

Integrated Annual Report
FY20

Naturally



committed



Pernod Ricard
Créateurs de convivialité

Carte Blanche to



Sanja

“I stage landscapes and people,
then I transform them to create
an imaginary universe.”

Marušić



A Pernod Ricard employee and a partner, linked by a resource that is essential to our products. For our eleventh artistic campaign, Sanja Marušić shows how these collaborations unfold in their respective environments. Dressed in costumes that the photographer has made herself, they are transformed into human sculptures set in natural landscapes. Her experimental approach to materials, colour, composition and choreography creates dreamlike scenes that project an otherworldly aura.

This year, Pernod Ricard gave Carte Blanche to the Dutch-Croatian photographer Sanja Marušić.

www.sanjamarusic.com

A shared commitment

Creating moments of conviviality out of nature and the resources it provides. That is the ethos we actively share with our partners across the entire value chain, as exemplified by these portraits of employees and Pernod Ricard partners.

Luis Torres,
Owner of Rancho
La Garita



Agave



Stefania Elizalde,
Liquids Coordinator,
House of Tequila



Finbarr Curran,
Bond Supervisor,
Irish Distillers



Paul McLaughlin,
Owner,
Kelvin Cooperage

Oak



Sean Harrison,
Gin Operations Manager,
Chivas Brothers

Orange peel



Tommy Haughton,
Director, Beacon
Commodities

Carl Mark*,
Product
Development
Manager,
The Absolut
Company

Glass

Maria Clettborn
Persson*,
New Product
Development
Project Manager,
Ardagh Group

Adeline Loizeau,
EDV and Wine
Supply Manager,
Maison Martell



Grapes



Laurence Prulho,
Director, La Perruge
Vineyards & Distillery



Asbel Morales,
Maestro
del Ron Cubano

Sugar cane



Alejandro
Bolivar,
Head Bartender,
El Floridita

Iain Green*,
Grower,
Corskie Farm

Barley

Keira Wright*,
Distillery
Operations
Technician,
Chivas Brothers

Cork

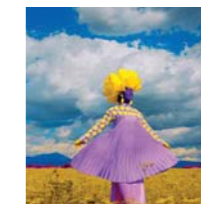


Conchi Garzón,
Sales Director,
MASILVA & Garzón



Estibaliz Torrealba,
Sustainable
Performance Manager,
Pernod Ricard Winemakers

Virginie Bartholin,
Purchasing Manager,
Pernod Ricard France



Fennel



Vincent Fanguiaire,
Director,
GAEC de Peyronnet

* Due to the Covid-19 crisis, we were not able to go ahead with the photoshoots planned in Scotland and Sweden. However, we were keen to share Iain, Keira, Carl and Maria's thoughts on the materials that are at the heart of their collaboration.

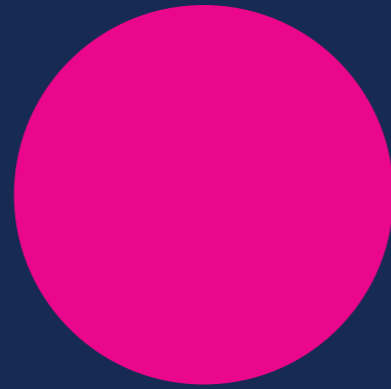
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Naturally



Two years ago we launched our strategic plan **‘Transform & Accelerate’** with a clear goal: transform our organisation and our ways of working to accelerate our growth. With a focus on **mutualisation, prioritisation, simplification**, our Group is ever more agile and gaining in operational efficiency. These changes have proven to be essential in the face of the crisis that came with the Covid-19 pandemic and even more so to prepare the Group’s future in this new world. It’s an **ambitious and challenging plan** which will help build an ecosystem that is both responsible and profitable for all our stakeholders.

We are doing this thanks to you: **investors, shareholders, employees, customers, partners, all our stakeholders** at the heart of ‘Transform & Accelerate’. We have faced this exceptional year together, and it is **with you that we will shape the conviviality of tomorrow**, which the world needs more than ever. Thank you for your support.

This is the story, **your story**, that we have set out to tell throughout this year’s integrated annual report.

committed

Message from Alexandre Ricard



“The crisis has above all revealed our three strengths: the resilience of our economic model, the relevance of our strategy and the exceptional commitment of our employees.”

ALEXANDRE RICARD
Chairman & CEO
of Pernod Ricard

Over the past several years, the Group has been in a dynamic of far-reaching transformation to increase our agility and operational efficiency, with the sole objective of building the Pernod Ricard of the future, today. ‘Building for the long term’ is the course we set 45 years ago, when Paul Ricard and Jean Hémard, followed by Patrick Ricard, established the founding principle of creating long-term value for all our stakeholders. This requires our being the first to seize and capitalise on every

growth opportunity, wherever it presents itself. At a time when many companies have been compelled to hastily adapt their organisation to face the new context imposed by the Covid-19 crisis, we were already two years into our major business transformation strategy, ‘Transform & Accelerate’, with its 21 concrete actions to accelerate growth – a process we have been undertaking relentlessly as illustrated by the creation this year of Pernod Ricard France.

This strategy is a crucial asset. In this uncertain period, it has helped us to both gain precious time and to concentrate on the essentials: building a smarter, sharper organisation based on solid fundamentals, underpinned by our culture and our ethos of sharing and conviviality. In 2015, we embraced a new resolutely consumer-centric approach, and in 2017 we reorganised our segmentation by product category to adopt a strategy structured around moments of consumption, or ‘conviviality experiences’. These strategies have allowed us to successfully adapt to the constantly changing consumer landscape, a reality that the pandemic has only accelerated. Our latest annual results demonstrated the resilience of our business model and our agility in adapting quickly, confirming the merit of our approach even in the midst of the storm. Digital acceleration, marketing transformation, acquisition of “gem” brands, pooling of expertise: we will continue pursuing these strategies and more in the months and years to come.

Yet these results are equally due to two other key factors: the first is the outstanding dedication of our teams. Over the past months, they have played a decisive role, driven by their commitment to our values and their strong attachment to the company and to their craft. I was truly touched by the exceptional level of their engagement – it is thanks to them that Pernod Ricard was able to react to unprecedented disruption, by reinventing new ways of working and collaborating effectively together. This same involvement also spurred our employees around the world to put their energy into supporting the severely affected café, hotel and restaurant sector and our local communities: for example, by supplying millions of litres of pure alcohol and producing hand sanitiser.

The second crucial factor is the support of our investors. Their belief in the success of our strategy to create long-term value is what allows us to build for the future and work with confidence, staying true to the course we have set, strengthened by the unity of purpose demonstrated by our Board of Directors, whom I wholeheartedly salute for their work during the crisis.

From our employees to our directors, backed by our investors, we have an unbeatable team to face the challenges of the post-Covid world.

In fact, this crisis brought the focus back to what is essential, showing the relevance of our vision ‘Créateurs de convivialité’. More than ever, the pandemic has proved our vital need to be together, to share meaningful moments with our loved ones. Physical distancing (and not social distancing, an expression I utterly reject) is contrary to human nature. Yet we must comply. For the time being at least, we must wear masks and respect safe physical distancing in order to protect our communities. Our goal is to work every day to create the conditions that allow the moments of conviviality so vital to humanity to once again be possible in the most optimal way, beginning with the responsible consumption of our products. Equally, this crisis can be seen as a tremendous opportunity to invent innovative ways of interacting and it’s been good to see new moments of conviviality appear in the shape of virtual happy hours or live stream events. Nonetheless, we will never lose sight of the fact that one day we will certainly be meeting again in our favourite bars and restaurants to celebrate our reconnection in person. It’s what we do. It’s our purpose. It’s our nature.

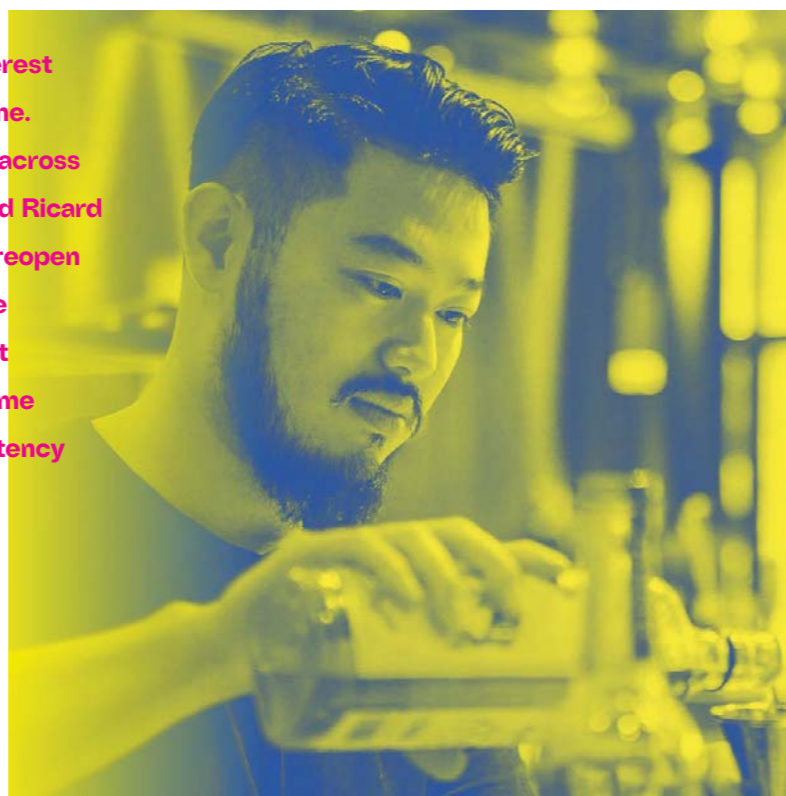
Shaping tomorrow's conviviality

In a year when the Covid-19 pandemic has significantly impacted life and livelihoods worldwide, four key stakeholders share their perspectives on how Pernod Ricard is working with its different partners to create a responsible and profitable ecosystem, supporting the resilience of the Group, its people and all our communities.

“

As an advocate of sustainable bartending, I was honoured to take part in the launch of Pernod Ricard's Sustainable Bar Guidelines in China last year. In sharing training in sustainable and responsible bar practices, the Group is supporting the bartending community to prepare for what is an important issue for our industry today and more so for our society.

Cocktail bars have helped nurture a greater interest and respect for the products we use and consume. When the pandemic closed venues in China and across the globe, every initiative such as the ones Pernod Ricard took to help local bars survive and get ready to reopen has been crucial. It also prompted new ideas like the delivery of bottled cocktails. And that's what LAIBA is about – bringing cocktails to you, at home or wherever you are, with the quality and consistency of a professional mixologist.”



MICHAEL CHEN

Bar Director and co-founder of LAIBA bottled cocktails, Shanghai

Michael has brought his passion for cocktails to the world stage. Recognised as an award-winning mixologist (2018 Chivas Masters China champion), he is currently Director of The Nest, The Cannery and Rye&Co in Shanghai and co-founder of China's first handcrafted bottled cocktail brand LAIBA.

“

Our employees' entrepreneurship has been remarkable. The team sharpened its competitive edge after Covid-19 hit by quickly pivoting to leverage opportunities in off-premises, e-commerce and cocktails to go. They demonstrated that same agility – as well as a sense of purpose and our convivial culture – by supporting local communities during these troubled times. From producing hand sanitiser to supporting out-of-work bartenders and making a donation of more than \$1 million to support the Black Lives Matter movement, the team's efforts are totally in line with the Group's values and focus on sustainability and responsibility.

Leadership in a crisis is all about seeing the short-term need and finding solutions that also help build solidarity and strengthen communities over the long term. I celebrate our employees' willingness to embrace ideas from a newcomer, as well as their resilience and commitment.”

ANN MUKHERJEE

Chairwoman & CEO of Pernod Ricard North America

Ann believes businesses can overcome crises by leaning into their values, and Pernod Ricard North America – which she joined in December 2019 after a 30-year career with Kraft, PepsiCo and SC Johnson – is proving her right.



**DEEPAK OHRI**

Founder and CEO
of Lebua Hotels & Resorts

With a wealth of knowledge in creating luxury experiences, Deepak has successfully launched unique restaurants, bars and hotels within luxury settings in Thailand, New Zealand and India. Over the past eight years, he has collaborated with Pernod Ricard to create exclusive Lebua blends of the Group's prestige brands, including St Hugo, Perrier-Jouët, Absolut Elyx and Chivas.

“

In the new world, we need to reassure our customers of the value of coming together again. We need to show them that we care about their health and their well-being. Our ability to rebuild people's trust and provide them with new, quality experiences will be critical to bringing them back to the places they once loved.

Our collaboration with Pernod Ricard and its world-class brands can help us do just that. Together we have been providing our guests with the quality of products and exciting experiences they look for. The Tower Club five-star hotel in Bangkok, the 'world's first vertical destination' as I like to call it, recreates in one building the feeling of being in a luxury neighbourhood with the finest restaurants and distinctive bars such as 'Flute, A Perrier-Jouët Bar' and 'Alfresco 64 - A Chivas Bar'.”

“

Our initial aim with Educate All was to create a platform that would help democratise adult education. But with the platform launching during the pandemic, we believe Educate All and technology in general will play an even greater role in our global economic recovery.

Our collaboration with Pernod Ricard to launch the e-learning 'Bar World of Tomorrow' is a good example of the crucial role companies can play in helping us populate this platform with their expertise and promote it with their network. Launched in May, this free online training developed with Trash Tiki and the Sustainable Restaurant Association focuses on key learnings that the bartending community can use to prepare for the future of the industry, promoting sustainable and responsible practices.”

DARREN WINTERFORD

Founder and CEO of EdApp:
Better Microlearning

Darren created EdApp, an award-winning microlearning platform, with the vision of disrupting traditional learning and training for companies and their employees throughout the world. This year, a joint initiative by EdApp and UNITAR (United Nations Institute for Training and Research) saw the launch of Educate All, a global platform designed to democratise learning and increase global access to high-quality adult education.



Accelerating our

Pernod Ricard can count on its fundamentals - its history, its culture, its employees and their expertise - to transform the Group in a sustainable way and pursue its vision and purpose 'Créateurs de convivialité'.



OUR
GROUP

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transformation

Our history

OUR GROUP

“IN ORDER TO KNOW WHERE YOU’RE GOING, YOU NEED TO KNOW WHERE YOU COME FROM.”

PATRICK RICARD

1975
1 Creation of Pernod Ricard from the merger of two French anise-based spirits companies: Pernod, founded in 1805, and Ricard, created in 1932 by Paul Ricard.

1988
2 Acquisition of leading Irish whiskey producer Irish Distillers – owner of Jameson.

1993
3 Creation of joint venture between Pernod Ricard and the Cuban rum company, Cuba Ron to market and sell Havana Club.

2001
4 Acquisition of Seagram, securing key positions in whisky (Chivas Regal, The Glenlivet, Royal Salute) and cognac (Martell) categories.

2003
Signing of the United Nations Global Compact.

2005
5 Acquisition of Allied Domecq, doubling the Group’s size to become the world’s #2 wine & spirits company, with brands including Mumm and Perrier-Jouët champagnes, Ballantine’s whisky, Kahlúa and Malibu liqueurs and Beefeater gin.

Membership of the International Alliance for Responsible Drinking (formerly ICAP⁽¹⁾).

2008
6 Acquisition of Vin & Spirit – owner of Absolut Vodka.

2010
Adhesion to the United Nations CEO Water Mandate.

2011
Upgrade of Group’s credit rating to investment grade.

7 Launch of ResponsibALL Day, Pernod Ricard’s annual social engagement volunteer event involving the Group’s entire workforce.

2012
Signing of the Wine & Spirits Producers’ five commitments to promote responsible drinking

2015
Appointment of Alexandre Ricard as Chairman & CEO.

2016
8 Acquisition of majority stake in Black Forest Distillers GmbH – owner of the super-premium gin, Monkey 47.

Signing of the United Nations Sustainable Development Goals.⁽²⁾

The *Institut Océanographique Paul Ricard* celebrates its 50th anniversary.

2017
9 Acquisition of majority stake in high-end bourbon producer Smooth Ambler and in Del Maguey Single Village, the #1 mezcal in the United States.

