Share capital	396,229	-	(3,570)	-	-	392,660
Share, merger and contribution premiums	3,039,030	-	-	-	-	3,039,030
Statutory reserves	41,140	-	-	-	-	41,140
Regulated reserves	179,559	-	-	-	-	179,559
Retained earnings	1,364,500	1,968,176	(447,787)	(1,188,492)	-	1,696,397
Profit for the year	1,968,176	(1,968,176)	-	-	1,758,624	1,758,624
Interim dividends payable ⁽¹⁾	(521,727)	-	-	(68,841)	-	(590,567)
TOTAL	6,466,907	-	(451,356)	(1,257,334)	1,758,624	6,516,841

(1) At its meeting in April 2024, the Board of Directors decided to pay an interim dividend of €2.35 per share in respect of FY 2024, i.e., a total of €591 million. This interim dividend was paid on 19 July 2024.

(2) At its meeting in April 2024, the Board of Directors decided to continue the share buyback programme in FY 2024 representing a total of €300 million for the year, and cancel the shares bought back under the FY 2023 (€300 million) and FY 2024 share buyback programmes (€151 million). Accordingly, €150 million in treasury shares remain outstanding.

NOTE 9 Provisions

€ thousands	30.06.2023	Additions	Reversals - Utilisations	Reversals - Surplus	30.06.2024
Provisions for contingencies and losses					
Provision for foreign exchange losses	166,354	-	-	(5,395)	160,960
Other provisions for contingencies ⁽¹⁾	278,316	126,259	(11,262)	(22,002)	371,311
Provisions for pensions and other long-term employee benefits	35,197	8,537	(1,335)	(3,083)	39,316
Total 1	479,867	134,796	(12,597)	(30,480)	571,587
Impairment allowances					
On non-current financial assets ⁽²⁾	193,592	270,761	(3,092)	-	461,261
On trade receivables	2,929	836	-	-	3,765
On other receivables	3,312	-	-	(12)	3,300
On marketable securities	2,300	-	-	-	2,300
Total 2	202,133	271,597	(3,092)	(12)	470,626
GRAND TOTAL	682,000	406,393	(15,689)	(30,492)	1,042,211

(1) The change in this caption is attributable to provisions for the negative net position on investments for €50 million and provisions for free share plans for a negative €17 million.

(2) The change in this item corresponds to additions to impairment in respect of Pernod Ricard Pacific Holdings in connection with the agreement to sell its strategic international wine brands, as well as to Lina 20 and Créateurs de Convivialité Venture securities.

Provisions for contingencies and losses

Provision for foreign exchange losses

The €161 million provision for foreign exchange losses at 30 June 2024 consists of unrealised currency losses in respect of unhedged US dollar receivables and payables.

Other provisions for contingencies

Other provisions for contingencies correspond to:

- provisions for contingencies and losses relating to tax consolidation for €178 million;
- miscellaneous provisions amounting to €193 million.

Provisions for pensions and other long-term employee benefits

Description and recognition of employee benefit obligations

Pernod Ricard SA's employee benefit obligations comprise:

- long-term post-employment benefits (retirement bonuses, medical expenses, etc.);
- long-term benefits payable during employment.

The liability arising as a result of the Company's net employee benefit obligation is recognised in provisions for contingencies and losses on the balance sheet.

Calculation of the provision with respect to the net benefit obligation

The provision recognised by Pernod Ricard SA is equal to the difference, for each benefit plan, between the present value of the employee benefit obligations and the value of the plan assets paid over to specialised entities in order to fund the obligations.

The present value of employee benefit obligations is calculated using the projected unit credit method. The calculation is performed at each reporting date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate and discount rate) and other assumptions concerning employees (mainly average salary increase, employee turnover and life expectancy).

At 30 June 2024, the total amount of employee benefit obligations was €39 million. Provisions have been recognised for the full amount of the obligations.

For information, the inflation rate used for the measurement at 30 June 2024 was 2.00% and the discount rate was 3.30%.

Plan assets are measured at their market value at each reporting date.

Accounting for actuarial gains and losses

Actuarial gains and losses arise primarily when estimates differ from actual outcomes, or when there are changes in long-term actuarial assumptions (e.g., discount rate, salary increases, etc.).

Since the financial year ended 30 June 2014, the Company has opted to recognise the full liability for pensions, as provided by ANC Recommendation 2013-02.

Components of the expense recognised for the financial year

The expense recognised in respect of the benefit obligations described above includes:

- expenses corresponding to the vesting of an additional year's entitlement;
- interest expense arising on the unwinding of the discount applied to vested rights at the start of the year (as a result of the passage of time);
- income corresponding to the expected return on plan assets measured using the discount rate used to measure plan obligations;
- income or expense corresponding to actuarial gains or losses;
- income or expense related to amendments to existing plans or the creation of new plans;
- income or expense related to any plan curtailments or settlements.

NOTE 10 Deferred income and other accrued liabilities

€ thousands	30.06.2023	Increases	Decreases	30.06.2024
Deferred income	13,608	-	(2,693)	10,915
Unrealised foreign exchange gains ⁽¹⁾ (see breakdown in Note 1.9)	5,232	5,030	-	10,262
TOTAL	18,840	5,030	(2,693)	21,177

(1) The €10 million in unrealised foreign exchange gains at 30 June 2024 is attributable mainly to the remeasurement of assets and liabilities denominated in US dollars at the closing euro exchange rate on 30 June 2024.

NOTE 11 Accrued income and expenses

Accrued income

€ thousands	FY 2023	FY 2024
Amount of accrued income in the following balance sheet items		
Loans and advances to equity investments	69,468	53,361
Trade receivables	505,731	550,516
Other receivables	1,906,210	4,839,667
Cash at bank and in hand	7,890	7,594
TOTAL	2,489,299	5,451,138

Accrued expenses

€ thousands	FY 2023	FY 2024
Amount of accrued expenses in the following balance sheet items		
Bank borrowings and debt	-	-
Trade payables	223,462	208,450
Tax and social security payables	64,541	59,855
Other payables	565,123	619,425
TOTAL	853,126	887,730

NOTE 12 Bonds

Bonds	Subscription date	Amount (USD thousands)	Amount (€ thousands)	Maturity date	Accrued interest (€ thousands)	Interest rate	Total (€ thousands)
Bond	17/09/2014		650,000	27/09/2024	10,491	Fixed	660,491
Bond	06/04/2020		1,000,000	07/04/2025	2,620	Fixed	1,002,620
Bond	10/05/2016		600,000	18/05/2026	1,085	Fixed	601,085
Bond	21/10/2019		500,000	25/10/2027	1,714	Fixed	501,714
Bond	06/04/2020		1,000,000	08/04/2030	4,027	Fixed	1,004,027
Bond	21/10/2019		500,000	24/10/2031	3,000	Fixed	503,000
Bond	07/04/2022		750,000	07/04/2029	2,402	Fixed	752,402
Bond	04/10/2021		500,000	04/10/2029	463	Fixed	500,463
Bond	02/11/2022		600,000	02/11/2028	12,893	Fixed	612,893
Bond	02/11/2022		500,000	02/11/2032	12,398	Fixed	512,398
Bond	15/09/2023		600,000	15/09/2027	17,828	Fixed	617,828
Bond	15/09/2023		750,000	15/09/2033	22,285	Fixed	772,285
Bond	07/05/2024		700,000	07/11/2030	3,560	Fixed	703,560
Bond	07/05/2024		800,000	07/05/2034	4,370	Fixed	804,370
Bond	08/06/2016	600,000	560,486	08/06/2026	1,145	Fixed	561,631
Bond	12/01/2012	850,000	794,021	15/01/2042	20,156	Fixed	814,177
TOTAL		1,450,000	10,804,507		120,437		10,924,944

During the financial year, Pernod Ricard SA issued four bonds for €600 million, €750 million, €700 million and €800 million, and redeemed a bond issue maturing on 24 October 2023 for a total amount of €500 million.

NOTE 13 Bank borrowings and debt

Syndicated loan

In March 2024, Pernod Ricard SA exercised its option to extend the maturity of this facility by one year.

At 30 June 2024, no drawdowns had been made by Pernod Ricard SA under this facility.

Bilateral loan

On 22 March 2022, Pernod Ricard SA entered into a new three-year bilateral loan for €500 million with two optional additional one-year extensions.

At 30 June 2024, no drawdowns had been made by Pernod Ricard SA under this facility.

NOTE 14 Breakdown of corporate income tax

€ thousands	Total	Profit from recurring operations	Net non-recurring expense
Profit before income tax	1,615,534	1,709,450	(93,916)
Income and withholding tax	(5,003)	-	-
Tax consolidation	148,093	-	-
PROFIT AFTER INCOME TAX	1,758,624	1,709,450	(93,916)

Under the tax consolidation regime, the tax loss carryforwards (tax basis) of the Pernod Ricard tax group is nil.

NOTE 15 Increases and decreases in future tax liabilities

Type of temporary differences

€ thousands	Amount of tax
INCREASES	NIL
"Organic" tax and other	322
Other provisions for contingencies	1,340
Provision for pensions and other long-term employee benefits	1,430
DECREASES IN FUTURE TAX LIABILITIES	3,091

The tax rate used was 25.83%.

NOTE 16 Compensation

Compensation allocated to the management and administrative bodies amounted to €4,748,396, broken down as follows:

• compensation ⁽¹⁾ paid to Directors	€1,287,167
• compensation ⁽¹⁾ paid to the Chairman & CEO	€3,461,229

(1) Fixed and variable.

NOTE 17 Operating income

Operating income totalled €474 million for FY 2024, versus €478 million in FY 2023. This caption principally comprised the rebilling of overheads to Group affiliates for €440 million, royalties for €17 million, and reversals of provisions for €15 million.

Net sales of €440 million comprised €102 million of net sales in France and €338 million outside France.

NOTE 18 Financial income and expenses

<i>€ thousands</i>	FY 2023	FY 2024
Financial income from equity investments (see breakdown in Note 22)	2,172,025	2,329,558
Income from other marketable securities and receivables	-	-
Interest and related income	113,371	168,319
Reversals of provisions and impairment of financial items, and expense transfers	215,711	329,797
Foreign exchange gains	294,501	3,720
Net proceeds on disposals of marketable securities	-	169
TOTAL FINANCIAL INCOME	2,795,608	2,831,563

<i>€ thousands</i>	FY 2023	FY 2024
Depreciation, amortisation, provisions and impairment of financial items	(348,640)	(622,646)
Interest and related expenses	(219,171)	(282,285)
Foreign exchange losses	(193,652)	(12,058)
Net expenses on disposals of marketable securities	-	(23,442)
TOTAL FINANCIAL EXPENSES	(761,463)	(940,431)

NOTE 19 Non-recurring income and expenses

<i>€ thousands</i>	FY 2024
Net expense on management transactions	(33,968)
Net expense on corporate actions	(95)
Additions to and reversals of provisions and expense transfers	(59,853)
NET NON-RECURRING INCOME/(EXPENSE)	(93,916)

NOTE 20 Off-balance sheet commitments

Commitments given

<i>€ thousands</i>	30.06.2024
Guarantees on behalf of affiliates	2,077,718
Other leases	1,850
Rents	91,625
TOTAL	2,171,192

Commitments given include guarantees, in particular related to bonds, commercial paper and the syndicated loan.

Commitments received

<i>€ thousands</i>	30.06.2024
Guarantees on behalf of affiliates	
Lines of credit received and not used	2,600,000
Rents	
TOTAL	2,600,000

Derivative instruments

Hedging at Pernod Ricard SA	Nominal value (USD thousands)	Fair value at 30.06.2024 (€ thousands)
Interest rate swaps	200,000	(10,313)
Currency swaps	998,000	(3,351)
TOTAL	1,198,000	(13,664)

Interest rate swaps are used to hedge Pernod Ricard SA's fixed-rate external and internal borrowings. At 30 June 2024, they break down as follows:

USD interest rate hedges	Maturity	Net base (USD thousands)
Interest rate swaps	June 2026	100,000
Interest rate swaps	June 2026	100,000

Currency hedges	Maturity	Base (USD thousands)
Currency swaps	June 2024	800,000
Currency swaps	June 2026	400,000
Currency swaps	June 2025	(202,000)
CURRENCY SWAPS		998,000
Financial assets		405,088
Financial liabilities		(1,472,802)
TOTAL		(69,714)

Currency swaps are used to hedge payables and receivables denominated in foreign currencies. The Company had a residual US dollar position representing a negative USD 70 million at 30 June 2024.

Other guarantees

- Guarantees given by Pernod Ricard SA as part of financing agreements at 30 June 2024

Pernod Ricard SA granted a guarantee to the banking syndicate in respect of the drawdowns made by the affiliates concerned under the terms of the multi-currency sustainability-linked revolving credit agreement entered into on 27 April 2023.

Pernod Ricard SA has granted a guarantee to BNP Paribas in respect of the commitments made by Pernod Ricard Finance under the bilateral revolving credit agreement entered into on 22 March 2022.

Pernod Ricard SA was authorised by the Board of Directors on 24 October 2023 to renew the guarantee granted in respect of the payment obligations of Pernod Ricard International Finance LLC, as part of its bond issues under the EMTN programme.

- Guarantees given by Pernod Ricard SA to the Allied Domecq pension funds

Pernod Ricard SA has granted a guarantee in respect of the contributions owed by Allied Domecq Holdings Ltd and its affiliates to the Allied Domecq pension funds.

- Guarantees granted by Pernod Ricard SA in favour of the Irish affiliates

Pursuant to Section 357 of the 2014 Companies Act (Republic of Ireland), Pernod Ricard SA has granted an irrevocable warranty in respect of the liabilities of the following affiliates for FY 2022: Irish Distillers Group Unlimited, Irish Distillers Ltd, Irish Distillers International Ltd, Smithfield Holdings Ltd, Ermine Ltd, Ind Coope Holding Ltd, Proudlen Liqueurs Ltd, The West Coast Cooler Co. Ltd and Comrie Limited.

- Guarantee granted by Pernod Ricard SA in favour of Corby Spirit and Wine Limited

Pernod Ricard SA has granted a guarantee to Corby Spirit and Wine Limited in respect of the payment of the liabilities owed to Corby Spirit and Wine Limited by the Group affiliates concerned by the representation agreement for Group brands in Canada, signed on 24 September 2020.

- Guarantee granted by Pernod Ricard SA to Fondation d'Entreprise Pernod Ricard

As part of the multi-year programme and as founder, Pernod Ricard has committed to the foundation to pay a total sum of €4,998,000 no later than 30 June 2026.

- Counter-guarantee granted by Pernod Ricard SA to Liberty Mutual Insurance Europe SE

A counter-guarantee was granted by Pernod Ricard to the company Liberty Mutual Insurance Europe S.E. on behalf of the commitments in respect of excise duties arising from the relationship between the companies Worlds Brands Duty Free Limited and Nedcargo Logistics Belgium NV.

- Guarantee granted by Pernod Ricard SA in favour of Lina 26

Pernod Ricard SA is jointly and severally liable for the compliance by Lina 26 with all of its obligations under an acquisition agreement.

- Guarantee granted by Pernod Ricard SA in favour of Sunray Bidco UK Limited

As part of the sale of Clan Campbell to Stock Spirits (announced on 23 June 2023), Pernod Ricard SA gave a number of third-party commitments (*engagements de porte fort*) to the acquiring entity in the Stock Spirits group – Sunray Bidco UK Limited – which were required for the completion of the transaction. As these undertakings related to ratifications by companies controlled by Pernod Ricard SA, no warranty ceiling is applicable.

- Guarantee granted by Pernod Ricard SA to The Kyoto Distillery KK
Pernod Ricard SA granted a guarantee to Itochu Machine-Technos Corporation in respect of the payment obligations of The Kyoto Distillery KK.

- Guarantee granted by Pernod Ricard SA in favour of Citibank

A counter-guarantee was granted by Pernod Ricard to Citibank to cover the commitments of the Pernod Ricard South Africa Pty Ltd affiliate in respect of excise duties arising from the takeover by Pernod Ricard South Africa Pty Ltd of certain business activities previously performed by Pernod Ricard Middle East North Africa.

NOTE 21 Average headcount in FY 2024

	Employees	Temporary staff (all categories combined)
Managers ⁽¹⁾	767	1
Supervisors and technicians	51	1
Employees	3	-
AVERAGE HEADCOUNT	821	2
Work-study contracts	40	-

(1) Including 95 expatriate employees.

NOTE 22 Affiliates and investments at 30 June 2024

€ thousands	Share capital	Shareholders' equity before appropriation of profit	Interest (%)	Carrying amount of investment		Loans	Sureties and endorsements	Net sales (excluding taxes and duties)	Profit/(Loss)	Dividends received
				Gross	Net					
INVESTMENTS WHOSE CARRYING AMOUNT EXCEEDS 1% OF PERNOD RICARD SA'S SHARE CAPITAL										
AGROS ⁽¹⁾ Ul. Chalubinskiego, 800-613 Warsaw (Poland)	5,276	109,780	100%	122,008	122,008	-	-	3	114	-
House of Campbell Limited ⁽²⁾ 111/113 Renfrew Road, Paisley, PA3 4DY (Scotland)	91	5,122	100%	40,538	4,781	-	-	200	200	-
Geo G Sandeman Sons & Co Ltd ⁽³⁾ 400 Capability Green, Luton Beds, LU1 3AE (England)	2	466	30%	9,180	4,150	-	-	996	195	70
Pernod Ricard France SA Les Docks, 10, place de la Joliette, 13002 Marseille (France)	54,000	194,663	100%	162,171	162,171	-	-	870,015	38,219	85,190
Pernod Ricard Asia SAS 5, cours Paul Ricard, 75008 Paris (France)	4,512	1,210,098	100%	42,457	42,457	-	-	-	926,599	-
Pernod Ricard Central and South America 5, cours Paul Ricard, 75008 Paris (France)	52,198	33,573	100%	210,153	56,941	-	-	-	(36,572)	-
Pernod Ricard Europe Middle East Africa 5, cours Paul Ricard, 75008 Paris (France)	40,000	753,508	100%	36,407	36,407	-	-	(28)	442,430	-
Pernod Ricard North America SAS 5, cours Paul Ricard, 75008 Paris (France)	39,398	36,121	100%	126,735	126,735	-	-	-	(3,584)	-

€ thousands	Share capital	Shareholders' equity before appropriation of profit	Interest (%)	Carrying amount of investment		Loans	Sureties and endorsements	Net sales (excluding taxes and duties)	Profit/(Loss)	Dividends received
				Gross	Net					
Pernod Ricard Finance SA 5, cours Paul Ricard, 75008 Paris (France)	232,000	522,077	100%	238,681	238,681	-	-	-	42,245	-
Pernod Ricard International Finance LLC ⁽⁷⁾ 21 Little Falls Drive, Wilmington, Delaware, 19808 (United States)	233,536	253,047	100%	213,529	213,529	-	-	-	11,062	-
Pernod Ricard Pacific Holdings ⁽⁴⁾ 167 Fullarton Road, Dulwich, SA, 5065 (Australia)	294,609	243,907	100%	-	-	-	-	600,951	(35,124)	-
Lina 3 5, cours Paul Ricard, 75008 Paris (France)	819,730	13,387,719	100%	11,690,953	11,690,953	-	-	-	(203,324)	2,200,000
Lina 5 5, cours Paul Ricard, 75008 Paris (France)	30,640	594,188	100%	30,631	30,631	-	-	-	15,805	-
Lina 20 5, cours Paul Ricard, 75008 Paris (France)	60	(25,989)	100%	19,071	-	-	-	-	(30,440)	-
Créateurs de Convivialité Ventures 5, cours Paul Ricard, 75008 Paris (France)	40	(32,659)	100%	22,270	-	-	-	357	(32,684)	-
Yerevan Brandy Company ⁽⁵⁾ 2 Admiral Isakov Avenue, Yerevan 375092 (Republic of Armenia)	25,397	232,442	100%	27,856	27,856	-	-	-	25,519	17,783
Havana Club Holding ⁽⁶⁾	8,336	16,015	50%	5,592	5,592	-	-	-	13,803	-
TOTAL 1				12,998,233	12,762,892	-	-	1,472,494	1,174,463	2,303,043
Affiliates:										
French				9,946	1,594	-	-	-	-	-
Non-French				221,015	4,129	-	-	-	-	26,495
Investments:										
French				215	192	-	-	-	-	20
Non-French				659	-	-	-	-	-	-
TOTAL 2				231,836	5,916	-	-	-	-	26,515
TOTAL 1 + 2				13,230,068	12,768,806	-	-	-	-	2,329,558

(1) Data taken from the AGROS financial statements at 30 June 2023.

(2) Data taken from the House of Campbell Limited financial statements at 30 June 2023.

(3) Data taken from the Geo G Sandeman Sons & Co Ltd financial statements at 31 December 2023.

(4) Data taken from the Pernod Ricard Pacific Holdings financial statements at 30 June 2022.

(5) Data taken from the Yerevan Brandy Company financial statements at 31 December 2023.

(6) Data taken from the Havana Club Holding financial statements at 31 December 2023.

(7) Data taken from the Pernod Ricard International Finance LLC financial statements at 30 June 2023.

NOTE 23 Tax credit

Pernod Ricard SA received a tax credit for corporate philanthropy in the amount of €1,466,933 and a family tax credit in the amount of €182,865.

NOTE 24 Events after the reporting period

There are no events after the reporting period with a significant impact on the Pernod Ricard SA parent company financial statements.

7.6 Other items relating to the financial statements

The parent company financial statements presented on the previous pages are those of Pernod Ricard SA and are the subject of the Statutory Auditors' report on the annual financial statements.

Items relating to the parent company financial statements in the Board of Directors' management report are included in the following pages. The sections concerned are:

- other financial items:
 1. expenses and charges referred to in Article 223 *quater* of the French Tax Code,
 2. the breakdown of supplier payables set out in Articles L. 441-6-1 and D. 441-4 of the French Commercial Code,

3. the information on payment terms provided for in Article D. 441-4 of the French Commercial Code, as amended by Decree 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016;

- five-year financial summary;
- dividends paid over the last five financial years;
- inventory of marketable securities.

The Statutory Auditors' fees amounted to €1,535 thousand.

Expenses and charges referred to in Article 223 *quater* of the French Tax Code

The total amount of expenses and charges referred to in Article 223 *quater* of the French Tax Code and the amount of the corresponding tax charge are as follows:

€	FY 2024
Expenses and charges	371,631
Corresponding tax	95,992

Supplier payment terms

In accordance with the law on the modernisation of the economy of 4 August 2008 and the related Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the breakdown of Pernod Ricard SA's trade payables balance at the reporting date was as follows:

€ incl. VAT	30.06.2024
Trade payables not due	118,088,613
At 30 days	118,529,639
Between 30 and 45 days	95,903
Beyond 45 days	(536,930)
Trade payables past due	6,316,100
Recognised and not paid (A)	2,601,810
Group invoices	2,231,565
Disputes recognised	1,482,724

In accordance with Article D. 441-4 of the French Commercial Code, as amended by Decree 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016, information on supplier payment terms is as follows:

€	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 or more days)
(A) Breakdown of past due payments						
Number of invoices concerned	22	32	10	9	21	72
Total amount of invoices concerned (including VAT)	824,021	1,238,968	170,845	268,873	99,103	1,777,789
As a % of total purchases excluding tax for the financial year	0.2%	0.3%	0.0%	0.1%	0.0%	0.5%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables						
Number of invoices excluded	14	7	20	8	26	61
Total amount of invoices excluded (including VAT)	395,825	442,314	88,205	6,445	267,850	804,814
(C) Reference payment terms used to calculate late payments (Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						

- Contractual payment terms (45 days end of month, 30 days end of month or 15 days end of month)
 Statutory payment terms

Trade receivable payment terms

As the Company's receivables only consist of receivables from Group companies, certain information required by Article D. 441-4 of the French Commercial Code has not been presented below as it is not considered relevant.