2018
Nomination of Pernod Ricard as a member company of Global Compact Lead⁽²⁾.

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

2019
Launch of new 2030 Sustainability & Responsibility roadmap ‘Good Times from a Good Place’.

Acquisition of the super-premium gin, Malfy.

10 Acquisition of a majority stake in super-premium bourbon Rabbit Hole Whiskey.

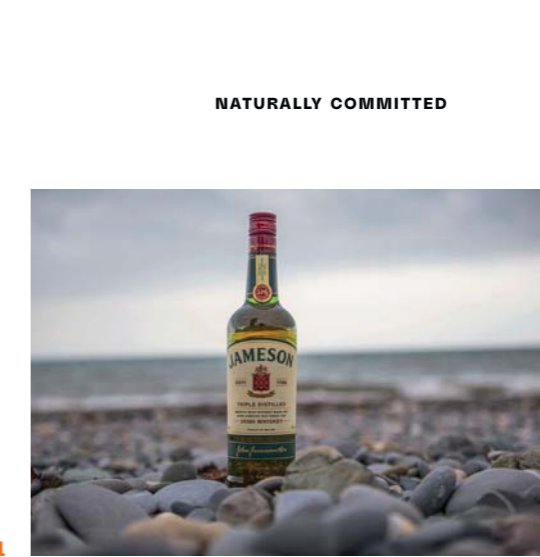
Acquisition of Castle Brands (Jefferson’s), expanding our bourbon and whiskey portfolio.

Acquisition of Firestone & Robertson Distilling Co., owner of the super-premium Texan whiskey TX.

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

2020
Announcement of our commitment to ban all single-use plastic at the point of sale, by 2021.

11 Inauguration of The Island, the Group’s new flagship in Paris, which brings together all its Parisian offices and 900 employees.



(1) International Center for Alcohol Policies.
(2) <https://www.unglobalcompact.org/take-action/leadership/gc-lead>

Our decentralised organisation

4

must-win markets:
United States, China, India
& Global Travel Retail

Decentralisation is a founding principle of our organisation. From the outset, Pernod Ricard has harnessed the potential of decentralisation to encourage consumer-centric decision-making and address customer needs in a timely manner. Decentralisation confers a competitive advantage in an uncertain environment, as we know it today with the Covid-19 pandemic, rendering company operations more flexible, efficient and effective. With an organisation based on respect for each affiliate's operational autonomy and the overall strategic principles defined at Group level, we can confidently rely on the constant interaction between Headquarters, Brand Companies and Market Companies.

18,776*

employees across the world: 65% are based in Latin America, Africa & Europe of which 12% are in France, 10% are in North America and 25% are in Asia and the Pacific.

* As at 30 June 2020.

+ 160

countries in which our brands are distributed

73

countries with our own salesforce

94

production sites in 24 countries*

* Operating sites as at 30 June 2020.

-  Production site
-  Brand Company head office
-  Market Company head office

PERNOD RICARD HEADQUARTERS

Headquarters defines, coordinates and oversees the implementation of the overall company strategy and ensures that affiliates comply with corporate policies. Its main responsibilities are: governance functions (strategy, mergers & acquisitions, finance, legal affairs, corporate communications, talent development, sustainability and responsibility, etc.), dissemination of best practices and cross-functional initiatives with high added value (digital marketing, luxury, innovation, etc.), and support functions (supply chain, IT, etc.). It oversees the Group's major transformation projects and ensures effective rollout across the organisation.

BRAND COMPANIES

- THE ABSOLUT COMPANY
- CHIVAS BROTHERS
- MARTELL MUMM PERRIER-JOUËT
- IRISH DISTILLERS
- PERNOD RICARD WINEMAKERS
- HAVANA CLUB INTERNATIONAL

Based in the home country of each brand, the Brand Companies are responsible for developing the overall strategy for their respective brands, as well as activations that can be implemented at the local level by the Market Companies. They are also responsible for production and management of their industrial facilities.

MARKET COMPANIES

- PERNOD RICARD NORTH AMERICA
- PERNOD RICARD ASIA
- PERNOD RICARD EMEA & LATAM⁽¹⁾
- PERNOD RICARD GLOBAL TRAVEL RETAIL
- PERNOD SAS⁽²⁾
- RICARD SAS⁽²⁾

The Market Companies are each linked to a region (Pernod Ricard North America, Pernod Ricard Asia or Pernod Ricard EMEA & LATAM⁽¹⁾), with the exception of the Group's two founding Market Companies in France, Pernod SAS and Ricard SAS⁽²⁾. The Market Companies' role is to activate the Group's international brand strategies at the local level and manage the local and regional brands in their portfolio. They are also tasked with implementing the Group's strategy and key policies, such as the implementation of transformation projects launched in recent years.

(1) Europe, Middle East, Africa and Latin America.
(2) 1 July 2020, Pernod SAS and Ricard SAS merged into one single entity, Pernod Ricard France.

Our Mindset, our purpose



1

Men & women of Pernod Ricard: pride and commitment

18,776 employees engaged in fulfilling the Group's vision of 'Créateurs de convivialité' and realising its leadership ambition. At Pernod Ricard, we are:

- Proud to belong
- Empowered to perform
- Committed to care

Pernod Ricard achieves record engagement rates as shown once again in the 2019 independent opinion survey / Say⁽¹⁾. Since this survey was launched 10 years ago, the figures related to our employees' commitment, pride and support for the Group's values have been high. And this year's exceptional mobilisation in the face of the Covid-19 crisis confirms these results.

- 94% of our employees are proud to be associated with Pernod Ricard
- 88% are engaged or highly engaged in the company
- 74% say they have a good understanding of our 'Transform & Accelerate' strategy

A purpose-driven business that is externally recognised as one of the world's most admired companies⁽²⁾ and a 'best employer' in France⁽³⁾.

At the heart of our organisation, our employees share the same "Pernod Ricard Mindset for Growth", resulting from a successful blend of a decentralised economic model that places our consumers at its heart, and a culture built on our three cardinal values: an entrepreneurial spirit, mutual trust and a strong sense of ethics.



2

An economic model: decentralisation

By respecting the autonomy of our affiliates, we combine the power of a large Group and the agility of a start-up. The Group manages large cross-functional projects and pools certain expertise so that local subsidiaries can focus on the essential: growing their activity in their market by placing the consumer at the centre.

- Placing decision-making closer to markets
- Fast response to consumer needs

When lockdown measures were gradually put in place from early 2020, our decentralised model enabled us to quickly respond to local needs. Our manufacturing sites produced 1 million litres of hand sanitiser and provided a total of 4 million litres of pure alcohol, while also supporting the local community and hospitality sector (see pp.73-75).

3

Our cardinal values

Our three cardinal values make up our culture and connect everyone who works at Pernod Ricard throughout the world and across our brand portfolio: 95% of our employees say they support the Group's values⁽¹⁾.

ENTREPRENEURIAL SPIRIT

- Autonomy
- Initiative-taking
- Audacity
- Appetite for risk

We embrace our entrepreneurial spirit by promoting creative thinking and empowering our teams to innovate. Part of our 'TransfoHRm' strategy is about defining and implementing a model of leadership which managers are evaluated on every year and which is founded on boldness, a conquering spirit, the ability to adapt and collaborate, as well as the desire to make the most of diversity.

MUTUAL TRUST

- Freedom to act
- Open dialogue
- Right to make mistakes

We work in a spirit of collaboration and mutual trust. There can be no entrepreneurial spirit without trust. Likewise, trust is a prerequisite in all our relations with our partners. As part of our S&R roadmap (see pp. 28-29) we are working hand in hand with our stakeholders – farmers, suppliers and local communities – to identify and map the social and environmental risks in our supply chains. Today, close to 92% of Martell's 1,200 partner winegrowers take an active part in working to improve environmental practices.

SENSE OF ETHICS

- Respect
- Transparency
- Good stakeholder relations

Beyond the very nature of our business – the sale of alcohol which requires a great sense of responsibility – ethics is a central element of our culture. Indeed, in the same way as there is no entrepreneurial spirit without trust, there can be no trust without respect for others and transparency in relationships. Doing business with the same requirement of integrity is crucial for us wherever we are in the world. In September 2019, we successfully launched a mandatory MOOC⁽⁴⁾ for all employees (92% completion rate so far) to ensure proper ownership of our new Code of Business Conduct which defines our responsibilities in ten key areas, from the fight against corruption and money laundering to the protection of personal data and our brands.



4

An attitude: conviviality, which defines our purpose

Last but not least, conviviality is probably the most important element of our Mindset. First of all, because it gives a meaning to our three cardinal values: there can be no mutual trust or initiative without conviviality, that is to say without simple, informal, non-hierarchical, direct and transparent relationships. Secondly, because conviviality is our purpose and our *métier*. Our corporate signature 'Créateurs de convivialité' is about turning every social interaction into a genuine, friendly and responsible experience of sharing. Finally, in these uncertain times in which we need to act faster and be ever more agile, conviviality is a performance accelerator because it encourages more collaborative working. 83% of our employees believe that conviviality is what makes Pernod Ricard unique⁽¹⁾.

(1) I say survey, July 2019, Willis Towers Watson.
 (2) 680 World's Most Admired Companies, Fortune magazine, 2020.
 (3) 500 Meilleurs Employeurs en France, Capital magazine, 2020.
 (4) Massive Open Online Course.



Paul McLaughlin
Owner of Kelvin Cooperage
Kentucky, United States

When whisky crossed the Atlantic
to reach America, Scotch became bourbon.
Paul made the same voyage;
today he runs Kelvin Cooperage.

TRADITION.

The name of our company comes from our roots,
the River Kelvin that flows through Glasgow
in Scotland, where our family founded
a cooperage on the banks of the Kelvin in 1963.
In 1991, my brother Kevin and I decided
to cross the ocean to create a workshop
in Louisville, Kentucky: the land of bourbon!
This brought us closer to the large forests
of American oaks, the raw material of our casks.

Our craft is quite unique in that while we use
state-of-the-art machines, it essentially remains
artisanal, based on time-tested traditional
techniques. It's this relentless quest for
authenticity that brings Finbarr and I closer
together, despite the ocean between us!

If you respect wood, you can't work any other way.
Once the wood becomes a barrel it will diffuse
notes of toasted hazelnuts: scents that sometimes
remind me of the smell of toast when I was a child.

Finbarr Curran
Bond Supervisor, Irish Distillers
Cork, Ireland

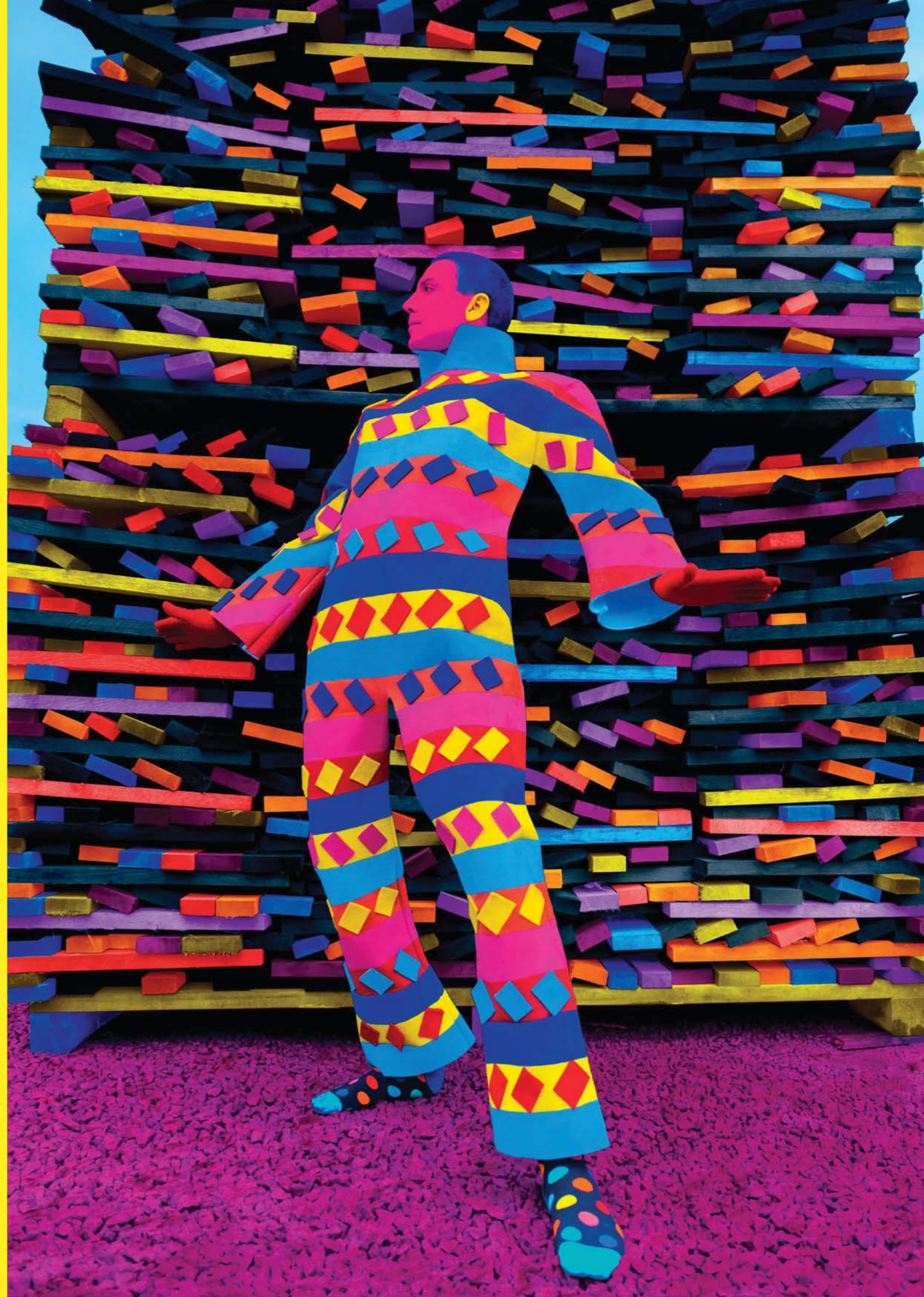
Ireland, another native land of whiskey, is also the homeland of Finbarr, who works on the team that sources the best barrels globally for Irish Distillers.

JOURNEY.

Notes of vanilla and spice, oak and honey, and over it all, highlights of caramel: good barrels lend so many flavours. When made with care from the finest wood, an oak barrel can last over 100 years!

The casks in which we age our whiskey are used three times, and then they are moved on to continue their journey in other distilleries to mature other spirits around the world. In this circular economy, the life of a barrel can be the same as the time required for an oak tree to reach its full size. To achieve this level of quality, the choice of barrel maker is critical, which is why we work with Paul. I have complete faith in his choices and his judgement because he understands my expectations and knows his subject perfectly.

His cooerage respects wood and crucially the forests where it comes from. Together we are working to ensure sustainability is at the forefront of our approach to forestry management and cask selection.



Our brand portfolio

Pernod Ricard has a unique portfolio of premium brands encompassing every major category of wine and spirits. As one of the most comprehensive portfolios in the market, it provides the Group with a unique competitive advantage. Constantly evolving thanks to a dynamic management policy driven by brand acquisitions or disposals, Pernod Ricard's portfolio allows it to always be in line with new trends while investing in the most promising segments and brands.

OUR HOUSE OF BRANDS

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

Strategic International Brands are the heavy weights of our portfolio, as they account for the highest share of global business and potential. They are our worldwide top priorities and the reference brands in each category;

Prestige Brands, our portfolio of highly desirable global luxury brands, target our most affluent consumers in leading and iconic outlets all over the world. It is the industry's most comprehensive portfolio, spanning all major luxury categories and moments of conviviality;

Strategic Wines cover a wide range of origins and tastes. Shared over a meal or on other occasions, wine is more and more appreciated around the world by a growing variety of consumers;

Specialty Brands meet a growing demand for smaller-scale 'craft' products. Authentic, these brands offer a unique and comprehensive value proposition that responds to new consumer trends and expectations;

Strategic Local Brands are strongly rooted brands in a limited number of specific markets. They benefit from very strong local consumer value and loyalty, irreplaceable for some local occasions. This part of our portfolio is often a booster of our route-to-market.

PRIORITISING OUR INVESTMENTS

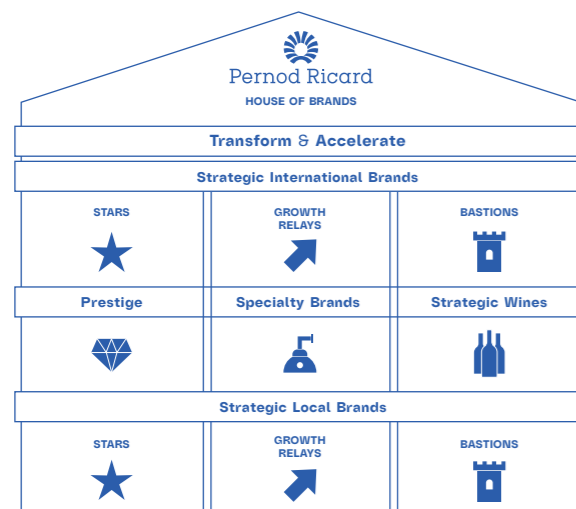
Using the House of Brands and in-depth consumer insight, our local Market Companies identify the potential of each brand in each market and determine their strategy based on three types of investment priorities:

Stars – our leading brands sold internationally or locally – benefit from significant investment to enable them to continue leading the way in different categories and actively contribute to the Group's growth;

Growth Relays also benefit from increased resources as they serve to capture different moments of conviviality in highly attractive categories and, at the same time, offer a promising growth outlook in the medium and long term;

Bastions, which are brands that are mature or in very competitive sales categories, receive enough investment to ensure that we protect their market share, sales and profits.

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




House of Brands



Strategic International Brands



Prestige

Specialty Brands*

Strategic Wines



Strategic Local Brands

* non-exhaustive list

Our strategy 'Transform & Accelerate'

In 2018, we launched a new strategic roadmap, 'Transform & Accelerate' with a clear objective: to transform our organisation and ways of working together in order to accelerate our growth. Mutualising, prioritising, simplifying, are some of the guiding principles which have already helped the Group to gain in agility and operational efficiency, qualities which have proved to be essential not only during the most acute moment of the pandemic but even more so in preparing for our future.

OUR CONSUMERS ARE AT THE HEART OF OUR STRATEGY

Today's consumer landscape is constantly changing, shaped by a number of forces. A new 'connected' consumer is emerging, who is thirsty for a sense of purpose and new experiences. There is greater awareness of what's happening around us leading to a focus on all things local and environmental concerns.

In newer markets, rapid economic development is dramatically expanding the base of middle-class and affluent consumers, changing consumption patterns. All over the world, technology

is transforming consumer behaviour, which is disrupting traditional relationships between businesses and customers, and requires the invention of new types of engagement.

These changes, which have accelerated with the Covid-19 crisis, have a direct impact on our business: our proximity to consumers is essential to ensure our decisions reflect their aspirations. Equally, the rapid pace of change requires speed and agility in our decision-making.

'TRANSFORM & ACCELERATE' TO WIN IN OUR BATTLEFIELDS

In order to meet our consumers' expectations, we've identified four battlefields: winning in our key markets: US, China, India and Global Travel Retail; building 'passion brands'; funding our journey by pursuing sustainable and diversified growth; and valuing people, making our employees and communities the drivers and beneficiaries of this acceleration.

Consisting of 21 concrete actions, this plan aims to transform our company in order to 'Prepare the Future' and accelerate our growth by getting 'More from the Core'.

The success of this strategic plan is based on an economic model which places the consumer at its centre and which is built around four Essentials based on our historical strengths and four Accelerators aimed at responding to changing trends in our markets.

4 ESSENTIALS

OPERATIONAL EXCELLENCE

Reduce complexity & foster efficiency



TALENT DEVELOPMENT

Recruit, retain & develop diverse teams



SUSTAINABILITY & RESPONSIBILITY (S&R)

Lead the industry in Sustainability & Responsibility



ROUTE-TO-MARKET / CONSUMER

Capitalise on our many different distribution channels in order to reach all of our customers and consumers



4 ACCELERATORS



PORTFOLIO MANAGEMENT

Position one of our brands at each and every shared moment of celebration, rooted in local specificities



INNOVATION

Create brand experiences through new products and services



PREMIUMISATION & LUXURY

Premiumise the portfolio & strengthen our position as the leader in luxury spirits



DIGITAL ACCELERATION

Accelerate the integration of digital into everything we do

Our S&R roadmap

Pernod Ricard's S&R roadmap connects the Group's history as a sustainable and responsible company with its goal to create long-term value for all stakeholders: shareholders, employees, consumers, clients, suppliers, international organisations, citizens... Integrated into all Pernod Ricard activities and addressing the business from grain to glass, it's a key business driver and central to the 'Transform & Accelerate' strategic plan.

Responding to major environmental and social shifts, the S&R strategy allows the Group to focus corporate priorities on what matters most to consumers. By boosting responsible innovation and building purposeful brands, Pernod Ricard is bringing to life its vision of a more convivial world without excess.

A collaborative strategy. Developed through extensive consultation and collaboration between internal teams, external partners and experts, the S&R roadmap was launched in 2019 with a focus on four key pillars: Nurturing *Terroir*, Valuing People, Circular Making, Responsible Hosting. Each pillar has defined commitments, actions and measurable targets to monitor progress. Projects are driven by multidisciplinary teams involving people across our value chain, from employees to farmers, partners and suppliers.

Commitments and progress. S&R commitments address consumer needs and material risks facing the world and the Group today, such as climate change, human rights and waste. By directly supporting the United Nations Sustainable Development Goals (SDGs), Pernod Ricard is aligning itself with the collective effort to build sustainable prosperity by 2030. Already the Group has made strong progress in several areas,

One year into its 2030 Sustainability and Responsibility (S&R) roadmap - 'Good Times from a Good Place', Pernod Ricard is progressing strongly. A strategy that is proving an important lever to accelerate transformation and highly relevant to our consumer concerns in the new context of Covid-19 as we move towards a greener and more inclusive economy.

“
SHAPING A MORE SUSTAINABLE AND RESPONSIBLE STYLE OF CONVIVIALITY
”

for example all sites in France are now powered by 100% renewable electricity and single-use plastic point-of-sale items will be eliminated by 2021 – four years ahead of schedule.

Guiding short and long-term priorities. A structured roadmap gives clear future direction as well as strengthening business resilience in the face of immediate challenges. It has empowered the Group to navigate through the Covid-19 crisis, which significantly impacted the drinks and hospitality sectors, while continuing to support employees and business partners.

'Good Times from a Good Place' is a long-term strategy that is right, relevant and ready for the future: to shape a more sustainable and responsible style of conviviality.

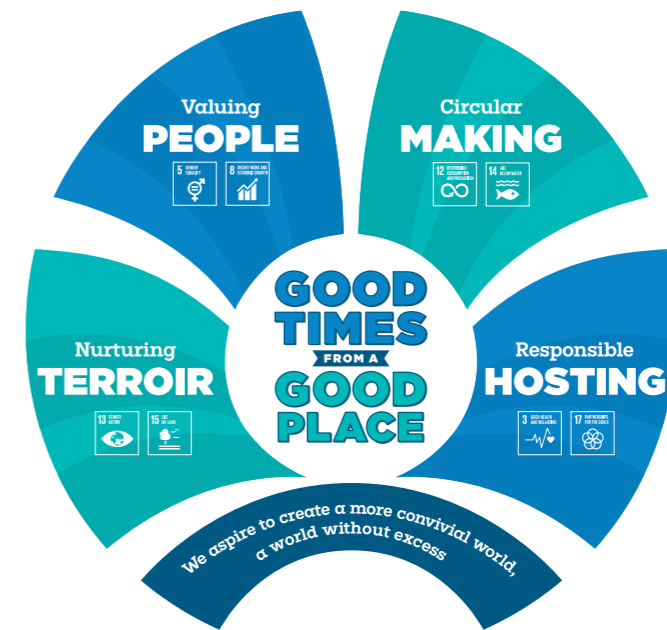
OUR FOUR PILLARS

— VALUING PEOPLE

As 'Creators of conviviality', our purpose is about sharing, warmth, care and respect for people everywhere. We strive to provide 'Decent Work & Economic Growth' (SDG 8) and to champion 'Gender Equality' (SDG 5) throughout our business. To create shared value for all our stakeholders, we are continuously reinforcing our commitments to human rights, diversity and inclusion across our leadership, health and safety, responsible procurement, training and sustainable bartending.

— CIRCULAR MAKING

The world is made of finite resources that are under huge pressure. By contributing to 'Responsible Consumption & Production' (SDG 12) and protecting 'Life Below Water' (SDG 14) our goal is to help preserve natural resources. In moving towards a more circular business model – from the packaging we use to the promotional items we produce to the way we distribute our products and how they are ultimately recycled – we are actively striving to minimise our carbon footprint and protect our natural resources.



— NURTURING TERROIR

As each and every Pernod Ricard product takes its character from the land where it was grown, we have made it a priority to combat 'Climate Change' (SDG 13) and protect 'Life on Land' (SDG 15). To ensure we maintain healthy and resilient ecosystems that allow us to continue producing quality products for the generations to come, we are committed to nurturing every *terroir* and its biodiversity. To address our agricultural footprint across the 250,000 hectares from which we source our ingredients, we are developing sustainable and regenerative agricultural practices to be implemented across our business.

— RESPONSIBLE HOSTING

We believe that we have an important part to play in combating alcohol misuse and supporting 'Health and Well-being' (SDG 3), through our responsible drinking programmes and campaigns, and our commitment to responsible marketing and consumer information. To that end, we will continue building 'Partnerships for Goals' (SDG 17) at a local and global level.

Progress so far

One year on from the launch of our 2030 S&R roadmap, four employees representing our four S&R pillars and eight leading commitments tell us what we have achieved so far.



JEAN-FRANÇOIS ROUCOU
Group Director of Sustainable Performance

VALUING PEOPLE

OUR LEADING COMMITMENTS

- Ensure equal pay (2022), a gender balanced top management (2030) and future-fit training for our employees at least every 3 years so that they can acquire new skills (2030)
- Train 10,000 bartenders on techniques for a more sustainable bar world (2030)



As part of creating the best work environment for our employees, we've rolled out an updated Group Health and Safety policy, 'Taking care of each other', based on the key priorities of culture, leadership and performance.

Already underway, digital transformation has been accelerated during the Covid-19 crisis as we adopted new tools and ways

NURTURING TERROIR

OUR LEADING COMMITMENTS

- 100% of our affiliates will be engaged in a strategic biodiversity project (2030)
- Deploy pilot programmes in our 8 wine regions (2025)⁽¹⁾ in regenerative agriculture and share this knowledge further with 5,000 farmers (2030)



At Pernod Ricard, all our products come from nature. Our goal to move towards regenerative agriculture, which protects the land and the living, represents an ambitious transformation. Working with procurement teams in all our affiliates, we've launched a full mapping of supply chains for core ingredients from grain, grapes to agave and sugar cane. It's

of working. Pernod Ricard University created a library of online training resources enabling employees to build up their skills. For our bartending community, we developed in partnership with Trash Tiki 'an anti-waste bartending duo', and the Sustainable Restaurant Association, a free sustainability and responsibility hospitality e-learning module, which was uploaded on the United Nations' Educate All platform to promote the Bar World of Tomorrow.

Diversity and inclusion actions have helped us close the gap (currently 2.3%) towards equal pay across our business, by 2022. Leveraging the awareness created by the global Better Balance initiative over the last 3 years, we are now moving on to the next stage to create an ever more inclusive organisation so that diversity becomes a real mindset, fully aligned with our value of conviviality.

a vital starting point for identifying pressing sustainability issues and potential biodiversity projects that we are defining with farmers and local partners.

A key strength is being able to share knowledge across our different *terroirs*. Initiatives like the relaunch of our Wine Hub network on viticulture and wine making ensure that we can replicate regenerative practices elsewhere: like planting a variety of nutrient-rich crops between vines in Cognac which is optimising the nitrogen cycle, improving soil quality, sequestering carbon and creating an important ecosystem within the vineyard.

LANI MONTOYA
Director Global Talent Management, Diversity & Inclusion



CARINE CHRISTOPHE
Group Environmental Manager

RESPONSIBLE HOSTING

OUR LEADING COMMITMENTS

- 100% of our affiliates will have at least one programme in partnership and at scale fighting alcohol misuse (2030)
- Expand the Responsible Party programme to reach at least 1 million young adults (2030)



Translating our commitment to responsible drinking into concrete actions has been an important focus in a year where confinement has heightened societal concerns about alcohol abuse.

We launched a MOOC on alcohol and responsible drinking that embeds our new Global Responsible Drinking Policy so all our employees understand the key facts about alcohol and our expectations of them as ambassadors. This has been adapted and shared on the United Nations' Educate All learning platform.



A circularity mindset is the key principle at the heart of our strategy on water, carbon and packaging to avoid waste during the life of our products.

To reach our goals, we've set out to ensure all our teams have a clear

With the support of IARD⁽²⁾, we have announced a new set of actions aimed at accelerating efforts toward eliminating underage drinking, including the introduction of an age-restriction symbol on all our brand products, including alcohol-free extensions, as well as developing new self-regulatory models to ensure only adults are able to purchase our brands on e-commerce platforms.

Over 150 global and local programmes all involve close collaboration with industry, governmental and local partners. Our flagship programme Responsible Party had come to a provisional halt during the lockdown as all student parties were cancelled, but we were quick to launch a digital campaign #SharingGoodVibes to promote healthy lifestyle and responsible drinking.

CIRCULAR MAKING

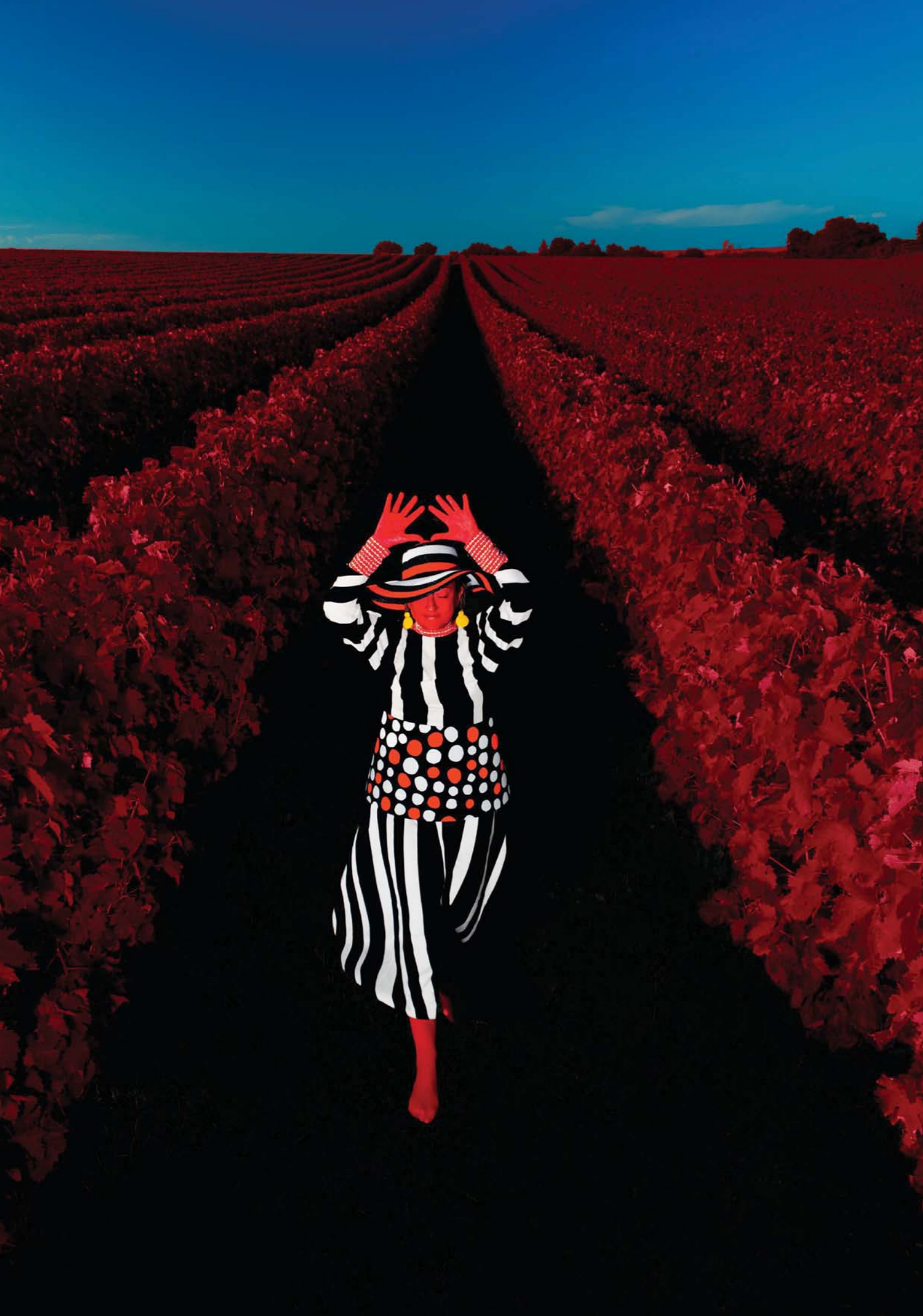
OUR LEADING COMMITMENTS

- Ban all single-use plastic POS by 2021, and have 100% recyclable, reusable, compostable or biobased packaging (2025); develop 5 pilot projects based on the circular economy model for the distribution of our products (2030)
- 100% water balanced in high-risk countries and 50% reduction in carbon intensity (2030) aligned with the Science Based Targets initiative to limit global warming to 1.5°C

understanding of what's involved, where we need to focus and analyse the technologies and tools that will help us reach our circularity vision. It's also important to collaborate across our supply chain, with local communities as well as with other industrial partners so together we embrace circular thinking from product design, manufacturing, and to the end of life of products. Our new sustainable packaging and point-of-sale guidelines have spurred us to phase out all single use plastic point-of-sale by 2021 – four years ahead of schedule – as announced in June 2020.