Information on receivables:

€ incl. VAT	30.06.2024
Trade receivables not yet due	447,916,593
Trade receivables past due	73,590,863
TOTAL	521,507,456
Of which disputed receivables	3,764,735

7.7 Five-year financial summary

€	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital	411,403,468	405,908,668	399,818,401	396,229,186	392,659,559
Number of shares outstanding	265,421,592	261,876,560	257,947,355	255,631,733	253,328,748
RESULTS OF OPERATIONS					
Net sales (excluding taxes and duties)	204,799,992	288,181,244	360,568,871	422,705,521	440,468,100
Profit before taxes, depreciation, amortisation, impairment and provisions	966,689,347	557,958,295	1,730,616,561	1,928,375,540	2,026,177,680
Corporate income tax	163,348,627	130,649,147	144,589,985	98,785,250	143,089,483
Profit after taxes, depreciation, amortisation, impairment and provisions	1,177,954,098	657,285,969	1,834,554,231	1,968,175,590	1,758,623,509
Dividends paid ⁽¹⁾	700,774,787	741,313,021	1,056,560,892	1,188,492,164	-
EARNINGS PER SHARE					
Profit after taxes, but before depreciation, amortisation, impairment and provisions	4.26	2.63	7.27	7.93	8.56
Profit after taxes, depreciation, amortisation, impairment and provisions	4.44	2.51	7.11	7.7	6.94
Dividend paid per share ⁽¹⁾	2.66	3.12	4.12	4.7	-
PERSONNEL					
Number of employees	444	496	571	687	821
Total payroll	60,952,594	82,640,089	82,651,720	98,366,251	106,414,192
Employee-related benefits paid during the financial year	26,104,626	35,041,823	42,927,004	45,354,417	52,008,267

(1) The amount of the dividend for FY 2024 will be confirmed at the Shareholders' Meeting of November 2024 (dividend in respect of the financial year from 1 July 2023 to 30 June 2024).

7.8 Dividends paid over the last five financial years

Financial year €	Payment date	Net amount	Total amount for the financial year
FY 2020	10/07/2020	1.18	
	27/11/2020	1.48	2.66
FY 2021	09/07/2021	1.33	
	24/11/2021	1.79	3.12
FY 2022	08/07/2022	1.56	
	29/11/2022	2.56	4.12
FY 2023	07/07/2023	2.06	
	28/11/2023	2.64	4.7
FY 2024	19/07/2024 ⁽¹⁾	2.35	

(1) An interim dividend for FY 2024 was paid on 19 July 2024. The balance will be decided by the Shareholders' Meeting in November 2024 called to approve the financial statements for the financial year ended 30 June 2024.

7.9 Inventory of marketable securities

€	Number of shares held	Carrying amount
FRENCH SECURITIES WITH A CARRYING AMOUNT IN EXCESS OF €100,000		
Lina 3	163,945,972	11,690,953,301
Lina 5	306,400	30,630,500
Pernod Ricard France	1,750,000	162,170,656
Pernod Ricard Asia	2,785,000	42,457,051
Pernod Ricard Central and South America	386,650	56,940,700
Pernod Ricard Europe Middle East Africa	1,000,000	36,407,284
Pernod Ricard Finance	29,000,000	238,680,987
Pernod Ricard North America	4,377,500	126,734,557
Résidence de Cavalières	205,950	959,350
Lina 7	401	393,250
Subtotal	203,757,873	12,386,327,637
Other investments in French companies	5,206	434,168
Investments in unlisted foreign companies		382,045,676
TOTAL MARKETABLE SECURITIES AT 30 JUNE 2024		12,768,807,480

7.10 Statutory Auditors' report on the financial statements

Year ended 30 June 2024

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Pernod Ricard SA Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Pernod Ricard SA for the year ended 30 June 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of 30 June 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 July 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Key audit matters	Responses as part of our audit
<p>Valuation of investments (Notes 1.3 and 3 to the financial statements)</p> <p>As at 30 June 2024, consolidated and non-consolidated investments are recorded in the balance sheet at a net carrying amount of €12,769 million and represent 67% of total assets. They are initially recognised at acquisition cost, excluding ancillary costs.</p> <p>If the value in use of investments is lower than their net carrying amount, a provision for impairment is recognised in financial income/(expense) in the amount of the difference. As disclosed in Note 1.3 to the financial statements, value in use is determined based on two methodologies:</p> <ul style="list-style-type: none"> • The enterprise value of the main investments is based on the most recent estimate of the adjusted net asset value, by identifying unrealised capital gains on assets owned by the affiliates, such as brands. The adjusted net asset value is assessed based on methods such as the discounted cash flows method. • For other investments, value in use is estimated based on the share of the affiliate's equity represented by the investment. <p>Estimates of the value in use of these investments are based on complex valuation models for affiliates which in turn own several affiliates and require management to exercise significant judgment (particularly regarding cash flow assumptions and taking into consideration asset revaluations).</p> <p>Given the weight of investments in the balance sheet, the complexity of the models used and their sensitivity to changes in the data and assumptions underlying estimates, we considered the determination of the value in use of investments to be a key audit matter.</p>	<p>We familiarised ourselves with the Company's controls covering the process for determining the value in use of investments. Our other procedures mainly consisted in:</p> <ul style="list-style-type: none"> • verifying, based on information communicated to us, that the values in use for investments estimated by management are supported by appropriate documentation of the valuation method and amounts used; • obtaining and analysing the valuation report on certain investments produced by the Company's external valuation advisors; • comparing data used in investment impairment tests with source documents by entity and the results of our audit procedures on these affiliates; • sample testing the arithmetical accuracy of values in use adopted by the Company. <p>We also assessed the appropriateness of disclosures in the Notes 1.3 and 3 to the financial statements.</p>

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standards applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Pernod Ricard S.A. by the Shareholders' Meeting of 17 November 2016 for KPMG SA and 13 May 2003 for Deloitte & Associés.

As of 30 June 2024, KPMG SA and Deloitte & Associés were in the 8th year and 21st year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 18 September 2024

The Statutory Auditors,

KPMG SA

Caroline Bruno-Diaz

Partner

Adrien Johner

Partner

Deloitte & Associés

Marc de Villartay

Partner

Loris Strappazon

Partner

7.11 Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 30 June 2024

This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Pernod Ricard S.A. Shareholders' Meeting,

As Statutory Auditors of your Company, we hereby present our report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment.

I. Agreements submitted to the approval of the Shareholders' Meeting

Agreements authorised and entered into during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

II. Agreements previously approved by the Shareholders' Meeting

Agreements approved in prior years that remained in force during the financial year

We hereby inform you that we have not been advised of any agreement already approved by the Shareholders' Meeting whose execution would have continued during the past financial year.

Paris La Défense, 18 September 2024

The Statutory Auditors,

KPMG SA

Caroline Bruno-Diaz

Partner

Adrien Johner

Partner

Deloitte & Associés

Marc de Villartay

Partner

Loris Strappazon

Partner

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Annual Shareholders' Meeting

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8.1 Agenda – Annual Shareholders' Meeting of 8 November 2024

Items on the agenda presented at the Ordinary Shareholders' Meeting

1. Approval of the parent company financial statements for the financial year ended 30 June 2024.
2. Approval of the consolidated financial statements for the financial year ended 30 June 2024.
3. Allocation of net profit for the financial year ended 30 June 2024 and setting of the dividend.
4. Renewal of the directorship of Virginie Fauvel.
5. Renewal of the directorship of Alexandre Ricard.
6. Renewal of the directorship of César Giron.
7. Appointment of Deloitte & Associés as Statutory Auditor in charge of certifying sustainability information.
8. Appointment of KPMG SA as Statutory Auditor in charge of certifying sustainability information.
9. Approval of the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO.
10. Approval of the compensation policy applicable to Alexandre Ricard, Chairman & CEO.
11. Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code (*Code de commerce*) relating to the compensation of Corporate Officers.
12. Approval of the compensation policy applicable to Directors.
13. Approval of the related-party agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code.
14. Authorisation for the Board of Directors to trade in Company shares.

Items on the agenda presented at the Extraordinary Shareholders' Meeting

15. Authorisation to be granted to the Board of Directors to allocate performance shares, either existing or to be issued, free of charge, to employees and Executive Corporate Officers of the Company and Group companies, or certain categories thereof, which will automatically result in the waiver by the shareholders of their preferential subscription rights.
16. Authorisation to be granted to the Board of Directors to allocate shares, either existing or to be issued, free of charge, to employees of the Group, or certain categories thereof, which will automatically result in the waiver by the shareholders of their preferential subscription rights.
17. Powers to carry out the necessary legal formalities.

8.2 Presentation of the resolutions for the Annual Shareholders' Meeting of 8 November 2024

First to third resolutions

Approval of the annual financial statements and allocation of net profit

The purpose of the **1st resolution** is to approve the Pernod Ricard parent company financial statements for FY 2024.

In the **2nd resolution**, you are asked to approve the Pernod Ricard consolidated financial statements for FY 2024.

The purpose of the **3rd resolution** is to allocate net profit. It is proposed that the dividend for FY 2024 be set at €4.70 per share. As an interim dividend of €2.35 per share was paid on 19 July 2024, the balance of €2.35 per share would go ex-dividend on 25 November 2024, with a record date of 26 November 2024, and be paid on 27 November 2024.

Fourth to sixth resolutions

Membership of the Board of Directors: renewals

Information on the Directors proposed for renewal can be found in Chapter 2 "Corporate governance", subsection 2.1.2.2 "Changes in the composition of the Board of Directors over the last two financial years" of the 2023-2024 Universal Registration Document.

As Virginie Fauvel's directorship expires at the end of this Shareholders' Meeting, you are asked in the **4th resolution** to renew her directorship for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

In the **5th resolution**, you are asked to renew the directorship of Alexandre Ricard, which also expires at the close of this Shareholders' Meeting, also for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

Lastly, in the **6th resolution**, you are asked to renew the directorship of César Giron, for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

At the end of the Shareholders' Meeting, subject to the approval of these renewals, the Board of Directors would comprise 14 members (including two Directors representing employees), with seven independent members (58.3%) and seven women (58.3%), in accordance with the recommendations of the AFEP-MEDEF Code and the law⁽¹⁾.

Seventh and eighth resolutions

Appointment of Deloitte & Associés and KPMG SA as Statutory Auditors in charge of certifying sustainability information

Further to its implementation, the Corporate Sustainability Reporting Directive (CSRD) requires that sustainability information be certified by a third party prior to publication.

Accordingly, under the **7th and 8th resolutions**, and as recommended by the Audit Committee and the Board of Directors, Pernod Ricard wishes to appoint its Statutory Auditors as sustainability auditors. These appointments would be for a term of three years and would expire at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

The current Statutory Auditors were recommended for appointment by the Audit Committee to the Board of Directors as these firms possess excellent knowledge of Pernod Ricard's operations and meet the independence criteria required for certifying sustainability information.

Ninth resolution

Approval of the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO

The purpose of the **9th resolution** is to submit for your approval, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2024 to Alexandre Ricard, the Company's Chairman & CEO.

Details of these components can be found in Chapter 2 "Corporate governance", subsection 2.6.1 "Components of compensation paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO" of the Universal Registration Document.

Tenth resolution

Approval of the compensation policy applicable to Alexandre Ricard, Chairman & CEO

The purpose of the **10th resolution** is to submit for your approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Chairman & CEO set by the Board of Directors for FY 2025. Details on this compensation policy can be found in Chapter 2 "Corporate governance", subsection 2.6.2 "Compensation policy for the Chairman & CEO" of the 2023-2024 Universal Registration Document.

Eleventh resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of Corporate Officers

The purpose of the **11th resolution** is to submit for your approval the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of each Corporate Officer of Pernod Ricard for FY 2024, as presented in Chapter 2 "Corporate governance", subsection 2.6.3 "Components of compensation paid during or awarded for FY 2024 to Corporate Officers" of the 2023-2024 Universal Registration Document.

⁽¹⁾ In accordance with the AFEP-MEDEF Code, Ian Gallienne will no longer be considered an independent Director from the date of the 2024 Shareholders' Meeting, given that he will have served on the Board for 12 years. Furthermore, Directors representing employees are not taken into account when calculating the independence rate and gender balance ratio, in accordance with the AFEP-MEDEF Code and Article L. 225-27-1 of the French Commercial Code, respectively.

Twelfth resolution

Approval of the compensation policy applicable to Directors

The purpose of the **12th resolution** is to submit for your approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Directors drawn up by the Board of Directors for FY 2025, as presented in Chapter 2 "Corporate governance", subsection 2.6.4 "Compensation policy for the members of the Board of Directors" of the 2023-2024 Universal Registration Document.

Thirteenth resolution

Approval of related-party agreements

In the **13th resolution**, you are asked to approve the content of the Statutory Auditors' special report (presented in Chapter 7 "Pernod Ricard SA parent company financial statements" of the 2023-2024 Universal Registration Document), which does not mention any new related-party agreements entered into during the financial year ended 30 June 2024 requiring shareholder approval.