CAMILLE DE POTTER
Head of Strategy & Prevention



Laurence Prulho

Director, La Perruge Vineyards & Distillery
Cognac, France

After leaving the region of Cognac for a time, Laurence was glad to come home, as in the words of the French poet Joachim du Bellay: 'Happy are they who, like Ulysses, have returned from a long journey'.

HERITAGE.

Today my brothers and I are the fifth generation to run the vineyard and distillery founded by our great-great-grandfather, each with our specific roles to ensure its success.

For all five generations, the Maison Martell has been by our side - a personal and professional relationship based on the mutual care taken for the vines and the distillation process. Our shared objective is to produce high-quality grapes to make white wines, which are then distilled and blended to achieve an exceptional spirit: cognac.

We're very proud that our grapes are part of Martell cognacs. We feel a responsibility to continue the family business, but above all are driven by the desire to pass on our heritage. Cognac is timeless, we are simply passing.

COGNAC

Adeline Loizeau

EDV & Wine Supply Manager, Maison Martell
Cognac, France

The small town of Cognac in Southwest France lent its name to a spirit renowned around the world. This is where Adeline grew up, enchanted by the region's limpid and ever-changing light.

TRUST.

Since its creation more than three centuries ago, Martell has forged partnerships with the winegrowers and distillers of the region to select the best cognacs, which we blend and age to make Martell cognacs.

In our archives we have records of our links with Laurence's family that date back to 1892.

As with our other 1,200 partners, our relationship is based on trust and transparency, reflected in the day-to-day work with grapes in the vineyards and the wineries, where we share our experiences, our techniques and our expertise of the land and the market. Together we collaborate closely to ensure the longevity and sustainability of the Cognac terroir and the excellence of the spirit it gives rise to.

But what we have shared most of all over the years is an enriching, supportive human connection.

TRUST



Our Board of Directors

The Board of Directors oversees the governance in an ethical and transparent manner while ensuring that the business is managed in the best interests of its stakeholders. The Board members, who bring together complementary skills and experience, ensure that the Group pursues its business strategy with the primary goal of increasing the value of the Group.

ORGANISATION

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

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

FY20 ACTIVITY

Over the course of FY20, the Board met nine times, with an attendance rate of 100%. An exceptional Board meeting and several follow-up meetings were held this year in the context

of the sanitary crisis. The average length of the meetings was approximately four hours. Their main activities were to:

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

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors is assisted in its work by four specialised committees which provide advice and recommendations for the Board's discussions. The Strategic Committee – created and presided by Alexandre Ricard since 2015 – reviews key subjects for the Group, issues recommendations on acquisitions, divestitures and partnership projects and studies all strategic matters of interest to the Group. The Audit Committee notably reviews the half-year and annual draft financial statements, monitors the Group's cash flow and debt situation and assesses the Group's risk management and internal control systems. The Nominations, Governance & CSR Committee notably proposes new Directors and reviews the composition and operation of the Board, CSR issues and the Group's performance and talent-management policy. Lastly, the Compensation Committee notably defines the remuneration policy for the Group's Executive Directors, proposes a general long-term remuneration policy and implements an annual plan for the allocation of options and performance shares.

66.7%

Independent Directors

42.8%

Non-French Directors

41.6%

Female Directors

100%

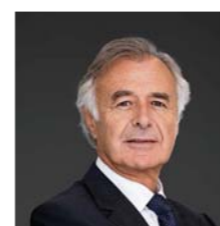
Attendance rate



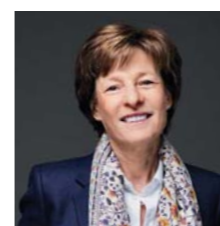
Alexandre Ricard
Chairman & Chief Executive Officer, Strategic Committee Chairman



Maria Jesus Carrasco Lopez
Employee Director



Philippe Petitcolin
Independent Director Audit Committee Member, Compensation Committee Member



Patricia Barbizet
Lead Independent Director Nominations, Governance & CSR Committee Chairwoman Compensation Committee Member



Ian Gallienne
Independent Director Strategic Committee Member, Compensation Committee Member



Wolfgang Colberg
Independent Director Audit Committee Chairman, Strategic Committee Member, Nominations, Governance & CSR Committee Member



Stéphane Emery
Employee Director Compensation Committee Member



César Giron
Director Strategic Committee Member, Nominations, Governance & CSR Committee Member



Esther Berrozpe Galindo
Independent Director



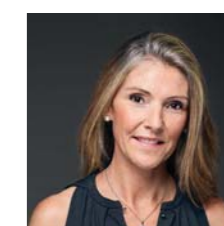
Anne Lange
Independent Director Strategic Committee Member



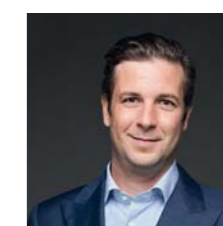
Gilles Samyn⁽¹⁾
Independent Director Audit Committee Member



Kory Sorenson
Independent Director Audit Committee Member, Compensation Committee Chairwoman



Veronica Vargas
Director



Paul-Charles Ricard
Director Permanent Representative of Société Paul Ricard

⁽¹⁾ Mr. Gilles Samyn has informed the Board of Directors of his decision to resign from his position as Independent Director as of the Shareholders' Meeting on 27 November 2020.

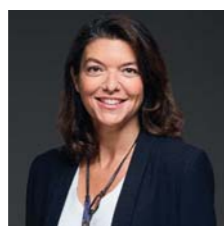
Our Executive Board & Executive Committee

Executive Board & Executive Committee

(as of 30 June 2020)



Alexandre Ricard
Chairman & Chief Executive Officer, Executive Director



Hélène de Tissot
EVP, Finance, IT & Operations



Christian Porta
Managing Director, Business Development and Digital Transformation



Cédric Ramat
EVP, Human Resources, Sustainability & Responsibility



Amanda Hamilton-Stanley
Group General Counsel & Chief Compliance Officer

The Group's general management is led by the Chairman & CEO, who is assisted by the Executive Committee. Under his authority, the Executive Committee implements the Group's main policies. The Executive Board is the permanent body responsible for coordinating and leading the Group, in cooperation with the Chairman & CEO, whom it assists with his responsibilities. The Executive Board reviews all decisions related to Group affairs and submits various matters to the Board of Directors when approval is required. It steers and coordinates the major transformation projects launched recently, organises the work of the Executive Committee and defines objectives for its members, in particular by signing off the strategic plan, the budget and regular business reviews. The Executive Committee, the Group's managing body, has 15 members – the five members of the Executive Board as well as the Managing Directors of the main Group affiliates. They meet

once per month, either at Headquarters or at an affiliate site. Under the direction of the Chairman & CEO, the Committee helps to define the Group's strategy and plays an essential coordinating role between Headquarters and the affiliates, and amongst the affiliates themselves (Brand Companies and Market Companies). The Committee is responsible for overseeing the Group's business activities and ensuring that its main policies are applied. More specifically, the Committee analyses the performance of the Group's business in relation to its market plan (budget and strategic plan); actively participates in setting financial and operational objectives (financial results, debt and qualitative objectives); periodically reviews the brand and market strategies; analyses performance and evaluates changes in the organisation as needed; and approves and ensures compliance with the Group's main policies.

Executive Committee members

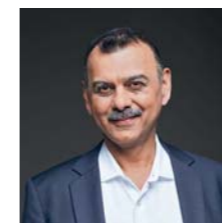
(as of 30 June 2020)



Alexandre Ricard
Chairman & Chief Executive Officer, Executive Director



Cédric Ramat
EVP, Human Resources, Sustainability & Responsibility



Mohit Lal
Chairman & CEO of Pernod Ricard Global Travel Retail



Bryan Fry
Chairman & CEO of Pernod Ricard Winemakers



Hélène de Tissot
EVP, Finance, IT & Operations



Gilles Bogaert
Chairman & CEO of Pernod Ricard Europe, Middle East, Africa and Latin America



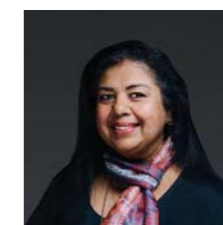
Jean-Christophe Coutures
Chairman & CEO of Chivas Brothers



Philippe Coutin
Chairman of Ricard SAS and Pernod SAS⁽¹⁾



Christian Porta
Managing Director, Business Development and Digital Transformation



Ann Mukherjee
Chairwoman & CEO of Pernod Ricard North America



Anna Malmhake
Chairwoman & CEO of The Absolut Company⁽²⁾



Amanda Hamilton-Stanley
Group General Counsel & Chief Compliance Officer



Philippe Guettat
Chairman & CEO of Pernod Ricard Asia



César Giron
Chairman & CEO of Martell Mumm Perrier-Jouët



Conor McQuaid
Chairman & CEO of Irish Distillers Group

(1) Pernod Ricard France as of 1 July 2020.

(2) Following her departure from the Group on 4 September 2020, Anna Malmhake was replaced by Stéphanie Durroux, previously CEO of Pernod Ricard Sweden/Northern Europe.



Sean Harrison

Gin Operations Manager, Chivas Brothers
Plymouth, United Kingdom

Stationed in Plymouth in the early 1990s while serving in the Royal Navy, Sean met his future wife and joined Plymouth Gin in 1994, giving him two good reasons to stay.

PROXIMITY.

Our collaboration with Tommy is a history of family and transmission. I first met his father, Michael, through our master distiller at the time.

When Michael, who worked for a well-known botanicals supplier, created his own company, we supported him, and Tommy joined this new venture. Tommy's expertise is invaluable: he is in direct contact with citrus growers and has developed a close relationship with them.

He knows every type of botanical inside and out, as well as understanding our needs. We know we can trust him one hundred percent when we're looking for something special - for plants that are little known or out of the ordinary. He'll find what we're looking for.

Tommy Haughton
Director, Beacon Commodities
Suffolk, United Kingdom

After working for eight years in the agricultural sector in southeast England, Tommy came to Beacon Commodities in 2013 to assist his father in developing the business internationally.

SCENT.

Sean is right on the nail about transmission and family tradition. We've been in this business for decades, and my father and I have always worked hand in hand.

Our origins are Anglo-Irish, but today we trade all over the globe, buying, importing and distributing botanicals. Two or three times a year, I go to Spain to visit the citrus growers, who have a unique traditional method for processing the peel. Despite new technology, the oranges there are still largely peeled by hand.

It's an amazing experience: the feel of the rind, the blade of the knife removing it in one long spiral, the bitter aroma this releases, etc. And when the dried peels arrive at our warehouse, it's filled with the scent of marmalade.



Our value creation model

Our resources

HUMAN CAPITAL

Our employees around the world are at the heart of everything we do. Their mindset and the diversity of their expertise and profiles gives the Group greater agility and adaptability in an increasingly volatile context.

- 18,776 employees across close to 80 affiliates
- 44% of newly recruited employees^(a)
- 88% outside of France
- 1.7% of Group payroll invested in training^(a)
- Women make up 37% of global workforce^(a) and

INTELLECTUAL CAPITAL

Innovation is part of our DNA. Our Brand Companies and Market Companies continuously work to ensure that we respond to our customers' and consumers' desires and expectations.

- 38 strategic brands in our global portfolio, the House of Brands
- Consumer Understanding & Targeting, Shoppers, E-Shoppers & Travellers, Mix Optimisation)
- 16 Brands in the Impact Top 100
- 4 Marketing Centres of Excellence to sharpen consumer insight (Cultural Foresight, Equity,
- Implementation of global digital tools that allow us to adapt our marketing strategies in real-time

FINANCIAL CAPITAL

Our investors and shareholders provide the financial resources and stability needed for the Group to undertake its activities.

- Share Capital allocation: Société Paul Ricard & Others (16.4%), GBL (7.5%), Board/Management/ Employees/ Treasury/ Shares (2.5%), Institutional Investors (69.5%),
- Individual Shareholders (4.1%)^(b)
- Net debt/EBITDA: 3.2x^(c)
- Market capitalisation: EUR 41 billion^(a)

INDUSTRIAL CAPITAL

We continuously strive to improve our manufacturing and distribution processes in terms of safety, quality and efficiency, capitalising on the many innovations brought about by Industry 4.0.

- 94 production sites in 24 countries^(a)
- EUR 5.1 billion^(a) in maturing inventory
- Natural resources from +275,000 hectares of land including 5,602 hectares of vineyards operated by the Group
- EUR 364 million of CAPEX
- Distribution network in +160 countries

SOCIAL CAPITAL

Due to the diversity of our brands, Pernod Ricard is deeply rooted in local communities. We are committed to building long-standing and ethical relationships with all our partners – farmers, suppliers, academics & bartenders.

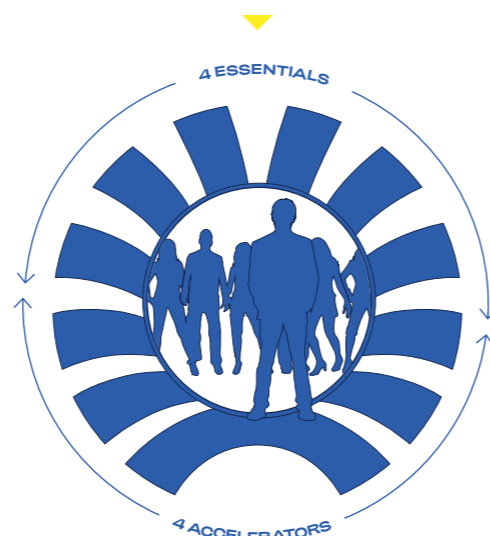
- Code for Commercial Communications ensures that our commercial communications do not encourage or condone irresponsible consumption or misuse of any kind.
- Targeted action on the ground to tackle alcohol-related harm. Often working with industry peers and external partners.

ENVIRONMENTAL CAPITAL

Natural resources and raw materials are used at every stage of production up until the final packaging. We are committed to nurturing our terroir and producing our products in a circular way, in order to ensure the resilience of our business.

- Energy consumption per unit produced: 6.19 kWh per litre of distilled pure alcohol^(e)
- The primary materials used for packaging are glass (875 kt) and cardboard (59.7 kt).^(e)
- 6.5 million m³ of water consumption^(f)

Our consumer-centric strategy (see pp. 26-27)



4 ESSENTIALS

- Operational excellence
- Talent development
- Sustainability & Responsibility (S&R)
- Route-to-market / consumer

4 ACCELERATORS

- Portfolio management
- Innovation
- Premiumisation & luxury
- Digital acceleration

Our impacts

Make our employees grow

- 94% of employees are proud to work for Pernod Ricard^(b)
- Record subscription rate for 2019 first-ever Group employee shareholding plan: 41.5%

Create new products and services

- Prestige, LeCercle Portfolio: 12% of our sales^(d)
- Innovation represents 7% of our sales^(d)
- +1,000 employees from 6 Brand Companies
- and 6 Market Companies monitor their brands and our competitors as well as campaigns and activations via one single monitoring tool

Create long-term value

- The Group has gained or maintained value share in its top 10 markets
- Acceleration of its digital transformation in FY20
- Dividend proposed of EUR 2.66^(a).

Producing high-quality products and enhancing our production capacity

- 93.3% of our sites are ISO 14001-certified^(a)
- 99% of our vineyards are certified according to environmental standards
- Provide employment in local economies, especially in agriculture through the production and purchase of raw and processed agricultural products (2.5 million tonnes per year)

Promote responsible drinking and engage with our partners and communities

- More than 300 commercial communications have been submitted to the Responsible Marketing Panel, of which 93% were compliant
- More than 150 responsible drinking initiatives worldwide, including our flagship program Responsible Party which has reached more than 400,000 students across 32 countries^(a)

Minimise our impact on the environment by limiting waste, consumption and use of natural resources

- -33% of CO₂ emissions (scope 1+2)^(a)
- -23% of water consumption^(a)
- -80% of non-recycled waste (landfilled or incinerated) per litre of finished product^(a)

Our medium- and long-term ambitions (see pp. 28-29)

PEOPLE

Capitalise on our diverse teams
By 2030, our top management^(a) team will be gender-balanced.

Fight alcohol misuse
By 2030, all affiliates will have at least one partnership programme implemented at scale and evaluated.

Share knowledge and learning
By 2030, 100% of employees will have received future-fit training at least every 3 years.

By 2030, Pernod Ricard will expand its 'Responsible Party' programme globally to reach at least 1 million young adults.

By 2030, we will train 10,000 bartenders on the bar world of tomorrow.

Develop strong and inclusive brands
By 2023, we will align all commercial communications with ethical advertising rules.

By 2030, we will partner with 5,000 farmers to share our acquired knowledge on regenerative agriculture.

PROFIT

Embed dynamic growth and deliver operating leverage

Our FY19-21 plan projects top line growth of +4 to +7% underpinned by leveraging our unique premium portfolio and winning in our four key markets.

Delivering operating leverage
Our FY19-21 plan projects a strong financial performance, with an expansion of operating margins by approximately 50 to 60 BPS per year.

PLANET

Preserve biodiversity and regenerative agriculture
By 2030, all affiliates will have implemented a strategic biodiversity project addressing the most pressing local biodiversity issues.

By 2030, we will pilot 5 new circular ways of distributing wine & spirits and help increase recycling rates in the top 10 largest markets with low recycling levels.

By 2025, we will develop regenerative agriculture pilot schemes within our vineyards across 8 wine regions.

By 2030, we aim to be water balanced in all high-risk watersheds, replenishing 100% of water consumption from production sites.

Deploy circular models
By 2021, we will ban all POS promotional items made from single-use plastic and, by 2025, 100% of our packaging will be recyclable, compostable, reusable or bio-based.

By 2030, we commit to reducing the overall intensity of our carbon footprint by 50% aligned with Science Based Targets (SBT).

(a) As at 30 June, 2020.

(b) According to the 2019 / Say survey.

(c) Per unit of production between fiscal years FY10 and FY20.

(d) In FY20.

(e) Impact Databank 2020, based on 2019 data.

(f) 228 million m³ of water was taken from the Group's industrial sites. Only 6.5 m³ constitute water consumption, the rest

being exclusively used by cooling installations and restored without any impact on the environment.

(g) Internal definition of top management: Job band C and above.

(h) Since 2010.

(i) As at 31 March 2020.

Our key financial figures

LEADERSHIP POSITIONS

No. 1

WORLD NO. 1 FOR PREMIUM AND PRESTIGE SPIRITS ⁽¹⁾

16

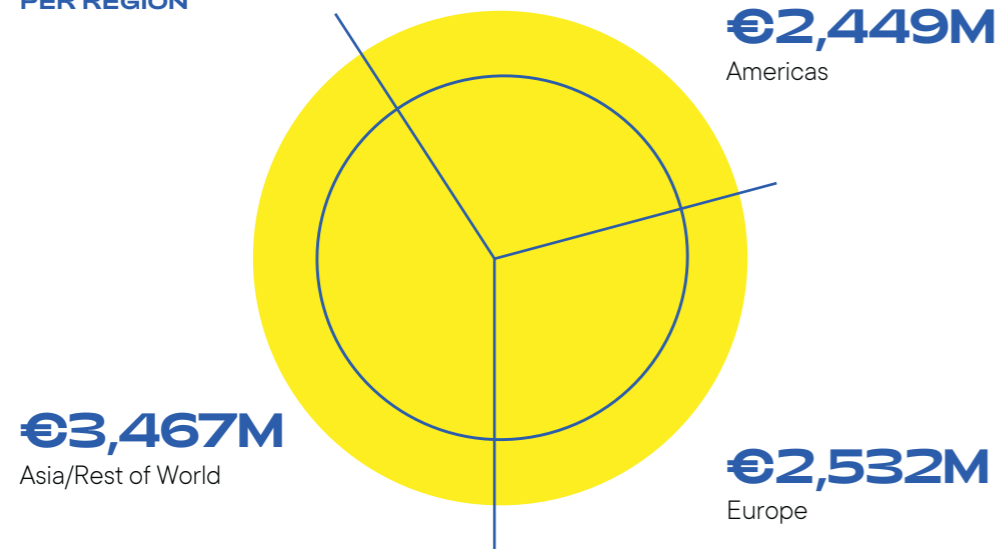
BRANDS AMONGST THE WORLD'S TOP 100 ⁽²⁾

No. 2

WORLD NO. 2 IN WINE & SPIRITS INDUSTRY ⁽¹⁾

FINANCIAL METRICS FY20

SALES PER REGION



€3,467M
Asia/Rest of World

€2,449M
Americas

€2,532M
Europe

€1,439M
Net Profit from Recurring Operations (Group share)

€2,260M
Profit from Recurring Operations

€8,448M
Net sales

Our key non-financial figures

PROTECTING THE PLANET

33%

REDUCTION IN CO₂ EMISSIONS ⁽³⁾

23%

REDUCTION IN WATER CONSUMPTION ⁽³⁾

EMPLOYEE ENGAGEMENT



86%
declare that people within their department are encouraged to act responsibly and to conduct their activities in line with our sustainability & responsibility engagements.

83%
Feel that the concept of conviviality is what makes Pernod Ricard unique.

86%
Believe conviviality (approachable, straightforward, and friendly) is a reality at Pernod Ricard.

90%
Believe strongly in the goals and objectives of Pernod Ricard.

Seizing the opportunities

OUR ENVIRONMENT

p. 44 ——— p. 53

of



a new world

Pernod Ricard listens to society, consumers and all its stakeholders to anticipate expectations, manage risks and create safe and responsible conviviality.

Major trends in a new world

Accelerated connectivity, a greater focus on health and well-being, increased sustainability concerns, the need to 'be' together.. Pernod Ricard explores the evolving needs of consumers and the opportunities for the Group. The Covid-19 crisis has accelerated already existing trends and with them a new world is emerging. Here are six major trends that are already shaping conviviality into the future.



Health and well-being

Consumers are looking for healthier and more balanced lifestyles. Younger generations are ever more concerned about well-being and keen to share convivial moments and treat themselves while drinking moderately.

Opportunities

Expanding our portfolio in the low/no alcohol and low sugar and calorie categories. Communicating clearly on product contents. Educating our customers on moderate drinking and encouraging them to favour quality over quantity. Developing products with ingredients from sustainable agriculture.

Key points

How can we support more mindful alcohol consumption and adapt our portfolio to respond to these new trends?

Actions

- Launch of Jacob's Creek new range "Better by Half", light wines with half the alcohol and calories of regular wine.
- Implementation of new labels on the backs of our bottles to inform consumers on calorie content as from December 2019.
- Digital campaign #SharingGoodVibes launched during lockdown with the Erasmus Student Network (ESN) to promote a healthy lifestyle and responsible drinking.

75% of millennials claim they now limit the amount of alcohol they drink on the majority of their nights out

Source: Mintel



Real life social networks

The Covid-19 crisis has increased the importance of coming together physically, with family, friends or neighbours. With the wearing of masks and physical distancing, people are more than ever longing for convivial moments and to return to their favourite venues, which are also having to adapt. New ways of socialising are appearing, that reinforce a sense of solidarity within one's local community.

Opportunities

Post-pandemic, consumers will value real life interactions. Bars, events and brands will reinforce their role as social connectors to develop conviviality, community collaboration and meet lifestyle aspirations.

Key points

How do we support our trade and hospitality partners to ensure there will still be the spaces needed to connect people and provide convivial occasions?

Actions

- '1000 Cafés' initiative in France to support the continuing or opening of local cafés in small French towns.
- Collaboration with Three Sheets, one of the World's 50 Best Bars, to bottle and deliver seven exclusive cocktails from iconic London bars during lockdown in the UK.
- Our Brand Homes are reconnecting with local consumers by offering premium and private tours or events in our distilleries (TX, JP Wiser's) and wineries (Mumm Napa, Kenwood Vineyards).

+850% Online mentions for #Supportyourlocal in March 2020

Source: Radarly



Sustainability

Covid-19 has brought ecological and biodiversity concerns to the fore, driving consumers to be more questioning about the ethical and environmental practices of the brands they choose.

Opportunities

Being transparent about origin and sourcing of ingredients, sustainable production and responsible distribution. Using packaging to reassure and educate about nutrition, alcohol content, sustainability and recyclability. Leading change with our suppliers and hospitality partners.

Key points

How can we be more open about our sustainability and responsibility commitments, progress and results, and share knowledge for further impact?

Actions

- Sustainable and responsible hospitality e-learning programme with UNITAR to help bartenders shape the 'Bar World of Tomorrow'.
- Ricard new range Fruités Bio with ingredients certified organic.
- All ingredients and water sourced locally for Absolut vodka, their bottles are 40% recycled and produced in Southern Sweden.

90% of consumers in US, UK, Australia and China say that companies and brands have a responsibility to take care of the planet and its people

Source: Wunderman Thompson



Shopping experience redefined

Consumers have embraced the convenience of online alcohol ordering, with home deliveries or click & collect services. A long-term trend, accelerated during confinement, that is driving an expectation for meaningful experiences and seamless interactions.

Opportunities

Demand will continue for the key advantages of e-commerce – fast fulfilment, price range and selection. Beyond convenience, consumers will also look for personal, social and interactive experiences.

Key points


How can our brands go further in how they connect, engage and shape the customer journey through engaging content and redefining the shopping experience?

Actions

- Click & collect services available at our wineries and distilleries accelerated during lockdown.
- New Drinks & Co marketplace now connecting consumers with all our brands in one place for the best online experience.
- Partnership with on-demand delivery start-up Glovo, enabling consumers to order via a mobile app and have goods delivered in less than an hour.

47% of consumers say they have discovered new ways to shop, such as online, and use delivery 'services' since the beginning of Covid-19

Source: Sourcing Journal



Augmented home entertainment

Home has become an increasingly privileged place for people to create togetherness and conviviality. Covid-19 stay-at-home directives will bring a lasting shift towards more do-it-yourself home entertaining.

Opportunities

Consumers will dedicate more time and resources to at-home convivial occasions. They are open to experimenting with new entertainment options, especially convenience solutions that help them host or celebrate in style.

Key points


How do we better support consumers' experiences as hosts and guests with new products and services to enhance conviviality at home?

Actions

- Partnered with Create Cocktails in the UK to launch limited-edition cocktail boxes for the Happy Place festival and the Royal Ascot horse race.
- In France, Mumm started wine and food pairings at home for the members of the RSRV club.
- Launch of new range Absolut Vodka Soda and Cocktails to recreate the cocktail experience at home.

49% of consumers in China stated spending more money than usual on home entertainment items due to Covid-19

Source: Statista, April 2020



Virtual togetherness

Togetherness is being redefined as a state of mind and not just a physical experience, especially in a Covid-19 context. From cloud parties and gaming to virtual reality worlds, people are sharing fun experiences across distances.

Opportunities

Online gatherings will expand in the conviviality of tomorrow. Consumers want to strengthen social bonds and create community in emerging types of virtual occasions.

Key points

As socialising habits change and online interactions become mainstream, how do we experiment with new platforms and partners to transform these into meaningful experiences?

Actions

- Festivals continue with live-streaming initiatives, including Tomorrowland Around the World, Boiler Room Festival, Stay Home Festival, Untold Festival, DGTL Amsterdam and NTS online radio.
- JD.com in China launched an online clubbing campaign inviting musicians and DJs to perform while offering click to order option for consumers.
- 'Stay Inn series' by Jameson offering online entertainment (pub quizzes, concerts, virtual visits of distilleries).

43% of UK consumers would be interested in watching a concert or art performance in virtual reality

Source: Alternative Realities

Moments of conviviality revisited



Aperitif

Very popular with consumers, the aperitif is a moment to relax and drink to health and happiness together. Whether it's virtual togetherness or clinking glasses on a terrace at home or elsewhere, it's the perfect time to whet your appetite before an evening meal. Often served with snacks, it sometimes even takes over lunch or dinner.

Who?

All generations, with friends and family.

Where?

Mainly in Western Europe.

What?

A glass of Ricard, a Beefeater gin and tonic, champagne (Mumm) or chilled wines – white, rosé, or even red – as well as light cocktails, Lillet (either by itself or with tonic) or a glass of whisky (The Glenlivet, Aberlour).

Happy hour

After a busy day or week working, friends and colleagues catch up, unwind or let off steam together in a relaxed atmosphere. These days, as a result of Covid-19, it can be a convivial online gathering as much as physical catch-up in a favourite place close to the office.

Who?

Colleagues or friends, or sometimes just a guys' or girls' get-together.

Where?

Originally a concept from English-speaking countries, it's now a universal phenomenon.

What?

Mainly cocktails (mojitos made with Havana Club rum or margaritas made with Altos tequila), simple mixed drinks (such as an Absolut vodka soda, Ballantine's lemonade or Beefeater gin and tonic), a simple glass of Jameson whiskey or beers.



Cocktail party

A cross between aperitif and dinner, a cocktail party is a stylish way to celebrate anything from birthdays, engagements to office events. A format that adapts to do-it-yourself parties at home and online, as well as a mix-and-mingle occasion meeting new people over cocktails and nibbles.

Who?

Loved ones, co-workers or acquaintances.

Where?

In Europe and Anglo-American countries.

What?

Champagne (Perrier-Jouët) and mixed drinks or cocktails (made with Absolut Elyx, Beefeater or Havana Club).



Business celebration

Enjoyed after dinner when the sun has set and the night is well under way. In Asia especially, business celebrations are occasions where strong bonds are forged amongst business partners or colleagues.

Who?

With colleagues and business partners.

Where?

In North America, Europe, and Asia – particularly in China, Japan, South Korea and Hong Kong.

What?

Blended and malt whiskies (Royal Salute, Chivas, The Glenlivet), cognacs (Martell) and local spirits.

Party time

Full of energy and enthusiasm, parties are about having fun with friends through music and dancing. When it's not possible to get together, cloud parties and virtual music festivals can keep the good vibes and good times going.

Who?

Mainly friends or like-minded tribes, but also colleagues in some cultures, especially in Asia.

Where?

Worldwide.

What?

Mainly champagne and spirits served straight (Absolut Vodka, Ballantine's) or in cocktails (Havana Club, Malibu, Olmeca tequila).



Dinner

Considered the main meal in some countries, dinner is usually a privileged time for sharing and conviviality, especially when entertaining at home. Guests are often invited to enjoy a special meal paired with wines and spirits carefully chosen by their hosts.

Who?

Family members and friends.

Where?

Worldwide.

What?

Wine reigns supreme in Western Europe (Campo Viejo), North America (Kenwood Vineyards) and Asia Pacific (Brancott Estate, Jacob's Creek), while beer and local spirits are preferred elsewhere. Innovative cocktail pairings are popping up on restaurant menus. In China, cognac with water is served with dinner.