In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors also carried out an annual review of related-party agreements entered into and authorised in previous years, and placed on record that there were no related party agreements still in force during the financial year ended 30 June 2024.

Fourteenth resolution

Authorisation for the Board of Directors to trade in Company shares

The Shareholders' Meeting of 10 November 2023 authorised the Board of Directors to trade in Company shares. The transactions carried out under this authorisation are described in Chapter 2 "Corporate governance", subsection 2.3 "Share buyback programme" of the 2023-2024 Universal Registration Document. As this authorisation is due to expire on 9 May 2025, you are asked in the **14th resolution** to renew the authorisation for the Board of Directors to trade in Company shares for a period of 18 months **at a maximum purchase price of €250 per share**, excluding acquisition costs. The total amount allocated to the share buyback programme may not exceed €6,333,218,700.

This authorisation would enable the Board of Directors to purchase Company shares representing **a maximum of 10% of the Company's share capital**, particularly in order to:

- grant or sell the shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or
- retain and subsequently tender the shares (in exchange, as payment or otherwise) in connection with external growth transactions, within the limit of 5% of the number of shares comprising the share capital;
- deliver the shares upon the exercise of rights attached to securities granting access to the share capital;
- cancel the shares;
- make a market for the shares in accordance with liquidity agreements; and
- trade in Company shares for any other authorised or compliant purpose or any purpose that may be authorised or become compliant with the applicable regulations in the future or that may be permitted as a market practice by the French financial markets authority (*Autorité des marchés financiers* – AMF) in the future. The Company will inform the shareholders in a press release prior to carrying out any such transactions.

The above transactions would be carried out during periods considered appropriate by the Board of Directors. However, during a public offer, buybacks may only be carried out provided that they:

- enable the Company to meet commitments made prior to the launch of the public offer; and
- are undertaken to pursue a share buyback programme already in progress; and
- cannot cause the offer to fail; and
- fall within the scope of one of the following objectives:
 - delivery to the beneficiaries of free and/or performance shares;
 - fulfilment of the Company's commitments under financial contracts or options with cash payments; or
 - the granting of free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates.

Fifteenth and sixteenth resolutions

Resolutions relating to the grant of shares free of charge, with and without performance conditions

15th resolution: this authorisation would be valid for a period of 38 months from the date of the Shareholders' Meeting. During this period, it would permit the allocation of performance shares representing a maximum of 1.5% of the Company's share capital at the date of the Board of Directors' decision to allocate such shares. The number of performance shares allocated to the Company's Executive Corporate Officers shall not exceed 0.08% of the Company's share capital at the date of the Board of Directors' decision to allocate such shares, and would be deducted from the aforementioned ceiling of 1.5% of the Company's share capital.

The free shares would vest subject to the achievement of conditions set at the allocation date, notably a presence condition, over a vesting period of at least three years.

If the Shareholders' Meeting approves this resolution, any free share allocations will be decided by the Board of Directors on the recommendation of the Compensation Committee.

Since the 10 November 2021 plan, the Board of Directors, on the recommendation of the Compensation Committee, has included non-financial (CSR) performance criteria in addition to the financial performance criteria in the long-term compensation plans, to bring them in line with Pernod Ricard's strategy.

The performance conditions of the plan that could be implemented in 2024 would be as follows:

- an internal financial performance condition linked to the average achievement of the annual targets for Group Profit from Recurring Operations (PRO): the shares would vest if the average achievement of the annual targets for Group profit from recurring operations over three consecutive financial years is greater than 95% of the annual targets for Group profit from recurring operations. The final number of shares allocated is determined by applying a percentage between 0 and 100, using linear progression; and
- a non-financial performance condition related to Corporate Social Responsibility (CSR) based on four sub-criteria:
 - Carbon: Implementation of the roadmap to reduce direct CO₂ emissions generated by our sites in order to achieve net zero emissions by 2030;

- Water: Implementation of the roadmap with the ambition to reduce water consumption in our distilleries by 20% by 2030;
- Responsible drinking: Pernod Ricard's strategic brands will launch marketing campaigns focusing on responsible drinking, with a goal of ramping them up each year over the next five years;
- People: Target to achieve gender balance in Top Management (at least 40% of each gender) by 2030.

The Board of Directors would determine the numerical targets to be achieved for each of these four criteria.

The number of shares that would vest based on the CSR non-financial performance condition would be determined as follows:

- if four targets are reached: 100% of the shares will vest;
- if three targets are reached: 75% of the shares will vest;
- if two targets are reached: 50% of the shares will vest;
- if fewer than two targets are reached: no shares will vest.

It is specified that to determine the final number of shares allocated, the internal PRO and CSR performance conditions would be assessed over a period of three consecutive financial years (including the year in which the shares were allocated).

Furthermore, for the Executive Corporate Officer and certain categories of employee, an external performance condition is applied, linked to the overall performance of the Pernod Ricard share (total shareholder return, or TSR) over a period of three years, compared with the overall performance of a panel of nine peers comprising the following companies, in addition to Pernod Ricard: ABInBev, Brown Forman, Campari, Carlsberg, Constellation Brands, Diageo, Heineken, Rémy Cointreau and Suntory:

- if in 1st or 2nd position, 100% of the shares will vest;
- if in 3rd or 4th position, 85% of the shares will vest;
- if in 5th position, 50% of the shares will vest;
- if in 6th, 7th, 8th, 9th or 10th position, no shares will vest.

For each allocation, the Board sets demanding, quantitative and verifiable performance conditions. In the interests of continuity and comparability, the Board intends to apply the same performance criteria in the future. However, in the event that these criteria were to no longer be relevant, the Board may make adjustments or choose other equivalent criteria.

16th resolution: this authorisation by the Shareholders' Meeting would be valid for a period of 38 months from the date of the Shareholders' Meeting. During this period, it would permit the allocation of free shares representing a maximum of 0.5% of the Company's share capital at the date of the Board of Directors' decision to allocate such shares.

The vesting of the free shares would be subject to a presence condition over a vesting period of at least three years, but may not be subject to any performance conditions.

This is because the Board of Directors would like to have a scheme to retain Group talent by involving them in the Company's share performance, and to attract new talent. Consequently, these allocations would be made: (i) on recruitment as part of the Group's policy on attracting new talent, but also (ii) to reward and retain certain employees.

The Company's Executive Corporate Officers would not benefit from any allocations under this authorisation. The members of the Company's Executive Committee would also be excluded from receiving allocations under this authorisation, except at the time of their recruitment, in accordance with the Group's policy on attracting new talent.

Seventeenth resolution

Powers to carry out the necessary legal formalities

In the **17th resolution**, you are asked to authorise the Board of Directors to carry out any required legal formalities.

8.3 Proposed resolutions for the Annual Shareholders' Meeting of 8 November 2024

8.3.1 Resolutions presented at the Ordinary Shareholders' Meeting

The purpose of the 1st, 2nd and 3rd resolutions is to approve Pernod Ricard's parent company and consolidated financial statements for FY 2024 and to approve the allocation of net profit and the payment of a dividend of €4.70 per share, further to the payment of an interim dividend of €2.35 per share on 19 July 2023.

First resolution

Approval of the parent company financial statements for the financial year ended 30 June 2024

Having reviewed the parent company financial statements for the financial year ended 30 June 2024, the Board of Directors' management report and the Statutory Auditors' report on the parent company financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the financial statements for the financial year ended 30 June 2024 as presented, which show a net accounting profit of €1,758,623,508.64, as well as all transactions reflected in these financial statements or summarised in these reports.

Pursuant to Article 223 *quater* of the French Tax Code (*Code général des impôts*), the Shareholders' Meeting notes that the total amount of the costs and expenses referred to in paragraph 4 of Article 39 of the French Tax Code amounted to €371,631 for the financial year, and that the tax payable with regard to these costs and expenses amounts to €95,992.

Second resolution

Approval of the consolidated financial statements for the financial year ended 30 June 2024

Having reviewed the Board of Directors' Group management report in accordance with Article L. 233-26 of the French Commercial Code and the Statutory Auditors' report on the consolidated financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the consolidated financial statements for the financial year ended 30 June 2024 as presented, as well as all transactions reflected in these financial statements or summarised in the Group management report.

Third resolution

Allocation of net profit for the financial year ended 30 June 2024 and setting of the dividend

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that the financial statements for the financial year ended 30 June 2024 show a net profit of €1,758,623,508.64.

It resolves, on the proposal of the Board of Directors, to allocate and distribute this profit as follows:

Net profit	€1,758,623,508.64
Appropriation to the legal reserve	€0 ⁽¹⁾
Balance	€1,758,623,508.64
Retained earnings from prior years	€1,696,396,606.95
Distributable profit	€3,455,020,115.59
Dividend	€1,190,645,115.60
Balance allocated to retained earnings	€2,264,374,999.99

(1) Bringing the legal reserve up to the threshold of 10% of the share capital.

It should be noted that if the number of shares entitled to dividends changes from the 253,328,748 shares making up the share capital at 30 June 2024, the aggregate amount of the dividend will be adjusted accordingly and the amount appropriated to "Retained earnings" will be determined on the basis of dividends actually paid.

A dividend of €4.70 will be paid out for each Company share. As a first interim dividend of €2.35 per share was paid on 19 July 2024, the balance of €2.35 per share will go ex-dividend on 25 November 2024, with a record date of 26 November 2024, and be paid on 27 November 2024.

The Shareholders' Meeting resolves that the amount of the dividend accruing to treasury shares or shares that have been cancelled on the ex-dividend date will be appropriated to "Retained earnings".

The distributed amount of €4.70 per share is eligible for the 40% tax allowance applicable to individual shareholders who are French tax residents, as provided for in Article 158-3-2° of the French Tax Code.

After appropriation of net profit for the financial year, shareholders' equity amounts to €6,516,841,269.40.

Dividends paid for the past three financial years were as follows:

	FY 2021	FY 2022	FY 2023
Number of shares	261,876,560	257,947,355	255,631,733
Dividend per share ⁽¹⁾ (€)	3.12	4.12	4.70

(1) Amounts eligible for the 40% tax allowance applicable to individual shareholders who are French tax residents, as provided for in Article 158-3-2° of the French Tax Code.

The 4th, 5th and 6th resolutions concern the membership of the Board of Directors and their purpose is to renew the directorships of Virginie Fauvel, Alexandre Ricard and César Giron, respectively. In addition, the 7th and 8th resolutions concern the appointment of sustainability auditors.

Fourth resolution

Renewal of the directorship of Virginie Fauvel

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to renew the directorship of Virginie Fauvel.

The directorship is granted for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

Fifth resolution

Renewal of the directorship of Alexandre Ricard

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to renew the directorship of Alexandre Ricard.

The directorship is granted for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

Sixth resolution

Renewal of the directorship of César Giron

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to renew the directorship of César Giron.

The directorship is granted for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

The 9th, 10th, 11th and 12th resolutions relate to the compensation of the Executive Corporate Officer and the Corporate Officers. Their purpose is to approve the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO (9th resolution), the compensation policy applicable to Alexandre Ricard, Chairman & CEO (10th resolution) and to the Directors (12th resolution), and the information relating to the compensation of each Corporate Officer (11th resolution).

Ninth resolution

Approval of the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO, as presented in the detailed report in Chapter 2 "Corporate governance", subsection 2.6.1 "Components of compensation paid during or awarded for FY 2024 to Alexandre Ricard, Chairman & CEO" of the 2023-2024 Universal Registration Document.

Seventh resolution

Appointment of Deloitte & Associés as Statutory Auditor in charge of certifying sustainability information

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to appoint Deloitte & Associés as Statutory Auditor in charge of certifying sustainability information for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

Eighth resolution

Appointment of KPMG SA as Statutory Auditor in charge of certifying sustainability information

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to appoint KPMG SA as Statutory Auditor in charge of certifying sustainability information for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

Tenth resolution

Approval of the compensation policy applicable to Alexandre Ricard, Chairman & CEO

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Chairman & CEO set by the Board of Directors for FY 2025, as presented in the detailed report in Chapter 2 "Corporate governance", subsection 2.6.2 "Compensation policy for the Chairman & CEO" of the 2023-2024 Universal Registration Document.

Eleventh resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of Corporate Officers

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of each Corporate Officer of Pernod Ricard for FY 2024, as presented in the detailed report in Chapter 2 "Corporate governance", subsection 2.6.3 "Components of compensation paid during or awarded for FY 2024 to Corporate Officers" of the 2023-2024 Universal Registration Document.