Conchi Garzón

Sales Director, MASILVA & Garzón

La Rioja, Spain

Eighteen years ago, Conchi left a career in IT to take up her father's offer to join the cork manufacturing company where he worked, and began a new chapter in her life.

ENERGY.

In 2011, my father and I created the Spanish subsidiary of MASILVA, a family business in Portugal that has been producing natural corks for bottles for almost 50 years.

The work environment is really nice - human, personal - that's what I believe is characteristic of our company. I find the same qualities in Estibaliz, whose energy is contagious. We have a mutual understanding that leads us to look for solutions together to improve ever more the quality of our corks and produce them in the most sustainable way possible.

The world of wine and cork are inseparably linked, they rely on each other.

Estibaliz Torrealba
Sustainable Performance Manager,
Pernod Ricard Winemakers
La Rioja, Spain

Born in Bilbao, northern Spain, Estibaliz's love of wine and her husband brought her to La Rioja, her adopted home.

MAGIC.

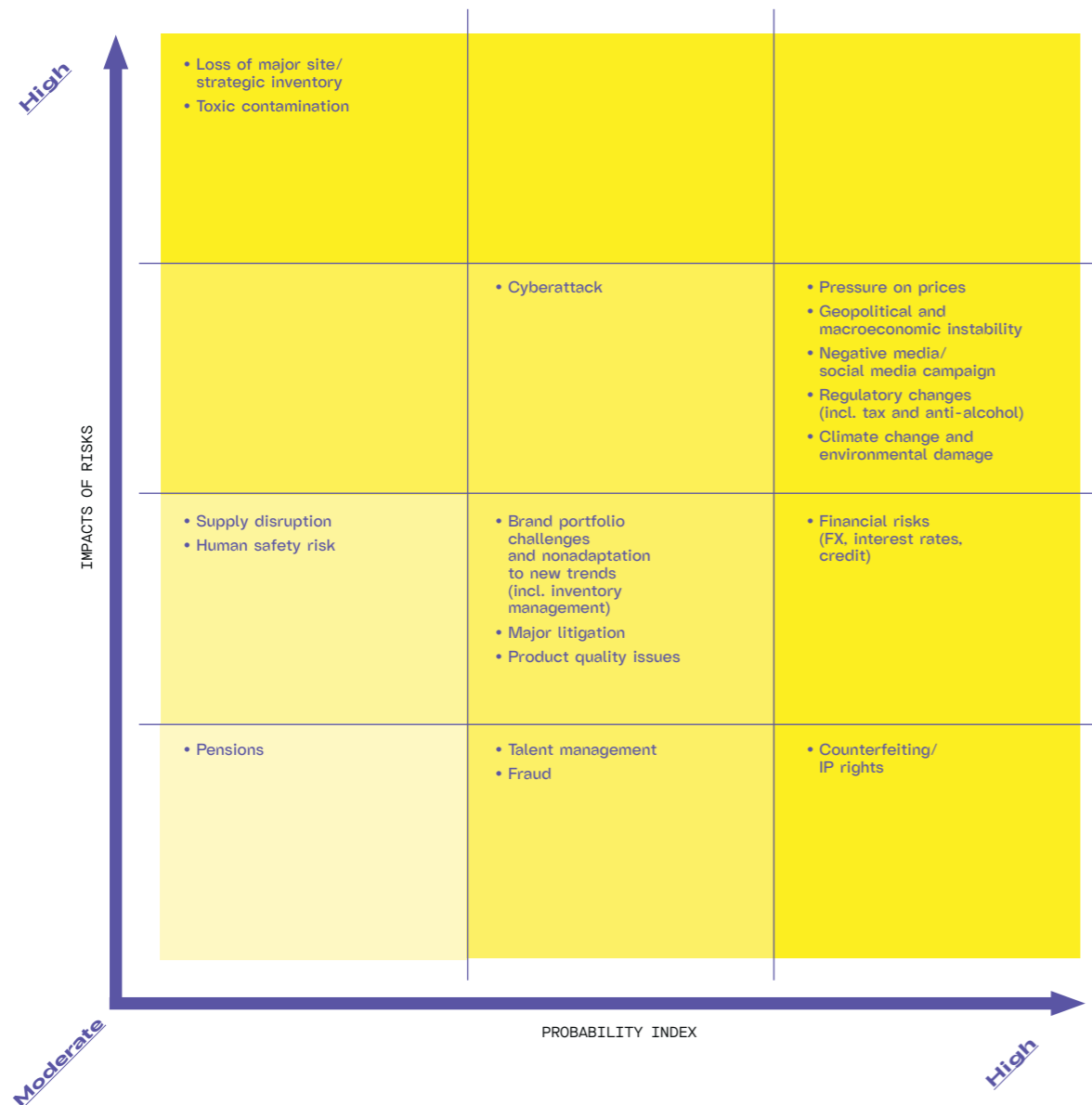
A natural cork is an essential element in the success of our wines. The cork allows in and filters the oxygen required for the wine to develop in a balanced way, while at the same time ensuring its conservation and controlled ageing. The purity of the cork, its natural, almost raw quality, is fascinating. There is a striking tactile connection between these immense oaks and the few centimetres of cork that seal the bottle.

Conchi and I have known each other for 15 years. The first time I visited a cork oak forest and experienced a harvest was with her. What a discovery: I was intrigued, captivated by the process - a manual harvest using a method that respects the trees and the woods and bears witness to a genuine love of nature. It was a moment of magic.



Managing our risks

Facing a range of internal and external risks that may affect the achievement of our objectives, Pernod Ricard has implemented a system of internal control and risk management to better forecast and control them. As part of the Group's decentralised structure, each function and each affiliate contributes on an ongoing basis to the smooth running and improvement of this system.



Methodology: Every three years, Pernod Ricard's main risks undergo a mapping process involving all Group affiliates and functions. The various risks are ranked according to their potential impact and probability of occurrence. This risk matrix is a risk management tool. The next matrix update will be in 2021.



Loss of major industrial site/ strategic inventory

Resulting in significant business disruption and unavailability of key brands in the trade.

Toxic contamination

Risk of toxic contamination of a product resulting in major injuries.

Pressure on prices

Risk of margin erosion due to intensified pressure from retailers and fierce competition.

Geopolitical and macroeconomic instability

Risk of a broad geopolitical turmoil and the resurgence of a macroeconomic crisis.

Negative media/ social media campaign

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

Regulatory changes (incl. tax and anti-alcohol)

Strengthening of legislation resulting in restrictions or constraints in different areas (marketing, communication, tax, etc.).

Climate change and environmental damage

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

Financial risks (FX, interest rates, credit)

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

Counterfeiting/ IP rights

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



Cyberattack

Cyber intrusion compromising systems, websites and data integrity.

Brand portfolio challenges and nonadaptation to new trends (incl. inventory management)

Adapting Pernod Ricard's portfolio and business model to new trends.

Major litigation

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

Product quality issues

Quality deviation leading to customers' disappointment and brand image deterioration.

Talent management

Inability to attract, develop and retain talent.

Fraud

Resulting in financial losses or the leakage of sensitive information.



Supply disruption

Due to key supplier failure or volatility of raw materials prices.

Human safety risk

Severe employee accidents and contractors as a result of a criminal event or accident.



Pensions

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

REFER TO THE UNIVERSAL REGISTRATION DOCUMENT to learn more

Winning in



OUR STRATEGY

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In line with its 'Transform & Accelerate' strategic plan, Pernod Ricard is focusing on four key battlegrounds: winning in key markets, building passion brands, funding the journey and valuing our people.

our four battlegrounds

Battleground

Winning in key markets

In line with its Transform & Accelerate strategic plan and customer-centric business model, Pernod Ricard needs to invest to continue growing in its four must-win markets: US, China, India, Global Travel Retail as well as e-commerce.

For example, despite significant market decline due to the pandemic, the Group has continued investing in China. Pernod Ricard is betting on local production with China's first malt whisky distillery and working with the country's largest spirits producer Wuliangye to diversify its offer and expand distribution into Southeast Asia and beyond.

In addition, capitalising on digital innovations and a growing appetite for online shopping, the Group is expanding partnerships and investments in innovative platforms such as Glovo – on-demand delivery – and its own Drinks&Co marketplace to strengthen its multi-channel distribution strategy and win consumers looking for simpler and faster shopping experiences.

01

Strengthening our leadership in China



Hit hard by the Covid-19 crisis, the Chinese sales shrank in the second half of the year. Yet China remains a highly promising market for Pernod Ricard - the leader in international spirits there. A major project, the building of a distillery for the domestic production of Chinese malt whisky is proof of the Group's long-term strategy to consolidate its leadership.

China: a buoyant market

Pernod Ricard has been active for 24 years in China, where 9% of its business was generated in FY20. It's a country that is "unique and fascinating" for Jean-Etienne Gourgues, CEO of Pernod Ricard China: "It has one of the oldest traditions of spirits distillation in the world, dating back 5,000 years. There is a keen appetite for spirits, both local and international brands." And in a country of 1.4 billion people, the opportunities to develop are vast. China is a promising region for growth and one of Pernod Ricard's investment priorities, focusing in particular on emerging middle and affluent classes and changing Chinese consumer tastes.

The first 'made in China' single malt whisky

The Group decided to invest 140 million euros over the next 10 years in Emeishan (Sichuan), becoming the first international company to build a single malt distillery in mainland China. "We are going to produce and market an iconic malt whisky for whisky lovers in China and around the world," continues Jean-Etienne Gourgues. "This project is part of our 'Transform & Accelerate' plan and will allow us to strengthen our leadership in the whisky category in China with a very comprehensive offer." The project broke ground in August 2019: production will begin in 2021 and commercialisation in 2023.

Developing distribution networks in Southeast Asia

Although whisky and cognac have a substantial presence, local spirits like Baijiu dominate the Chinese market. In November 2019, Pernod Ricard began a strategic partnership with Wuliangye, the country's second largest producer, combining resources for the distribution of this emblematic white spirit.

"We are going to jointly develop our regional distribution networks in Southeast Asia, the rest of the continent and even beyond," comments Ludovic Ledru, Vice-President Finance, IT and Strategy of Pernod Ricard Asia. Representing 80% of alcohol consumption in China, but little known in the rest of the world, Baijiu is also widely enjoyed by the Chinese expatriate community.

Growing our e-commerce presence

Connectivity, technology innovation and Covid-19 lockdown have driven a continuing shift in consumer purchasing towards the flexibility, convenience and safety of online shopping. Pernod Ricard challenged itself to go further and step up the digital transformation already underway across the Group. The aim has been to grow our e-commerce presence by expanding our partnerships and platforms, including direct-to-consumer solutions.

A framework to leverage online opportunities

The increase in off-trade sales at the end of this year was accompanied by rapid growth in e-commerce in some markets during the lockdown period. In the USA and the UK, two of the Group's top five e-commerce markets, online sales grew by 105% and 92% respectively, over the past year.

A key focus has been to increase relationships with customers and partners across the e-commerce landscape, from online marketplaces, pure players, click and collect e-retailers and on-demand platforms.



At Group level, we're supporting our brands and affiliates to build effective e-commerce strategies for their markets."

Stuart Heffernan, Global e-commerce Leader

"By understanding the consumer journey, we are better placed to develop the right multichannel approach for profitable and sustainable business growth, including investing in winning platforms," explains Stuart Heffernan, Global e-commerce Leader.

Having consolidated information and best practices, the Group has created a series of 'how to' guides helping affiliates quickly adapt their strategies to each operating context and measure results. Our ability to offer compelling content, great user experience and seamless service are crucial success factors for online shopping.



Strategic partnering for on-demand services

Innovative delivery experiences are allowing consumers to shop anytime, anywhere and enjoy products delivered to their door. Through its Convivialité Ventures (see p. 61), Pernod Ricard has invested in on-demand delivery start-up Glovo which enables the consumer to order groceries and drinks via a mobile app and have them delivered in less than an hour.

Pernod Ricard and Glovo have created a joint business plan to accelerate each partner's growth and proximity to consumers. The deal, involving over 20 Group affiliates across Europe, Latam and Africa, will make Pernod Ricard a Wine and Spirits category champion on the Glovo platform for better visibility, activation and media promotion within the app. The Group is also embedding responsible drinking into the partnership through training for delivery teams and responsible consumer content on the platform.



"With Glovo, we can offer a convenient way for millions of adult consumers to get home delivery of their favourite Pernod Ricard brands," says Juan Pablo Giraldo, Global e-commerce Manager. "Embracing a start-up mentality will boost our ambition to multiply our Glovo business by four and increase our market share over two years, while contributing to accelerate our e-commerce growth globally."



The Drinks&Co marketplace is an important testing ground which will help the Group explore the direct-to-consumer route to market, using data to develop our competitive advantage."

Louis de Fautereau, Managing Director Drinks&Co



Direct to consumers: Drinks&Co Marketplace

Pernod Ricard has continued to grow its own e-commerce channels with the acquisition of leading Spanish online wine merchant Bodeboca in July 2019. Together with Uvinum, acquired by the Group in 2018, Pernod Ricard has developed its Drinks&Co marketplace to connect consumers, suppliers and brands with a catalogue of over 100,000 curated wine and spirit products, including products complementary to the Pernod Ricard portfolio.

Capitalising on 50% sales growth over the last year, Drinks&Co is looking to disrupt the market further through new services - using data to create personalised offers, and an international service for products not available in home markets.

Battleground

Building passion brands

More than ever, people are looking for brands they can identify with. A deep understanding of their expectations allows Pernod Ricard to ensure its offer aligns with their lifestyles and concerns, even as these are disrupted by the crisis we are experiencing.

Awareness of emerging trends is vital. The recent reorganisation of the Consumer Insights operations and the creation of four centres of excellence have paid off during the crisis, allowing the Group to be more agile in identifying new moments of conviviality and rapidly adapt brand strategies. Moreover, through its Convivialité Ventures, the Group is investing in startups reinventing the conviviality space. An example is Fever, a platform offering users a selection of events, outings and tips in their neighbourhood.

Over the last year, the Group's Specialty brands portfolio won attention with the addition of super-premium craft spirits started by passionate entrepreneurs. From the rare Japanese gin KI NO BI to the proudly Texan bourbon TX and authentic Italicus aperitivo, these distinctive artisanal brands resonate with the growing interest in *terroir*, craftsmanship and local sourcing.

O2



Identifying and seizing new trends

marketing and commercial teams, to help with pricing notably; and (4) Mix Optimisation, for more agility and efficiency in the development of our brand assets.

"Over the last year, our teams have come together and developed new ways of working to ensure we make the best use of our resources throughout the Group. These new centres of excellence have been key in identifying actionable insights and developing global tools for our markets," explains Florence Rainsard, Global Consumer Insights Director.

In the context of Covid-19, the Cultural Foresight Centre of Excellence has proved particularly strategic by allowing our teams to quickly analyse impacts and opportunities and align strategic planning with emerging trends (see pp. 46-47). Relevant knowledge is shared online, through newsletters, videos, webinars and the Insight Factory, a searchable digital database of resources whose launch was accelerated by the beginning of the crisis. This agile, collaborative approach is helping us to predict how people will socialise, entertain and consume in a quicksilver context.

Understanding today's tastes, aspirations and habits while anticipating those of tomorrow is fundamental to our business. This is why internally, Pernod Ricard has been restructuring the organisation of its Consumer Insights department, which focuses on identifying and responding to new trends and consumer patterns. At the same time, its corporate venture arm Convivialité Ventures is looking at new business segments in the world of conviviality.

Getting the best consumer insights

In 2019, the Group restructured its Consumer Insights organisation to increase the value of our consumer intelligence with a more flexible, reactive, fast-to-market approach that capitalises on digital technology to create closer connections with our brands, markets and regions. The new centralised team is divided into four centres of excellences with key areas of expertise: (1) Cultural Foresight, which identifies and monitors trends and consumer opportunities; (2) Equity, Consumer Understanding and Targeting that helps collect consumer data, through social listening for example; (3) Shoppers, E-shoppers & Travellers, which develops tools and methods for the trade

Exploring new business opportunities

Investing in emerging new businesses can be more strategic and efficient than building up entirely new projects. Convivialité Ventures, Pernod Ricard's corporate venture arm, was launched to explore opportunities in the ecosystem of conviviality. Its mission is to make minority investments in promising startups which complement our core business. To date, Convivialité Ventures has invested in 12 high-growth companies in the US and Europe in line with key trends identified by Consumer Insights. These include Glovo, an on-demand courier service for products ordered through its app (see pp. 58-59) and Fever, which offers its platform users a curated list of the best events, things to do and to see in their city – a partner for Pernod Ricard to co-create, promote and monetise consumer centric and data driven experiences.