Twelfth resolution

Approval of the compensation policy applicable to Directors

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for

Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Directors set by the Board of Directors for FY 2025, as presented in the detailed report in Chapter 2 "Corporate governance", subsection 2.6.4 "Compensation policy for the members of the Board of Directors" of the 2023-2024 Universal Registration Document.

Thirteenth resolution

Approval of the related-party agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code

Having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that, according to the Statutory Auditors' special report, the Statutory Auditors were not advised of any new agreements authorised by the Board of Directors during the financial year ended 30 June 2024, and approves said report.

The purpose of the 14th resolution is to renew the authorisation granted to the Board of Directors to implement a share buyback programme for Company shares, subject to certain conditions.

Fourteenth resolution

Authorisation for the Board of Directors to trade in Company shares

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, authorises the Board of Directors, with the option to sub-delegate, in accordance with the provisions of Articles L. 225-210 *et seq.* and L. 22-10-62 *et seq.* of the French Commercial Code, to purchase Company shares, particularly in order to:

- (i) grant or sell the shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or
- (ii) fulfil the Company's commitments under financial contracts or options with cash payments relating to changes in the stock market price of Company shares, granted to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or
- (iii) grant free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates, in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to a company savings plan in accordance with the provisions of Article L. 3332-14 of the French Labour Code (*Code du travail*); or

- (iv) retain and subsequently tender the shares (in exchange, as payment or otherwise) in connection with external growth transactions, within the limit of 5% of the number of shares comprising the share capital; or
- (v) deliver the shares upon the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- (vi) cancel all or some of the shares bought back, under the conditions provided for in Article L. 22-10-62 paragraph 4 of the French Commercial Code and in accordance with the authorisation to reduce the share capital granted by the Shareholders' Meeting of 10 November 2023 in the 15th resolution; or
- (vii) enable an investment services provider to make a market for or ensure the liquidity of Company shares in accordance with liquidity agreements in line with the accepted market practices of the AMF.

This programme is also designed to enable the Company to trade in its shares for any other authorised or compliant purpose or any purpose that may be authorised or become compliant with the applicable regulations in the future or that may be permitted as a market practice by the AMF in the future. The Company will inform the shareholders in a press release prior to carrying out any such transactions.

The number of Company shares purchased may be such that:

- the Company does not purchase more than 10% of the shares comprising its share capital at any time during the term of the share buyback programme; this percentage applies to the share capital as adjusted to reflect any corporate actions carried out subsequent to this Shareholders' Meeting; in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, when shares are bought back to promote the liquidity of the shares under the conditions set out by the applicable regulations, the number of shares taken into account for calculating the 10% limit corresponds to the number of shares purchased less the number of shares sold during the authorisation period; and
- the number of shares held by the Company at any time does not exceed 10% of the shares comprising its share capital.

The shares may be purchased, sold, transferred, delivered or exchanged, on one or more occasions, by any means authorised, including via block purchases or sales, as part of sale and repurchase agreements or public purchase or exchange offers, through the use of financial derivatives, on a regulated market, a multilateral trading facility, from a systematic internaliser or over the counter, or by means of option strategies (purchases and sales of puts and calls and any combinations thereof in compliance with the applicable regulations). Transactions carried out by any of the aforementioned means may account for the entire share buyback programme.

The above transactions would be carried out during periods considered appropriate by the Board of Directors. However, during a public offer, buybacks may only be carried out provided that they:

- enable the Company to meet commitments made prior to the launch of the public offer; and
- are undertaken to pursue a share buyback programme already in progress; and
- fall within the scope of the objectives referred to in points (i) to (iii) above; and
- cannot cause the offer to fail.

The Shareholders' Meeting resolves that the maximum purchase price per share will be €250, excluding acquisition costs.

In accordance with Article R. 225-151 of the French Commercial Code, the Shareholders' Meeting sets the total maximum amount allocated to the share buyback programme authorised above at €6,333,218,700, corresponding to a maximum of 23,305,862 shares purchased at the maximum unit price of €250, as authorised above.

The Shareholders' Meeting delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, in the event that any corporate actions are carried out by the Company (in particular a change in the par value of the shares, a share capital increase via the capitalisation of reserves, a free share grant, stock split or reverse stock split), to adjust the above-mentioned maximum purchase price in order to reflect the impact of such transactions on the value of the shares.

The Board of Directors may also, in accordance with the applicable laws and regulations, allocate shares previously bought back to another objective (including shares bought back under a previous authorisation) or sell the shares (on- or off-market).

The Shareholders' Meeting grants the Board of Directors full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this authorisation, to specify, if necessary, the terms of such implementation and decide on its conditions, with the option to delegate the implementation in accordance with the conditions set by law, and in particular to place all stock exchange orders, enter into any agreements, with a view to keeping registers of share purchases and sales, to set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital, make all declarations, notably to the AMF and to any other official body which may take its place, complete all formalities and, in general, do whatever may be necessary.

This authorisation will be valid for a period of 18 months from the date of this Shareholders' Meeting and supersedes, from this same date, any unused portion of the authorisation to trade in Company shares granted to the Board of Directors in the 14th resolution of the Ordinary Shareholders' Meeting of 10 November 2023.

8.3.2 Resolutions presented at the Extraordinary Shareholders' Meeting

Resolutions relating to the grant of shares free of charge, with and without performance conditions

The purpose of these resolutions is to authorise the Board of Directors to allocate free shares to employees or Executive Corporate Officers of the Company or Group companies, or to certain categories thereof, given that the authorisations approved in 2021 will expire in January 2025.

Fifteenth resolution

Authorisation to be granted to the Board of Directors to allocate performance shares, either existing or to be issued, free of charge, to employees and Executive Corporate Officers of the Company and Group companies, or certain categories thereof, which will automatically result in the waiver by the shareholders of their preferential subscription rights

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with the provisions of Articles L. 225-197-1 *et seq.* and Articles L. 22-10-59 and L. 22-10-60 of the French Commercial Code:

- authorises the Board of Directors to allocate ordinary shares of the Company, either existing or to be issued, free of charge, on one or more occasions, to employees and eligible Executive Corporate Officers (as defined in Article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company and of companies or groups related to the Company as defined by Article L. 225-197-2 of the French Commercial Code, or to certain categories of them;
 - decides that the maximum number of existing or to be issued shares that can be allocated under this authorisation shall represent no more than 1.5% of the Company's share capital on the day the decision to allocate them is taken by the Board of Directors, it being specified that this number shall not include any adjustments that may be made to maintain the rights of the beneficiaries in the event of financial transactions or transactions in the Company's share capital or in the shareholders' equity;
 - decides that the allocations made pursuant to this authorisation may benefit, in accordance with the applicable law, eligible Executive Corporate Officers of the Company, provided that the definitive allocation of the shares is subject to the presence of the beneficiary and the achievement of one or more performance conditions determined by the Board of Directors on the date the allocation decision is taken. This number shall not represent more than 0.08% of the Company's share capital on the date the decision to allocate them is taken by the Board of Directors (subject to the possible adjustments mentioned in the previous paragraph), it being specified that this sub-ceiling is to be deducted from the aforementioned overall limit of 1.5% of the share capital;
 - decides that:
 - the allocation of shares to the beneficiaries shall become definitive after a vesting period to be set by the Board of Directors, it being understood that it may not be less than three years, and
 - the lock-up period during which the beneficiaries must hold their shares shall be set, where appropriate, by the Board of Directors;
 - decides that if the beneficiary should suffer second or third degree disability as defined by Article L. 341-4 of the French Social Security Code, the shares shall immediately vest and become transferable;
 - expressly conditions the definitive allocation of the shares pursuant to this authorisation, including to Executive Corporate Officers, to the presence of the beneficiary and the achievement of one or more performance conditions determined by the Board of Directors on the date the allocation decision is taken and assessed over a period of three years or three consecutive financial years;
 - acknowledges by virtue of this authorisation that the shareholders automatically waive their preferential subscription right over ordinary shares that may be issued under the terms of this authorisation, in favour of the beneficiaries of the allocation of shares;
 - grants the Board of Directors full powers, within the limits set above, with the option for it to delegate these powers in turn under the conditions provided for by law, in order to implement this authorisation and, notably, to:
 - determine whether the shares allocated free of charge shall be existing shares or shares to be issued,
 - set, within the legal limits, the dates on which the shares will be allocated,
 - determine the identity of the beneficiaries or the category or categories of beneficiaries of the allocation of shares as well as the number of shares allocated to each,
 - determine the criteria, conditions and terms for allocating said shares, and in particular their vesting period and, where applicable, lock-up period, and presence and performance conditions, as set forth in this authorisation,
 - finalise the date of entitlement, which may be retroactive, of the new shares to be issued,
 - allow for the option of temporarily suspending allocation rights in accordance with applicable law and regulations,
 - register the allocated shares in registered form under their owner's name at the end of the vesting period, specifying, where applicable, whether they are locked up and the period for which this restriction will remain in force, as well as waiving this lock-up restriction in any of the circumstances envisaged for it by this resolution or by regulations in force,
 - decide, for Executive Corporate Officers, either that the shares must not be sold by the interested parties before the end of their term of office, or set the quantity of shares to be retained in registered form until the end of their term of office,
 - provide for powers, if it deems it necessary, to adjust the number of shares allocated free of charge in order to preserve the rights of the beneficiaries, in the event of any transactions affecting the Company's share capital or shareholders' equity during the vesting period, as set out in Article L. 225-181 paragraph 2 of the French Commercial Code, on terms that it shall determine,
 - deduct, if applicable, from reserves, earnings or issue premiums, the sums necessary to pay up the shares, record the definitive completion of capital increases carried out by virtue of this authorisation, make any subsequent amendments to the Bylaws and, generally, carry out all necessary acts and formalities, and
 - more generally, enter into all agreements, draw up all documents, carry out all formalities and make all declarations to any official bodies and to do whatever else shall be necessary; and
 - sets the period of validity of this authorisation at 38 months from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels the delegation granted by the Shareholders' Meeting of 10 November 2021 in its 22nd resolution.
- The Board of Directors shall report annually to the Ordinary Shareholders' Meeting on the allocations made within the framework of this resolution, in accordance with Article L. 225-197-4 of the French Commercial Code.

Sixteenth resolution

Authorisation to be granted to the Board of Directors to allocate shares, either existing or to be issued, free of charge, to employees of the Group, or certain categories thereof, which will automatically result in the waiver by the shareholders of their preferential subscription rights

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with the provisions of Articles L. 225-197-1 *et seq.* and Article L. 22-10-59 of the French Commercial Code:

- authorises the Board of Directors to allocate ordinary shares of the Company, either existing or to be issued, free of charge, on one or more occasions, to employees of the Company and of companies or groups related to the Company as defined by Article L. 225-197-2 of the French Commercial Code, or to certain categories of them;
- decides that the maximum number of existing or to be issued shares that can be allocated under this authorisation shall represent no more than 0.5% of the Company's share capital on the day the decision to allocate them is taken by the Board of Directors, it being specified that this number shall not include any adjustments that may be made to maintain the rights of the beneficiaries in the event of financial transactions or transactions in the Company's share capital or in the shareholders' equity;
- decides that:
 - the allocation of shares to the beneficiaries shall become definitive after a vesting period to be set by the Board of Directors, it being understood that it may not be less than three years, and
 - the lock-up period during which the beneficiaries must hold their shares shall be set, where appropriate, by the Board of Directors;
- decides that the Company's Executive Corporate Officers are excluded from the benefit of any allocation within the framework of this authorisation, and that the same applies to the members of the Company's Executive Committee, except on the occasion of their hiring;
- decides that if the beneficiary should suffer second or third degree disability as defined by Article L. 341-4 of the French Social Security Code, the shares shall immediately vest and become transferable;
- expressly conditions the definitive allocation of the shares pursuant to this authorisation to a presence condition determined by the Board of Directors on the date the allocation decision is taken;
- acknowledges by virtue of this authorisation that the shareholders automatically waive their preferential subscription right over ordinary shares that may be issued under the terms of this authorisation, in favour of the beneficiaries of the allocation of shares;
- grants the Board of Directors full powers, within the limits set above, with the option for it to delegate these powers in turn under the conditions provided for by law, in order to implement this authorisation and, notably, to:
 - determine whether the shares allocated free of charge shall be existing shares or shares to be issued,

- set, within the legal limits, the dates on which the shares will be allocated,
- determine the identity of the beneficiaries or the category or categories of beneficiaries of the allocation of shares as well as the number of shares allocated to each,
- determine the criteria, conditions and terms for allocating said shares, and in particular their vesting period and, where applicable, lock-up period, and presence condition, as set forth in this authorisation,
- finalise the date of entitlement, which may be retroactive, of the new shares to be issued,
- allow for the option of temporarily suspending allocation rights in accordance with applicable law and regulations,
- record the allocated shares in registered form under their owner's name at the end of the vesting period, specifying, where applicable, whether they are locked up and the period for which this restriction will remain in force, as well as waiving this lock-up restriction in any of the circumstances envisaged for it by this resolution or by regulations in force,
- provide for powers, if it deems it necessary, to adjust the number of shares allocated free of charge in order to preserve the rights of the beneficiaries, in the event of any transactions affecting the Company's share capital or shareholders' equity during the vesting period, as set out in Article L. 225-181 paragraph 2 of the French Commercial Code, on terms that it shall determine,
- deduct, if applicable, from reserves, earnings or issue premiums, the sums necessary to pay up the shares, record the definitive completion of capital increases carried out by virtue of this authorisation, make any subsequent amendments to the Bylaws and, generally, carry out all necessary acts and formalities, and
- more generally, enter into all agreements, draw up all documents, carry out all formalities and make all declarations to any official bodies and to do whatever else shall be necessary; and
- sets the period of validity of this authorisation at 38 months from the date of this Shareholders' Meeting and notes that as from such date, this delegation cancels the delegation granted by the Shareholders' Meeting of 10 November 2021 in its 23rd resolution.