Leveraging the trend for local and craft products

Authenticity, transparency and proximity are increasingly important to consumers, and contribute to meeting the growing demand for smaller-scale, local, artisanal and ultra-premium products. In 2019 the Group launched the newest category in our portfolio, Specialty brands (see House of Brands pp. 24-25).

A new category expanded by our recent acquisitions

Over the last few years, the acquisition of majority stakes in several Specialty brands has leveraged this strong consumer trend by extending their profile first in their home territories and then further afield thanks to our global distribution network.

"These distinctive brands are initially acquired through a majority stake in the company, with the founder and/or CEO staying in place for several years to allow the brand to benefit from our ecosystem while preserving its unique identity and relying on the talent and passion of its/their founder(s) to grow the brand through our unique global distribution network. The aim for us is to become ultimately the full owner of the brand and its related operations after a few years," explains Philippe Prouvost, Group Global Head of Strategy and M&A.

This portfolio of singular craft spirits creates strong ties to our communities in a category that usually outpaces the industry average.



Italian aperitivo

Top-trending Italicus is an exciting addition. This premium low-ABV spirit from Italy is a modern take on traditional rosolio, an Italian liqueur made by infusing flowers and spices in alcohol. The reinvented version by mixologist and spirits expert Giuseppe Gallo uses native botanicals such as Sicilian lemons and Calabrian bergamot oranges blended in a distillation of Italian grains with macerated lavender, gentian, yellow rose and lemon balm from northern Italy and chamomile from Lazio at a family-owned distillery near Turin.



Craft American whiskeys

Adding to the artisanal Smooth Ambler from West Virginia, the Group has continued to expand its American whiskey and bourbon portfolio.

Rabbit Hole is a Kentucky straight bourbon that sprung from both the imagination and the talent of Kaveh Zamanian, a former psychologist who left Chicago to follow his passion by setting up a brand and a distillery in the heart of Louisville. While inspired by the spirit's rich past, Rabbit Hole takes a creative approach to whiskey-making, reflected by the ultra-modern and state-of-the-art distillery where visitors can sip this ultra-premium and very unique bourbon or whiskey neat or in cocktails in a rooftop bar where contemporary art exhibitions take place on a regular basis.

Another Louisville-based brand is Jefferson's Bourbon. This small batch production was named, by its creators Trey Zoeller and his father Chet, after the third American president who embodied both "independence and sophistication". This family brand seeks out new and aged barrels of bourbon from established distilleries which they blend and experiment with through different processes – including aging bourbon at sea for 18 months and letting the movement of the waves work its magic.

TX, whose Texas straight bourbon is made from yellow dent corn and soft red winter wheat sourced an hour south of the distillery, is fermented with a wild yeast strain captured from a Texas pecan. True to *terroir*, the bottle itself represents old-fashioned Texan craftsmanship, with each leather-covered cap made from repurposed cowboy boots and saddles donated by the community. Also adding to its authenticity, its creators Leonard Firestone and Troy Robertson, TX chose to build their distillery on a famous old Texan golf course.



Super-premium gins

In our specialty gins, Monkey 47 was joined in 2019 by Malfy, an Italian gin infused with native botanicals including lemons from the Amalfi coast, and the craft Japanese gin KI NO BI in 2020. Artisanal gin-making is very new in Japan. Created by Marcin Miller and David Croll, KI NO BI is a pioneer in Kyoto, using local botanicals such as yuzu, hinoki cypress, bamboo, gyokuro tea and sansho pepper distilled in a rice-spirit base at the Kyoto Distillery in a process that seeks *konwa* – the attainment of harmony through blending of several ingredients which are distilled separately. Gin enthusiasts can learn about the ingredients and philosophy of the brand in the House of KI NO BI, a traditional 100-year-old machiya townhouse with earthen walls, beams and roof tiles and furniture made by local craftsmen.

Artisanal mezcal

Our latest collaboration is Ojo de Tigre, an ultra-premium mezcal by Casa Lumbre. Crafted according to ancient traditions by cooking the agave in earthen pits and then distilling it in clay pots, this farm-to-bottle mezcal is made from sustainably sourced Espadín agave from Oaxaca and Tobilá agave from Puebla, resulting in a smooth, sweet, herbal profile.



25 BRANDS IN THE SPECIALTY PORTFOLIO

+7% GROWTH IN FY20



Virginie Bartholin
Purchasing Manager, Pernod Ricard France
Marseille, France

Extracting the aroma of anise from a plant, preserving it and enhancing it: this subtle and delicate process is the obsession of this food engineering specialist from Grasse, the capital of perfume. Since 2015, Virginie has been ensuring that only the best - and whenever possible, local - ingredients are used for our anise-flavoured spirits.

ANISE.

Star anise, green anise, fennel, dill, etc. all these plants contain, in varying quantities, the anethole molecule, which imparts the flavour of anise.

We extract this molecule from the essential oil of fennel flowers cultivated by Vincent and use it in the composition of Ricard Plantes Fraîches, for example. Because the oil is distilled within 24 hours after harvesting the flowers, it retains its full aromatic intensity.

We've been working with Vincent for many years. His commitment to sustainable agriculture ties in perfectly with our ambition to offer our consumers products that respect the environment and are sourced locally.

Vincent Fanguiaire

Director, GAEC de Peyronnet farm

Valensole, France

Farming has passed from generation to generation in Vincent's family. For the last 15 years, his farm has supplied Pernod Ricard with aromatic fennel. Fields of the yellow fennel blossom interspersed with fields of lavender form a patchwork that resembles a scented postcard from Provence.

PLANTS.

See these yellow flowers? That's where the aroma of anise comes from, in the seeds they hold. These are flowers of the fennel plant. I harvest them at the end of the summer to extract the essential oil, the aromatic base indispensable for anise-flavoured drinks.

But my work with Virginie and her team starts well before that: we collaborate and exchange throughout the entire lifecycle of the plant, from the supply of seeds selected for their quality, through the technical support from an in-house agronomist several times a year, to harvest time. Every three years, I cultivate the fennel in new fields, to rotate the crops and conserve the soil.



Battleground

Funding the journey

Agility and anticipation are two key mindsets for any business, especially during a period of crisis. As the Covid-19 pandemic spread across the globe, Pernod Ricard took early action to mitigate impacts and leverage its 'Transform & Accelerate' strategic plan to ensure the resilience of the Group.

Thanks to strong fundamentals and a solid liquidity of €5.3 billion as at 30 June 2020, Pernod Ricard has been able to weather the challenges of the past year. The Group implemented a comprehensive cost control and active cash management programme to maintain operations and support sales in the varying market conditions faced by local teams. It also continued investing in transformation initiatives focused on future growth: accelerating digital, transforming marketing, acquiring niche brands.

The health and safety of employees and business partners has been paramount for the Group. Engaging employees in designing safe solutions to keep operations running where possible, Pernod Ricard has adapted manufacturing and supply chains, such as Kilmalid in Scotland or Ramazzotti in Italy, to meet customer orders in markets that have seen continuing and rising demand.

03

Safeguarding the bottom line in a time of crisis

How do you react and adapt strategies when a global pandemic impacts all aspects of your business? With a close eye on resource allocation, cash and liquidity, Pernod Ricard implemented a comprehensive action plan to safeguard financial stability and focus spending on areas that will both protect short term business performance and prepare the future growth of the Group.



HÉLÈNE DE TISSOT
EVP Finance,
IT & Operations

What key actions did Pernod Ricard take to limit the impact of the Covid-19 pandemic?

After taking our first measures in China and Global Travel Retail in January, we went into crisis management mode from March 2020. We established fortnightly Risks and Opportunities forecasts to give us an updated view of our expected performance in the new Covid-19 environment and set a global direction while leaving decision-making to local teams on how best to keep, cut or reallocate resources. This enabled us to be more agile, moving fast to protect our business while retaining the agility to prioritise our investments should opportunities emerge.

Keeping costs down and maximising cash was a key priority. We put in place a strict operational framework to optimise resources. This purpose-based budgeting focused on controlling spend, such as limiting our investments to targeted Advertising and Promotion (A&P) that would most effectively engage with consumers in confinement, and on mitigating our costs by setting strict operating guidelines and very strong discipline notably through recruitment freeze and travel ban.

Operational excellence has also been more important than ever. Over the past four years, a number of initiatives rolled out throughout the Group to improve collaborative sales and operational planning have allowed us to maintain stocks and keep supply chains running throughout the crisis. And in the US and European markets, such as the UK and Germany, where the Off-

trade grew quite strongly post-Covid, we were able to seamlessly adapt to meet rising off-trade consumer demand.

What can you say about the Group's liquidity position?

The business is showing its resilience. We have robust fundamentals, a healthy free cash flow generation and a strong liquidity position with over €5.3bn available of which €3.4bn was undrawn bank credit lines on 30 June 2020. Our credit ratings were upgraded in October 2019, confirming a very solid investment grade rating for Pernod Ricard and consolidating an already very good access to the capital markets. With the crisis, we have anticipated our bond debt refinancing due over FY20 and FY21 by an active management of our debt portfolio and securing attractive funding rates on the new money we have raised. In March 2020, we repaid an €850m bond and in June 2020 US\$500 of bond debt due in April 2021. In total, we issued in FY20 €3.5bn of new bond debt. The average coupon of the new bond debt raised in FY20 was 1.02%, well below our average cost of debt. Furthermore, the new issuances have enabled us to increase the average duration of our bond debt from 5.5 years to 6.2 years. Securing a solid and diverse liquidity position is very valuable in such a challenging and uncertain market environment.

How has the Group continued to deliver on its 'Transform & Accelerate' strategy?

In the current context, we are very keen to pursue opportunities to go further and faster in areas like dynamic portfolio management, route-to-market and digitalisation.

We pursued the acquisition of selected high-growth assets in attractive categories such as premium and super-premium American whiskey – Jefferson's (Castle Brands) and TX – and entered into a partnership with Rabbit Hole. We closed a number of acquisitions in the gin category with Monkey 47, Malfy and Inverroche and entered into a partnership with KI NO BI. We formed new partnerships with Italicus and Casa Lumbre, a Mexican incubation structure for Ojo de Tigre. All of these bolt-on transactions will enable the Group to boost its growth while the sale of brands such as Café de Paris are expected to help enhance our portfolio profile. We're also building the future by investing in projects in key geographies such as China and, with a view to enhancing our route-to-market, we integrated Bodeboca, an e-commerce wine and spirits platform, leader in the Spanish market. We are also fast-tracking our digital transformation, developing online platforms that link people to new conviviality experiences and using data-driven tools to improve the effectiveness of our brand marketing and activations.

Preserving production in a time of crisis

The Covid-19 pandemic and national containment measures brought many businesses to a standstill. Where possible, Pernod Ricard teams have found local solutions to maintain production in our distilleries and secure our international supply chains. All this was done with one priority in mind: be sure to provide a safe and efficient working environment for our front line employees.

Strength through decentralisation

“We’re a highly decentralised organisation so a lot of operational decision-making is locally led,” explains Peter Morehead, Group Operations Director. “This has been a real advantage in a pandemic situation, allowing us to share effective safe practices from our sites.”

Pernod Ricard has focused on coordinating consistency, following the latest guidance from international and national health bodies through the different Covid-19 waves in China first, then Asia and Pacific, Europe,

North America and Latin America. A taskforce was created to help affiliates implement the latest guidance, templates and best practices available. In India, where we have 28 plants, the entire supply chain was locked down for six weeks. However, through leveraging our partnerships with key strategic suppliers, we were well positioned when it was time to re-open.

“Business continuity involves understanding the constraints of suppliers as well as our own operations in the wake of the crisis,” adds Peter. “The Group has shown its resilience in quickly adapting ways of working so that supply chains remain operational.”

“The Group has shown its resilience in quickly adapting ways of working so that supply chains remain operational.”

Peter Morehead,
Group Operations Director



sanitiser, and delivered it directly to hundreds of care homes and charity organisations across Scotland. Communications played a key role in uniting internal teams and demonstrating to external stakeholders that Chivas Brothers was operating safely and responsibly, and in the best interests of its community.

“Being open and communicating throughout the crisis has strengthened trust and created a sense of pride and ownership in our site, our solutions and what we can do together.”

Liam Donegan,
Director of Manufacturing,
Chivas Brothers

Scotland: trust in local decision-making

The Kilmalid site north of Glasgow, Scotland, is the blending and bottling hub for a range of the Group’s whiskies and gins, producing more than 20 million cases a year. At a time when general advice was to ‘stay home’, local management decided that finding a way to operate safely was the best choice for the long-term stability of the plant, its people and the local ecosystem.

“Our focus was on the well-being of our teams. We paused operations for 24 hours and created volunteer teams to identify challenges and engineer our own solutions,” says Liam Donegan, Director of Manufacturing at Chivas Brothers.

Ninety safety protocols were put in place and reviewed weekly, enabling operations to ramp up in a controlled manner. The Kilmalid team also bottled over 50,000 litres of hand

Italy: mobilised to meet customer commitments

In the heart of Piedmont, Italy, the Ramazzotti distillery makes a range of digestive and aperitif liqueurs. In early March, as a national lockdown was announced, Ramazzotti faced a peak in demand. Customers in Germany, its biggest market, requested April and May orders early to ensure future stocks. The team of 26 employees agreed to work together to keep operations going.

A business continuity plan was activated to mitigate the risk of having to stop production. Sanitary protocols were created using inputs from operators, unions, health and safety and management. Protocols were continuously strengthened in line with changing local regulations and staff improvement ideas. To manage everyone’s safety, Ramazzotti also held weekly calls with its transporters – both to reassure drivers and ensure deliveries could be made. In March 2020, Ramazzotti was producing around 120,000 bottles a day for a total of 2.5 million bottles, almost a quarter of its annual output. In addition, around 4,000 litres of hand

sanitiser were produced and donated between March and April to the local municipality.

“Even though many other local industries closed down, our teams knew that we were mobilised to meet our commitments to customers as long as they were able to work safely,” said Tomas Volpin, Plant Director, Ramazzotti.

Iain Green
Grower, Corskie Farm
Speyside, Scotland

On the Moray coast in the region of Speyside - 'the golden triangle' of Scotch whisky - Corskie Farm stretches over 1,500 hectares, where Iain's family has cultivated barley for decades.

LAND.

Aberlour whisky is famous all over the world but its production is truly local. Our fields are less than 20 kilometres from the distillery, flanked by the pure waters of the River Spey.

The land is rich and fertile, yielding the very high quality barley essential for making elegant and expressive whisky. We are part of a local economy, with a sustainable approach to the environment. At the end of the distillation process, the residue of the malted barley is recovered and we use it to feed our livestock.

This strong local link that connects us and our respect for the land are part of the philosophy of Aberlour.

Keira Wright
Distillery Operations Technician,
Chivas Brothers
Ballindalloch, Scotland

Working closer to the product, being more hands on is what prompted Keira to move into a distillery role after starting in admin 13 years ago.

CYCLE.

Even if you don't know much about whisky, it's difficult to avoid it here! We're surrounded by fields of barley and distilleries. The autumn harvest is always a special time for everyone. Now that I live in the countryside, I can see it all from my windows: the crops that change colour with the seasons, turning from green to golden blond.

When the barley arrives at the distillery, a three-day cycle begins that used to be very manual, but is more automated today. My role is to monitor and adjust the machines and ensure the process is smooth and nothing disrupts it. It's about getting the best out of the grain and having respect for the work Iain and other growers accomplish all year round.

The malted barley is ground in the mill, then mixed with pure Scottish water, and finally it is left to ferment, with the addition of yeast, for two days: each cycle requires careful, meticulous attention.

Carl Mark

Product Development Manager, The Absolut Company
Stockholm, Sweden

At Absolut since the mid-2000s, Carl has been leading new project developments for three years now. In this time, he has formed a philosophy about glass: the more you know about it, the more complex it seems.