The Board of Directors shall report annually to the Ordinary Shareholders' Meeting on the allocations made within the framework of this resolution, in accordance with Article L. 225-197-4 of the French Commercial Code.

Seventeenth resolution

Powers to carry out the necessary legal formalities

Deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, the Shareholders' Meeting grants full powers to the bearer of a copy or an extract of the minutes of this Meeting to carry out, wherever they may be required, any and all filing, legal disclosure and other formalities.

8.4 Statutory Auditors' reports

8.4.1 Statutory Auditors' report on the authorisation to grant free performance shares (existing or to be issued) to employees and Executive Corporate Officers

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 8 November 2024

15th resolution

To the Pernod Ricard SA Shareholders' Meeting,

As Statutory Auditors of your Company (hereinafter the "Company") and pursuant to the assignment set forth in Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed authorization to grant free performance shares, existing or to be issued, to eligible employees and executive officers of your Company and related companies or groupings under the conditions set out in Article L. 225-197-2 of the French Commercial Code, or certain categories thereof, a transaction on which you are asked to vote.

The free share grants performed pursuant to this authorization may not involve a total number of shares, existing or to be issued, representing more than 1.5% of the Company's share capital on the date of the grant decision by the Board of Directors, bearing in mind that the number of shares granted to executive officers of the Company may not represent more than 0.08% of the Company's share capital, as noted on the date of the grant decision by the Board of Directors. This sub-limit shall be deducted from the overall limit of 1.5% of the Company's share capital.

In addition, the definitive grant of shares pursuant to this authorization will be subject to the achievement of a presence condition and one or more performance conditions determined by the Board of Directors on the date the grant decision is taken and assessed over a minimum period of three years or three consecutive fiscal years.

Based on its report, your Board of Directors proposes that you authorize it, for a period of 38 months commencing the date of this Shareholders' Meeting, to grant free performance shares, existing or to be issued.

The Board of Directors is responsible for preparing a report on the transaction it wishes to perform. Our responsibility is to express our comments, if any, on the information that is given to you on the planned transaction.

We conducted the procedures we deemed necessary in accordance with the professional guidelines issued by the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this assignment. Those procedures primarily consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with applicable legal provisions.

We have no matters to report on the information presented in the Board of Directors' report on the proposed authorization to grant free performance shares to employees and executive officers.

Paris La Défense, 18 September 2024

The Statutory Auditors,
French original signed by

KPMG SA

Caroline Bruno-Diaz
Partner

Adrien Johner
Partner

Deloitte & Associés

Marc de Villartay
Partner

Loris Strappazon
Partner

8.4.2 Statutory Auditors' report on the authorisation to grant free shares (existing or to be issued) to Group employees

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 8 November 2024

16th resolution

To the Pernod Ricard SA Shareholders' Meeting,

As Statutory Auditors of your Company (hereinafter the "Company") and pursuant to the assignment set forth in Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed authorisation to grant free shares, existing or to be issued, to employees of your Company and related companies or groupings under the conditions set out in Article L. 225-197-2 of the French Commercial Code, or certain categories thereof, a transaction on which you are asked to vote.

The free share grants performed pursuant to this authorisation may not involve a total number of shares, existing or to be issued, representing more than 0.5% of the Company's share capital on the date of the grant decision by the Board of Directors, bearing in mind that free shares may not be granted to executive officers of the Company under this authorisation, or members of the Company's Executive Committee, except on their recruitment.

In addition, the definitive grant of shares pursuant to this authorisation will be subject to the achievement of a presence condition but not performance conditions, determined by the Board of Directors on the date the grant decision is taken.

Based on its report, your Board of Directors proposes that you authorise it, for a period of 38 months commencing at the date of this Shareholders' Meeting, to grant free shares, existing or to be issued.

The Board of Directors is responsible for preparing a report on the transaction it wishes to perform. Our responsibility is to express our comments, if any, on the information that is given to you on the planned transaction.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this assignment. Those procedures primarily consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with applicable legal provisions.

We have no matters to report on the information presented in the Board of Directors' report on the proposed authorisation to grant free shares to Group employees.

Paris La Défense, 18 September 2024

The Statutory Auditors,
French original signed by

KPMG SA

Caroline Bruno-Diaz
Partner

Adrien Johner
Partner

Deloitte & Associés

Marc de Villartay
Partner

Loris Strappazon
Partner

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9.1 Information on Pernod Ricard

9.1.1 Legal and commercial name

Pernod Ricard

9.1.2 Registered office and website

5, cours Paul Ricard, 75008 Paris (France)

Tel.: +33 1 70 93 16 00

<https://www.pernod-ricard.com>

The information on the website does not form part of the prospectus.

9.1.3 Legal form

Pernod Ricard is a French public limited company (*société anonyme*) with a Board of Directors.

9.1.4 Applicable law

Pernod Ricard is a company subject to French law, governed by the French Commercial Code (*Code de commerce*).

9.1.5 Date of incorporation and term

The Company was incorporated on 13 July 1939 for a term of 99 years.

The Shareholders' Meeting of 9 November 2012 extended the term of the Company by 99 years to 2111.

9.1.6 Corporate purpose

The corporate purpose, as provided for in Article 2 of the Company's Bylaws⁽¹⁾, is reproduced below in full:

"The Company's purpose is, indirectly or indirectly:

- the manufacture, purchase and sale of all wines, spirits and liqueurs, as well as of alcohol and all food products and commodities, the use, conversion and trading in all forms of finished or semi-finished products, by-products and substitutes generated by the main operations carried out in distilleries or other industrial establishments of the same type;
- the above operations may be carried out on a wholesale, retail-wholesale or retail basis and in locations in France or outside France;
- storage, purchases and sales which fall within the above list;
- the representation of any French or foreign entities producing, manufacturing or selling products of the same type;
- investments in any businesses or operations whatsoever, which may be related to the production and the trading of similar products in any form whatsoever, and the creation of new companies, contributions, subscriptions, purchases of securities or ownership rights under any form, etc.;
- any transactions connected with the hotel industry and the leisure industry in general, notably the investment by the Company in any companies, existing or to be created, businesses or operations whatsoever, that may be related to the hotel or leisure industries in general, it being specified that the Company may conduct all these transactions on its own account or on behalf of third parties, either acting alone or through equity investment, partnerships or through companies with any third parties or other companies, and carry them out in any form whatsoever: contributions, mergers, subscriptions or the purchase of securities or ownership rights, etc.;
- investment in any industrial, commercial, agricultural, real estate, financial or other companies, whether existing or to be formed, and whether French or foreign;
- the acquisition, disposal, exchange and any transactions involving shares, equity interests or partnership holdings, investment certificates, convertible or exchangeable bonds, equity warrants, bonds with equity warrants and generally, any securities and property rights whatsoever;
- any agricultural, farming, arboriculture, breeding, wine-growing operations, etc., as well as any associated or derivative agricultural or industrial operations relating thereto;
- and generally, all industrial, commercial, financial, movable or real property or securities operations related directly or indirectly to the above purposes or being capable of favouring their development."

⁽¹⁾ The Bylaws are available on the Company's website (www.pernod-ricard.com).

9.1.7 Registration number, NAF business activity code and LEI

The Company is registered on the Paris Trade and Companies Registry under number 582 041 943.

Pernod Ricard's French business activity (NAF) code is 7010Z. It corresponds to: Head Office Operations.

Pernod Ricard SA's LEI is 52990097YFPX9J0H5D87.

9.1.8 Financial year

From 1 July to 30 June of each year.

9.1.9 Dividend rights – Right to a share in the issuer's profits

Net profits are made up of the Company's income, as recorded in the income statement, less overheads and other Company charges, including depreciation and amortisation of assets and all provisions for commercial and industrial contingencies, if applicable.

From this net profit, less previous losses if applicable, at least 5% shall first be deducted to create the statutory reserve fund. This deduction shall cease to be mandatory when the statutory reserve fund reaches an amount that is equal to one-tenth of the share capital. It shall be required once again if for any reason whatsoever this reserve fund falls to less than one-tenth of share capital.

An amount shall be withdrawn from the distributable profit determined in accordance with the law sufficient to provide the shares with a first dividend equal to 6% of their fully paid up and unredeemed value, subject to the possibility for the Board of Directors to authorise shareholders who so request to make full payment for their shares early, without such payments entitling the shareholders to the first dividend described above.

This first dividend shall not be cumulative, i.e., in the event that the profits for a financial year do not permit payment of the dividend, or if such profits do not permit payment of the entire amount of the dividend, the shareholders shall have no right to claim the payment of such dividend from the profits of a subsequent financial year.

From the available surplus, the Ordinary Shareholders' Meeting may deduct the amounts it deems appropriate to be carried forward to the following financial year or to be allocated to any special or contingency reserve funds, with or without a specific designation for the use thereof.

The balance shall be divided among the shareholders as an additional dividend.

The Ordinary Shareholders' Meeting shall be authorised to withdraw from all optional reserve funds created any amounts that it deems appropriate for the purpose of:

- distributing them to the shareholders or allocating them to the total or partial redemption of shares; or
- capitalising them or allocating them to the buyback and cancellation of shares.

Shares that have been redeemed in full shall be replaced by bonus shares (*actions de jouissance*), which shall have the same rights as the former shares, with the exception of the right to the first dividend as provided in the Bylaws and the right to the reimbursement of its capital contribution.

The procedures for paying the dividend within the maximum period provided by law shall be set by the Ordinary Shareholders' Meeting or, failing this, by the Board of Directors.

The Ordinary Shareholders' Meeting held to approve the financial statements for the financial year shall have the right to provide to each shareholder, for all or part of the dividend distributed, or for the interim dividend, a choice between payment of the dividend in cash or in shares.

Dividends shall be paid within a maximum of nine months following the year-end. This period may be extended by court ruling. Unclaimed dividends shall be forfeited to the French State after the statutory period of five years.

9.1.10 Changes to the share capital and the rights attached to shares

Any changes to the share capital or the voting rights attached to the shares making up the share capital shall be governed by the standard legal provisions, as the Bylaws⁽²⁾ do not contain any specific provisions in this respect.

9.1.11 Statutory Auditors

Deloitte & Associés, member of the Versailles regional auditors' association (*Compagnie Régionale des Commissaires aux Comptes de Versailles*), represented by Marc de Villarty and Loris Strappazon, whose registered office is at 6, place de la Pyramide, 92908 Paris La Défense Cedex, reappointed by the Shareholders' Meeting of 10 November 2023 for a term of four years, which will expire at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

KPMG SA, member of the Versailles regional auditors' association (*Compagnie Régionale des Commissaires aux Comptes de Versailles*), represented by Caroline Bruno-Diaz and Adrien Johner, whose registered office is at Tour Eqho, 2, avenue Gambetta, 92066 Paris La Défense Cedex, whose appointment was approved by the Shareholders' Meeting of 10 November 2022 and will expire at the close of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

Fees of the Statutory Auditors and members of their networks

The fees of the Statutory Auditors and members of their networks for the 12-month financial year are presented in Note 6.8 "Fees of the Statutory Auditors and members of their network for the 12-month financial year" in Chapter 6 "Annual consolidated financial statements" of this Universal Registration Document.

⁽²⁾ The Bylaws are available on the Company's website (www.pernod-ricard.com).

9.2 Information on the share capital

All conditions in the Bylaws⁽³⁾ governing changes to the share capital and the rights attached thereto are in all respects compliant with French law. The Bylaws⁽³⁾ do not provide for any overriding provisions and do not impose any special contingencies.

9.2.1 Amount of paid-up capital at 30 June 2024

On 18 July 2012, the Board of Directors noted that, at 30 June 2012, the share capital had increased by an amount of €912,643.10 following the exercise, since 1 July 2011, of 588,802 stock options granting entitlement to the same number of Pernod Ricard shares.

On 24 July 2013, the Board of Directors noted that, at 30 June 2013, the share capital had increased by an amount of €172,029.85 following the exercise, since 1 July 2012, of 110,987 stock options granting entitlement to the same number of Pernod Ricard shares. At 30 June 2013, Pernod Ricard's subscribed and fully paid-up share capital thus amounted to €411,403,467.60, divided into 265,421,592 shares with a par value of €1.55.

Since 30 June 2014, Pernod Ricard's subscribed and fully paid-up share capital has amounted to €411,403,467.60, divided into 265,421,592 shares with a par value of €1.55.

On 22 July 2020, upon delegation of the Shareholders' Meeting of 8 November 2019, the Board decided to cancel 3,545,032 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €411,403,467.60 to €405,908,668, divided into 261,876,560 shares with a par value of €1.55.

On 27 April 2022, upon delegation of the Shareholders' Meeting of 10 November 2021, the Board decided to cancel 3,929,205 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €405,908,668 to €399,818,400.25, divided into 257,947,355 shares with a par value of €1.55.

On 26 April 2023, upon delegation of the Shareholders' Meeting of 10 November 2021, the Board decided to cancel 2,315,622 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €399,818,400.25 to €396,229,186.15, divided into 255,631,733 shares with a par value of €1.55.

On 24 April 2024, upon delegation of the Shareholders' Meeting of 10 November 2023, the Board decided to cancel 2,302,985 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €396,229,186.15 to €392,659,559.40, divided into 253,328,748 shares with a par value of €1.55.

9.2.2 Shares not representing capital

There are no shares not representing the Company's capital.

5,181,868 Pernod Ricard shares held by Société Paul Ricard are pledged to third parties.

1,352,650 Pernod Ricard shares held by Le Delos Invest I (a controlled company within the meaning of Article L. 233-3 of the French Commercial Code) are pledged to third parties.

4,118,105 Pernod Ricard shares held by Le Delos Invest II (a controlled company within the meaning of Article L. 233-3 of the French Commercial Code) are pledged to third parties.

1,720,000 Pernod Ricard shares held by Le Delos Invest III (a controlled company within the meaning of Article L. 233-3 of the French Commercial Code) are pledged to third parties.

9.2.3 Contingent capital

Stock options

At 30 June 2024, there were no outstanding Company stock options.

⁽³⁾ The Bylaws are available on the Company's website (www.pernod-ricard.com).

9.2.4 Changes in the share capital over the last five years

TABLE OF CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

Amount of share capital prior to transaction	Number of shares prior to transaction	Year	Type of transaction	Quantity	Effective date	Shares issued/cancelled	Share/conversion premium	Number of shares after transaction	Amount of share capital after transaction
€411,403,467.60	265,421,592	2020	-	-	-	-	-	265,421,592	€411,403,467.60
€411,403,467.60	265,421,592	2021	Cancellation of shares	N/A	22/07/2020	3,545,032	-	261,876,560	€405,908,668
€405,908,668	261,876,560	2022	Cancellation of shares	N/A	27/04/2022	3,929,205	-	257,947,355	€399,818,400.25
€399,818,400.25	257,947,355	2023	Cancellation of shares	N/A	26/04/2023	2,315,622	-	255,631,733	€396,229,186.15
€396,229,186.15	255,631,733	2024	Cancellation of shares	N/A	24/04/2024	2,302,985	-	253,328,748	€392,659,559.40

N/A: Not applicable.

The date provided is the date on which the Board of Directors decided to cancel the shares.

9.2.5 Changes in voting rights over the last five years

Year ⁽¹⁾	Number of voting rights ⁽²⁾
Position at 30 June 2020	317,440,412
Position at 30 June 2021	314,421,245
Position at 30 June 2022	310,685,307
Position at 30 June 2023	305,894,671
Position at 30 June 2024	303,698,375

(1) Data at the date the breakdown of share capital and voting rights were recorded.

(2) Total number of voting rights in the Company, including suspended voting rights.

9.2.6 Changes in the breakdown of share capital and voting rights over the last three years

Shareholders	Position at 30.06.2024			Position at 30.06.2023			Position at 30.06.2022		
	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*
Société Paul Ricard ⁽¹⁾	35,997,926	14.21	20.57	35,964,503	14.07	20.41	35,939,659	13.93	20.09
Rafaël Gonzalez-Gallarza ⁽²⁾	1,477,603	0.58	0.97	1,477,603	0.58	0.97	1,477,603	0.57	0.95
Directors and Management of Pernod Ricard	230,703	0.09	0.08	220,911	0.09	0.08	208,387	0.08	0.07
Pernod Ricard employees	3,656,800	1.44	1.84	3,540,466	1.38	1.79	3,567,721	1.38	1.77
Groupe Bruxelles Lambert (Belgium) ⁽³⁾	17,204,118	6.79	11.33	17,204,118	6.73	11.25	19,891,870	7.71	12.80
BlackRock Investment Management Limited (United Kingdom) ⁽⁴⁾	12,852,469	5.07	4.23	12,957,953	5.07	4.24	12,002,224	4.65	3.86
Wellington Management Group LLP ⁽⁵⁾	12,769,809	5.04	4.20	1,685,256	0.66	0.55	-	-	-
MFS Investment Management (United States) ⁽⁶⁾	10,748,331	4.24	3.54	10,607,826	4.15	3.47	12,994,021	5.04	4.18
Caisse des Dépôts et Consignations ⁽⁷⁾	6,391,135	2.52	2.10	-	-	-	6,376,245	2.47	2.05
Invesco (United Kingdom) ⁽⁸⁾	6,106,053	2.41	2.01	6,528,175	2.55	2.13	6,598,665	2.56	2.13
Amundi ⁽⁹⁾	5,151,040	2.03	1.70	3,763,462	1.47	1.23	3,965,340	1.54	1.28
FIL Fund Investment International ⁽¹⁰⁾	3,747,057	1.48	1.23	5,170,372	2.02	1.69	4,551,211	1.76	1.46
Janus Henderson Group plc ⁽¹¹⁾	1,316,651	0.52	0.43	-	-	-	-	-	-
UBS Group AG ⁽¹²⁾	1,382,305	0.55	0.46	-	-	-	-	-	-
Ameriprise Financial Group ⁽¹³⁾	1,306,532	0.52	0.43	-	-	-	-	-	-
Citigroup Global Markets Limited (United Kingdom) ⁽¹⁴⁾	1,278,795	0.50	0.42	-	-	-	-	-	-
WCM Investment Management, LLC (United States) ⁽¹⁵⁾	-	-	-	6,620,843	2.59	2.16	-	-	-
Alecta ⁽¹⁶⁾	-	-	-	2,699,000	1.06	0.88	1,399,000	0.55	0.45
Bank of Montreal ⁽¹⁷⁾	-	-	-	1,662,343	0.65	0.54	-	-	-
Threadneedle Asset Management Holdings Ltd ⁽¹⁸⁾	-	-	-	1,570,019	0.61	0.51	1,376,315	0.54	0.45
Mitsubishi UFJ Kokusai Asset Management Co. Ltd ⁽¹⁹⁾	-	-	-	1,410,526	0.55	0.46	-	-	-
Franklin Resources ⁽²⁰⁾	-	-	-	1,381,512	0.54	0.45	-	-	-
Allianz Global Investors GmbH ⁽²¹⁾	-	-	-	1,288,331	0.50	0.42	1,318,122	0.51	0.43
Norges Bank Investment Management (Norway) ⁽²²⁾	-	-	-	-	-	-	3,917,610	1.52	1.26
American Century Investments Management, Inc. ⁽²³⁾	-	-	-	-	-	-	1,315,136	0.51	0.42
Treasury shares:									
• Held by affiliates	-	-	-	-	-	-	-	-	-
• Held by the Company	2,027,013	0.80	0.00	2,363,986	0.92	0.00	979,454	0.38	0.00
Other and public	129,684,408	51.19	44.44	137,514,528	53.79	46.76	140,068,772	54.30	46.33
Total	253,328,748	100.00	100.00	255,631,733	100.00	100.00	257,947,355	100.00	100.00

Based on notifications made to the Company, mainly in the prior financial year, that thresholds stipulated in French law and the Bylaws (0.5% of the share capital) had been crossed.

* Although there is only one class of shares, shares held for ten years in registered form are entitled to double voting rights. Calculated on the basis of a total of 303,698,375 "theoretical" voting rights (including suspended voting rights).

(1) Société Paul Ricard is wholly owned by the Ricard family. The notification also covers 169,868 shares held by Le Garlaban, 1,352,650 shares held by Le Delos Invest I, 4,431,928 shares held by Le Delos Invest II and 1,720,002 shares held by Le Delos Invest III. These four companies are controlled by Société Paul Ricard within the meaning of Article L. 233-3 of the French Commercial Code.

(2) Rafaël Gonzalez-Gallarza has signed a shareholders' agreement with Société Paul Ricard, as detailed below.

(3) Notification of 22 June 2017.

(4) Notification of 15 February 2024.

(5) Notification of 19 June 2024.

(6) Notification of 27 September 2023.

(7) Notification of 15 March 2024.

(8) Notification of 21 March 2024.

(9) Notification of 8 May 2024.

(10) Notification of 26 September 2023.

(11) Notification of 22 November 2023.

(12) Notification of 5 April 2024.

(13) Notification of 3 October 2023.

(14) Notification of 7 November 2023.

(15) Notification of 18 August 2022.

(16) Notification of 10 August 2022.

(17) Notification of 17 November 2022.

(18) Notification of 20 July 2022.

(19) Notification of 13 March 2023.

(20) Notification of 27 February 2023.

(21) Notification of 5 September 2022.

(22) Notification of 15 July 2021.

(23) Notification of 22 February 2022.

Certain Company shares carry double voting rights as described in subsection 2.5.3 "Voting conditions" in Chapter 2 "Corporate governance" of the 2023-2024 Universal Registration Document. Of the 253,328,748 shares comprising the Company's capital on 30 June 2024, 50,369,627 shares had a double voting right.

At the same date, employees held 3,656,800 shares, representing 1.44% of the share capital and 1.84% of the voting rights of the Company.

The Paul Ricard Concert Party (comprising: Société Paul Ricard, Le Delos Invest I, Le Delos Invest II, Le Delos Invest III, Le Garlaban and Rigivar, as well as Danièle Ricard, Patricia Ricard Giron, Veronica Vargas, Rafaël Gonzalez-Gallarza, César Giron,

François-Xavier Diaz, Alexandre Ricard and Paul-Charles Ricard) held 38,241,311 Company shares representing 66,661,507 voting rights, i.e., 15.10% of the share capital and 21.95% of the voting rights of the Company at 30 June 2024.

The shareholders' agreement between the Company's shareholders (Rafaël Gonzalez-Gallarza and Société Paul Ricard, owned by the Ricard family), is described under "Shareholders' agreements" in subsections 2.1.2.5.2 "Declarations by the members of the Board of Directors" and 2.4.3 "Agreements between shareholders of which the Company is aware" in Chapter 2 of the 2023-2024 Universal Registration Document and is also available on the AMF website (www.amf-france.org).

Legal threshold crossings

In a letter received on 13 September 2023, BlackRock Inc. (55 East 52nd Street, New York, NY 10055, USA), acting on behalf of its clients and the funds it manages, notified that on 12 September 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,774,282 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 18 September 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 15 September 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,803,522 Pernod Ricard shares representing as many voting rights, i.e., 5.01% of the share capital and 4.19% of the voting rights of the Company.

In a letter received on 26 September 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 25 September 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,741,813 Pernod Ricard shares representing as many voting rights, i.e., 4.98% of the share capital and 4.17% of the voting rights of the Company.

In a letter received on 11 October 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 10 October 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,843,093 Pernod Ricard shares representing as many voting rights, i.e., 5.02% of the share capital and 4.20% of the voting rights of the Company.

In a letter received on 13 October 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 12 October 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,632,984 Pernod Ricard shares representing as many voting rights, i.e., 4.94% of the share capital and 4.13% of the voting rights of the Company.

In a letter received on 29 November 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 28 November 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,854,700 Pernod Ricard shares representing as many voting rights, i.e., 5.03% of the share capital and 4.20% of the voting rights of the Company.

In a letter received on 5 December 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 4 December 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,781,445 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 31 January 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 30 January 2024 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,812,098 Pernod Ricard shares representing as many voting rights, i.e., 5.01% of the share capital and 4.19% of the voting rights of the Company.

In a letter received on 2 February 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 1 February 2024 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,762,714 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.17% of the voting rights of the Company.

In a letter received on 6 February 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 5 February 2024 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,789,064 Pernod Ricard shares representing as many voting rights, i.e., 5.00% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 7 February 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 6 February 2024 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,473,386 Pernod Ricard shares representing as many voting rights, i.e., 4.88% of the share capital and 4.08% of the voting rights of the Company.

In a letter received on 9 February 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 8 February 2024 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,820,066 Pernod Ricard shares representing as many voting rights, i.e., 5.02% of the share capital and 4.19% of the voting rights of the Company.

In a letter received on 12 February 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 9 February 2024 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,642,269 Pernod Ricard shares representing as many voting rights, i.e., 4.95% of the share capital and 4.13% of the voting rights of the Company.

In a letter received on 15 February 2024, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 14 February 2024 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,852,469 Pernod Ricard shares representing as many voting rights, i.e., 5.03% of the share capital and 4.20% of the voting rights of the Company.

In a letter received on 27 June 2024, Société Paul Ricard SA, Le Delos Invest I SA, Le Delos Invest II SA, Le Delos Invest III SAS, Le Garlaban SNC, Rigivar SL, Danièle Ricard, Veronica Vargas, Patricia Ricard Giron, Rafaël Gonzalez-Gallarza, César Giron, François-Xavier Diaz, Paul-Charles Ricard and Alexandre Ricard, acting in concert, notified that on 21 June 2024 they had risen above the threshold of 15% of the share capital of Pernod Record, and subsequently held 38,241,311 Pernod Ricard shares representing 66,660,101 voting rights, i.e., 15.10% of the share capital and 21.95% of the voting rights of the Company. This threshold was crossed as a result of the reduction of the total number of Pernod Ricard shares.

In a letter received on 4 December 2023, Wellington Management Group LLP (c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA, 02210, USA), acting on behalf of funds and clients, notified that on 1 December 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of said funds and clients, 12,885,204 Pernod Ricard shares representing as many voting rights, i.e., 5.04% of the share capital and 4.21% of the voting rights of the Company.

In a letter received on 14 February 2024, Wellington Management Group LLP, acting on behalf of funds and clients, notified that on 13 February 2024 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf

of said funds and clients, 12,703,742 Pernod Ricard shares representing as many voting rights, i.e., 4.97% of the share capital and 4.15% of the voting rights of the Company.

In a letter received on 19 February 2024, Wellington Management Group LLP, acting on behalf of funds and clients, notified that on 15 February 2024 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of said funds and clients, 12,901,497 Pernod Ricard shares representing as many voting rights, i.e., 5.05% of the share capital and 4.22% of the voting rights of the Company.

In a letter received on 6 March 2024, Wellington Management Group LLP, acting on behalf of funds and clients, notified that on 5 March 2024 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of said funds and clients, 12,747,916 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.17% of the voting rights of the Company.

In a letter received on 29 April 2024, Wellington Management Group LLP, acting on behalf of funds and clients, notified that on 26 April 2024 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of said funds and clients, 13,045,406 Pernod Ricard shares representing as many voting rights, i.e., 5.10% of the share capital and 4.26% of the voting rights of the Company.

Additional information on shareholders

It is estimated that approximately 12,225 Pernod Ricard shareholders hold their shares in registered form.

Breakdown of share capital (Company analysis based on shareholder survey at 31 March 2024 and registered share data)	(%)
Paul Ricard Concert Party	15.0
Board + Management + Employees + Treasury shares	2.3
Groupe Bruxelles Lambert	6.7
US institutional investors	31.6
French institutional investors	8.6
UK institutional investors	10.4
Other foreign institutional investors	21.4
Individual shareholders	4.2
TOTAL	100

To Pernod Ricard's knowledge, no shareholder, directly or indirectly, alone or in concert, holds more than 5% of the share capital or voting rights, other than those included in the table summarising the breakdown of share capital and voting rights.

No individual or entity, directly or indirectly, alone, jointly or in concert, exercises control over Pernod Ricard's share capital.

To the Company's knowledge, no material changes have taken place in the breakdown of the Company's share capital over the last three financial years, other than those included in the table

summarising the breakdown of share capital and voting rights.

Pernod Ricard is the only Group company listed on a stock exchange (Euronext Paris).

However, the Pernod Ricard Group controls Corby Spirit and Wine Limited (45.79% of the share capital and 51.61% of the voting rights), which is listed on the Toronto Stock Exchange (Canada).

Interests and stock options

Detailed information is provided in Chapter 2 "Corporate governance" of this Universal Registration Document in relation to the following:

- Corporate Officers' interests in the Company's share capital;
- transactions by Corporate Officers involving Pernod Ricard shares in the financial year;

- stock options exercised by Executive Corporate Officers in FY 2024;
- stock options granted to and exercised by the ten Group employees (other than Corporate Officers) receiving and exercising the highest number of options in FY 2024.

9.2.7 Stock market information on Pernod Ricard shares

Pernod Ricard shares (ISIN: FR0000120693) are traded on the Euronext regulated market in Paris (Compartment A) and are eligible for the deferred settlement service.

TRADING VOLUME AND SHARE PRICE ON THE PARIS STOCK EXCHANGE IN THE LAST 18 MONTHS (SOURCE: BLOOMBERG)

Date	Volume (thousands)	Capital (€ millions)	Average price (€)	High (€)	Low (€)	Closing price (€)
January 2023	8,735	1,657	189.72	197.60	181.65	189.90
February 2023	9,098	1,770	193.58	204.40	184.45	197.70
March 2023	11,897	2,404	202.28	209.80	194.65	208.70
April 2023	9,112	1,918	211.02	218.00	205.50	209.40
May 2023	8,086	1,705	211.82	217.00	199.95	202.10
June 2023	7,758	1,557	200.04	205.00	195.00	202.40
July 2023	6,001	1,202	200.29	205.70	192.80	200.60
August 2023	6,775	1,318	194.60	202.30	181.20	181.20
September 2023	12,573	2,134	169.77	183.40	157.65	157.85
October 2023	10,570	1,716	162.36	170.60	156.35	167.50
November 2023	9,308	1,553	166.82	175.30	154.65	158.55
December 2023	7,343	1,173	159.69	164.75	154.80	159.75
January 2024	10,052	1,493	148.49	160.55	140.50	152.50
February 2024	8,080	1,263	156.36	164.55	152.15	154.55
March 2024	7,263	1,092	150.32	156.05	144.10	149.95
April 2024	7,701	1,104	143.35	150.90	138.70	142.00
May 2024	9,544	1,376	144.15	150.60	134.85	136.95
June 2024	10,246	1,367	133.41	140.70	126.10	126.70

9.2.8 Other legal information

Related-party transactions

Transactions with related parties are described in Note 6.6 – *Related parties* to the consolidated financial statements (Chapter 6 of this Universal Registration Document).

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10.1 Persons responsible

10.1.1 Names and functions

Person responsible for the Universal Registration Document

Alexandre Ricard
Chairman & CEO of Pernod Ricard

Person responsible for the information

Florence Tresarrieu
Vice-President, Financial Communication & Investor Relations
Tel.: +33 1 70 93 17 03

10.1.2 Declaration by the person responsible for the Universal Registration Document and the Annual Financial Report

I hereby declare that, to the best of my knowledge, the information contained in this Universal Registration Document is in accordance with the facts and that the Universal Registration Document makes no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and financial results of

the Company and all the other companies included in the scope of consolidation, and that the management report included in subsection 10.3.2 of this Universal Registration Document gives an accurate picture of the developments in the business, financial results and financial position of the Company and all the other companies included within the scope of consolidation, together with a description of the main risks and uncertainties that they face.

Paris, 17 September 2024

Alexandre Ricard
Chairman & CEO of Pernod Ricard

10.2 Documents available

Corporate documents (financial statements, minutes of Shareholders' Meetings, attendance registers for Shareholders' Meetings, list of Directors, Statutory Auditors' reports, Bylaws, etc.) for the last three financial years may be consulted at Pernod Ricard's registered office at 5, cours Paul Ricard, 75380 Paris Cedex 08, France.

The "Regulatory information" section of the Company's website is available at the following address:

<https://www.pernod-ricard.com/en/investors>

This page contains all the regulatory information reported by Pernod Ricard pursuant to the provisions of Articles 221-1 *et seq.* of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) General Regulation.

10.3 Cross-reference tables

10.3.1 Universal Registration Document

The table below cross-references the disclosures required under Annex I and Annex II of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and the relevant pages of this Universal Registration Document.

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N/A: Not applicable.

10.3.2 Management report

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

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Changes made to the presentation of the financial statements	N/A
Injunctions or financial penalties for anti-competitive practices	N/A
Non-Financial Performance Statement (NFPS)	97-187
Information relating to interest and exchange rate risks, as well as risks linked to changes in stock market prices	211-212; 267-268
Information required by Article L. 225-211 of the French Commercial Code on transactions by the Company in its own shares	60-62
Transactions by executives in Company shares	51
Five-year financial summary	310
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Information on payment terms pursuant to Article D. 441-6-1 of the French Commercial Code as amended by Decree No. 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016	309-310
Inventory of marketable securities	311
Internal control and risk management	194-195

10.3.3 Corporate governance report

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

Required disclosure	Pages
Body chosen to serve as the Company's General Management (if the management structure has changed)	26-57
List of offices or functions held by each of the Corporate Officers in all companies	36-49
Compensation and benefits for each of the Corporate Officers	66-90
Table and report on delegations for share capital increases	58-59
Information required by Article L. 225-37-5 of the French Commercial Code that may have an impact on a public offer	58-63
Shareholders' meeting and how to take part	64-65
Rights attached to shares	65

10.3.4 Annual financial report

Required disclosure	Pages
Consolidated financial statements	230-284
Statutory Auditors' report on the consolidated financial statements	285-288
Parent company financial statements	290-311
Statutory Auditors' report on the parent company financial statements	312-314
Management report	216-227
Declaration by the person responsible for the annual financial report	342
Statutory Auditors' fees	281

10.3.5 Management reports, parent company financial statements, consolidated financial statements and Statutory Auditors' reports for financial years ended 30 June 2023 and 30 June 2022

In accordance with Article 19 of European Regulation EU No. 2017/1129 of 14 June 2017, the following information is incorporated by reference in this Universal Registration Document:

- the Group management report, the parent company financial statements, the consolidated financial statements and the Statutory Auditors' reports on the parent company financial statements and the consolidated financial statements for the financial year ended 30 June 2023, as presented on pages 189 to 200 of the 2023 Universal Registration Document (<https://www.pernod-ricard.com/en/media/universal-registration-document-fy23>), filed on 20 September 2023 under No. D.23-0717;
- the Group management report, the parent company financial statements, the consolidated financial statements and the Statutory Auditors' reports on the parent company financial statements and the consolidated financial statements for the financial year ended 30 June 2022, as presented on pages 101 to 258 of the 2022 Universal Registration Document (<https://www.pernod-ricard.com/en/media/universal-registration-document-fy22>), filed on 21 September 2022 under No. D.22-0725.

The information included in these two universal registration documents, other than that mentioned above, has been replaced and/or updated, as applicable, by the information contained in this Universal Registration Document.

Financial Communication & Investor Relations Department

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Pernod Ricard

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