DREAMS.

Maria and I work hand in hand, which is the key to our success. The long expertise of Ardagh and their understanding of our brand allow us to push the boundaries of design and production. An example is our latest creation, Absolut Comeback, which looks like it's made of broken glass.

Basically, my role is no more and no less than making our marketing team's dreams come true - and their dreams can be pretty ambitious! And not just for one bottle, but hundreds of thousands. Another big challenge for us is recycling. Today, we are proud to be able to say that Absolut bottles are made in southern Sweden and contain more than 40% recycled glass.

Maria Clettborn Persson

New Product Development Project Manager,
Ardagh Group
Limmared, Sweden

A bridge between sales and production, Maria coordinates the development of new bottles and helps ideas come to life, from the middle of the forest where Ardagh is nestled.

COLOURS.

I remember my first bottle very well - it was a limited edition, the Absolut Glimmer. The design was quite complex, which was challenging, but the result was worth our efforts. That was 14 years ago, and I'm still fascinated by glass. It's like a living material that can sometimes prove tricky to handle, compelling us to try new things and reinvent ourselves.

And the colours! That's what I love the most: I'm captivated by the variations, how the tint changes when the glass cools. From this glowing red, a whole palette of colours appears, it's amazing. Since meeting Carl, we're constantly sharing ideas, discussing possibilities and coming up with solutions for the next bottle together. Our collaboration is unique - it sometimes feels like we're working in the same company.

Battleground

Valuing people

As creators of conviviality, our business is all about people: taking care of the men and women who make our products, the local communities in which we operate as well as the bars, hotels and restaurants with whom we work.

In a year like no other, when lives and livelihoods have been hugely impacted by the pandemic, Pernod Ricard has been quick to adapt its organisation and mobilise teams behind Covid-19 relief efforts – notably to ensure the production and distribution of hand sanitiser.

The Group has also expanded initiatives to nurture responsible behaviour: collaborating with our industry and International Alliance for Responsible Drinking (IARD) to eliminate underage drinking, a #SharingGoodVibes digital campaign to raise student awareness, a MOOC to train our own employees as well as marketing campaigns to raise awareness such as Absolut's #SexResponsibly.

2020 has also seen the opening of The Island, the new Group flagship in Paris which brings together all our Paris-based teams and their 900 employees in a unique site that promotes sharing, discussion and collaboration and embodies the Group's transformation.

04



A collective and global mobilisation to fight the Covid-19 crisis

The Group systematically put into practice the recommendations of the national and international health authorities, and where possible helped its employees to access emergency treatment or tests. Already experimented in a number of affiliates, homeworking was extended to all employees whose offices had been closed, as well as to vulnerable employees and those employees who could work remotely. Where this wasn't possible, very strict measures were put into place to protect our employees' health and safety.

During the pandemic that continues to impact the physical, social and economic well-being of people across the globe, Pernod Ricard has channelled the resources of the Group into protecting its employees and communities, supporting hospitality partners and contributing to collective solidarity efforts around the world, across all sectors.

One priority: the health and safety of our teams

Covid-19 arrived in the midst of a global deployment of an updated Group Health and Safety policy. Its aim: nurturing a culture where everyone is personally involved in 'Taking care of each other' in line with our vision of conviviality, and maintaining a safe and healthy environment at work every day, towards zero injuries by 2025.

Reacting quickly to the spread of the pandemic, teams sped up implementation of this policy, adding new containment measures to maximise employee safety and minimise risk for their families.

“
The exceptional commitment of the women and men of Pernod Ricard during this difficult period and the agility they showed in adapting to new ways of working are both great examples of the strength of our culture and the implementation of our strategy 'Transform & Accelerate'.”

Cédric Ramat,
EVP Human Resources,
Sustainability & Responsibility



1m
LITRES OF HAND
SANITISER
PRODUCED

4m
LITRES OF
PURE ALCOHOL
PROVIDED



Sanitiser production: helping our communities

In the early days of the pandemic, many communities faced difficulties in getting basic protective equipment such as masks and hand sanitiser. To combat potential shortages of a key resource in reducing the spread of Covid-19, Pernod Ricard swiftly reorganised distilling sites across the world, including France, Sweden, Ireland, UK, India and North America, to provide hand sanitiser or the pure alcohol needed to produce it.

Six months into 2020, Pernod Ricard had provided over 4 million litres of pure alcohol and produced over 1 million litres of hand sanitiser. Inspired by the Group's values and sense of shared responsibility, this massive mobilisation of employees embodies Pernod Ricard's readiness to step up and support cross-sector efforts to protect community health.



Supporting livelihoods in hospitality

Hospitality has been one of the most affected sectors of the pandemic. The Group has rallied to help bartenders and other hospitality workers to survive the shutdown and compensate their lack of income. From donations in South Africa, gift vouchers to be used in bars and restaurants in Sweden, funding for meals in Australia and New Zealand, support for the US Bartender's Guild relief fund to free online courses, founding member of the platform "J'aime mon bistrot" in France, Pernod Ricard has been multiplying efforts to help its partners. The Covid-19 crisis has also highlighted people's need to continue to meet and socialise in a safe setting. To ensure continued conviviality in small towns and villages, the Group is actively supporting local initiatives including '1000 Cafés', which aims to open or keep cafés going in French towns with under 3,500 inhabitants.

A rapid response from our North American teams

Working quickly with the White House Taskforce to get the necessary regulatory approval, Pernod Ricard North America began producing sanitiser supplies at four sites – Fort Smith in Arkansas, Kentucky, Texas and Windsor, Canada. Within 48 hours, logistics teams had supported the Federal Emergency Management Agency to rush 6,000 gallons (over 22,000 litres) across the country to locations most in need. The operational teams ramped up production capacity to 20,000 gallons a month (over 75,000 litres), working with partners such as UPS to ensure weekly supplies to important first responders like the New York Police Department. Operational staff are using excess capacity, rearranging shifts and taking on additional responsibility to manage this urgent new need alongside production of the Group's spirits.

“
Responding in this hour of national need has given our own frontline teams in production an additional sense of purpose.”

Ann Mukherjee,
Chairwoman and CEO,
Pernod Ricard North America



Stepping up the fight for responsible consumption

Concerns about health, well-being and drinking habits have intensified during Covid-19, and Pernod Ricard has stepped up its actions to promote responsible drinking. A global commitment to eliminate underage drinking, a MOOC on alcohol and responsible drinking, an online module for bartenders on responsible serving, and the leveraging of social media during lockdown are just some examples of what the Group is doing to raise awareness about alcohol and encourage people to take better care of themselves.

Eliminating underage drinking

As a member of the International Alliance for Responsible Drinking (IARD), Pernod Ricard and other key players of the industry have committed to accelerate efforts towards eliminating underage drinking. We have seen a surge in on-line purchases of alcohol during lockdown. While the rise of e-commerce is not an issue per se, we want to ensure our brands are not inadvertently sold to minors. To that end, we are committed to working with online retailers and delivery companies to develop global standards to prevent the sale and delivery of alcohol to underage individuals. We will also introduce a clear age-restriction symbol or equivalent language on all of our alcohol brand products, including alcohol-free extensions. We will also continue our work with leading digital platforms to implement rigorous online safeguards to prevent minors from seeing or interacting with our brands online.

"In 2018, the United Nations gave us a mandate to take concrete steps, where possible, towards eliminating the marketing, advertising and sale of alcoholic products to minors, and we have taken this mandate very seriously working in concertation with all stakeholders towards implementing concrete actions to make a real difference," says Henry Ashworth, CEO and President of IARD.



Making our employees ambassadors

Pernod Ricard has developed and rolled out to its employees a MOOC on what alcohol is, how it can affect us and what responsible drinking habits to adopt. It builds on our Global Responsible Drinking policy which sets out what we expect of our employees as ambassadors of the Group to promote moderate consumption and prevent inappropriate consumption or abuse of alcoholic beverages.

Its content was further adapted and shared on a free mobile app on the United Nations Educate All platform, with the aim of giving everyone the knowledge to make informed decisions about drinking responsibly.

"We're committed to providing our people with open access to quality information on alcohol and responsible drinking and encouraging them to be our ambassadors," explains Cédric Ramat, Executive VP HR, Sustainability and Responsibility, Pernod Ricard.



Nurturing responsible behaviour among students

While confinement prevented events on campus, Pernod Ricard's 11-year Responsible Party partnership with the Erasmus Student Network went digital. #SharingGoodVibes, launched in April on Instagram and Facebook, has set out to inspire young adults with positive messages and stories around solidarity and conviviality while reminding them to stay safe, convivial and responsible. Following a live online party with DJ Licious in May, the campaign then spread "Good Vibes in Tough Times" throughout June with a series of interviews with influencers and ambassadors.

"#SharingGoodVibes is spreading positive messages and solidarity among young people. It's a great example of how business and civil society can inspire responsible behaviour together," says Kostis Giannidis, President of Erasmus Student Network.

Raising awareness among our consumers

As people are looking to identify more and more with the brands they buy, Pernod Ricard has a unique platform to raise awareness on responsible drinking among consumers. Absolut, a brand known for building purposeful campaigns, recently sought to get its customers talking and thinking about the link between responsible drinking and consensual, safe sex.

Working closely with the Rape, Abuse and Incest National Network (RAINN) in the United States, Absolut launched the "Drink Responsibly, #SexResponsibly" campaign on Valentine's Day 2020. Using the chronology of a date to break

down different stages of consent, this multi-channel campaign made it clear that sex without consent – which sometimes is related to the misuse of alcohol – is sexual assault. The campaign leveraged the power of social media and celebrity influencers to drive conversation, while deploying digital ads on dating apps used by young adults, and displaying the message, "Only a Yes to Sex is a Yes" on the billboards of Times Square.

"We have to be bold with our brands. With #SexResponsibly, we embarked on an audacious and ambitious plan with everyone clearly behind it."

Ann Mukherjee, Chairwoman and CEO, Pernod Ricard North America



The Island: the Group's new flagship embodies our transformation

Incorporating the highest environmentally responsible standards, meeting the needs of our employees and being closer to consumers in the heart of Paris: The Island, the Group's new flagship, now brings together all our Paris-based teams under one roof. It is a building designed to promote innovation, collaboration and performance, whose name is rooted in the history of the Group. It's the ultimate expression of our vision 'Créateurs de convivialité'.

Previously spread across seven sites, the 900 employees of Pernod Ricard's entities from in and around Paris are now together under one roof. More than a simple office relocation, it represents a new chapter for the Group.

A unique site

The Island is unique in many ways. Firstly, the building. By reflecting the ever-changing colours of the sky, the 2,400 glass strips on the façade, designed by Studio Ferrier Marchetti, recall the impressionist paintings of Saint-Lazare station by Claude Monet. Rated 'Excellent' in High Environmental Quality and 'Very Good' in BREEAM International New Construction certifications for its design and energy performance, the building has become the focal point for the Group's international teams. Everything has been designed to facilitate informal meetings, collaboration and synergies to boost ideas and creativity.

The result is a mix of 'classic' and 'collaborative' workspaces. Islanders sit wherever they want, choosing from 80 available meeting rooms and 2,400 workstations, depending on their activity or need. No more silos, the organisation and layout of space created by design agency Saguez & Partners promotes collaboration and performance in an open, transparent and informal setting: conviviality to boost performance.

"The Island is the result of internal engagement very early on in the project. All teams got involved in rethinking their future headquarters. Together we have designed and built this place so that it reflects our vision of 'Créateurs de convivialité,'" says Olivier Cavil, Group Communications Director.

With a lobby on each floor recreating our different brand experiences and the seventh floor Sky Bar with its breathtaking views over Paris, The Island is a flagship for our brands.



900
EMPLOYEES

18,000M²
OVER 7 FLOORS

“What better place than an island to dream?”

Paul Ricard

The Group has also chosen The Island to locate the new Pernod Ricard Foundation. Continuing the heritage of the Ricard Foundation, it will provide a multidisciplinary art space freely accessible to all, dedicated to up-and-coming artistic creation, along with a café and bookshop.

"The Island embodies the future Pernod Ricard, a company open to the world and which places its partners, consumers and employees at the heart of its strategy. This new flagship is the ultimate symbol of our Group's transformation," concludes Alexandre Ricard, Chairman and CEO.

A tribute to our roots

The Island owes its name to Les Embiez and Bendor, two islands off Toulon that became the Paul Ricard islands in the 1960s after their new owner. These Mediterranean islands offer a place of conviviality, somewhere

to dream and reflect. Naturally it was here that the *Institut Océanographique Paul Ricard* was created in 1966 to fight against some of the first industrial pollution in the Mediterranean Sea. Now chaired by Patricia Ricard, granddaughter of the Group's founder, it contributes more widely to the protection of marine environments through research and public awareness.

Creative, convivial, committed: The Island is both a reference to the Group's roots, the continuity of a mindset and now a new Parisian address that pays tribute to our founder: cours Paul Ricard.

Accelerating

our

In a turbulent social and economic context, Pernod Ricard showed strong resilience and agility across its brands and markets, by focusing on fundamentals and leveraging new opportunities.



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performance

Our brands: innovating in a changing world



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Reinventing ways to bring people together, Pernod Ricard brands have continued to innovate with new on-trend spirits and wine offerings to meet evolving consumer needs and new moments of conviviality. Purposeful campaigns, launches into new markets, championing music and culture, original experiences and virtual events, solidarity actions for local communities, etc., our brands are engaging consumers in our collective goal to create the conviviality of tomorrow.

OUR RESULTS

“The Extra 13 collection represents a territory of experimentation and flavour exploration for consumers, as we continue to push the boundaries of Scotch through innovative flavour combinations and modern packaging, opening up the world of blended whisky to new audiences and fresh experiences.”

Nick Blacknell
Marketing Director, Chivas Regal



60+

MARKETS SET TO ROLL OUT THE NEW CHIVAS EXTRA 13 SHERRY CASK

In a first for Chivas, 2020 saw the introduction of four new blends to the portfolio with the Extra 13 collection. These four 13-year-old whiskies deliver unique flavour notes, thanks to the addition of one of four casks during the whisky-making process: Oloroso Sherry, American Rye, Rum, or Tequila.

With consumer interest in bolder flavours increasing, 2019 saw the Scotch Whisky Association relax its guidance on maturation and finishing, giving producers more freedom to experiment. Chivas moved fast to become one of the first brands to play within the bounds of these new rules

and bring a Tequila-cask finished Scotch to market, exciting whisky aficionados as well as opening up the category to new consumers.

Innovative inside and out, the Extra 13 collection is adorned with vibrant artwork by street artist Greg Gosset, pushing the boundaries of what Scotch packaging can be. Historical images from the brand's history are blended with modern designs celebrating each cask's vibrant heritage, showcasing a more contemporary side to the iconic brand.

NATURALLY COMMITTED

“Our ready-to-enjoy vodka sodas and cocktails meet growing consumer interest in convenience and more conscious drinking. We’re offering a perfect way to recreate the bar experience, with no mixing required.”

Charl Bassil
VP Marketing, Absolut



Ready-to-drink formats have become increasingly popular, especially for spur-of-the-moment celebrations. With a new range of naturally flavoured vodka sodas and vodka cocktails, Absolut is making sure that its brand is a key ingredient bringing a sparkle to the conviviality of health-conscious consumers.

The pre-mixed drinks in a can provide a perfect balance of Absolut's vodka with a host of natural fruit flavours, with a low calorie and lower alcohol content. Lightly sparkling

Absolut Vodka Sodas (5% ABV), in three fruity varieties, are 97 calories per serving with no added sugar or carbs, and the trio of ready-to-drink cocktails range between 7 and 10% ABV.

With all the fizz but none of the fuss, these Absolut innovations, launched in May in the US, Canada and Australia, have proved ideal in a period when many consumers are socialising more at home.

"From live events to performances streamed from home, Ballantine's is sharing its passion for true music - supporting local artists, keeping fans connected and creating conviviality in difficult times."

Mathieu Deslandes
Marketing Director, Ballantine's



20

COLLECTIVES AND OVER 100 ARTISTS SUPPORTED BY 'STREAMING FROM ISOLATION' INITIATIVE, ACHIEVING 60m+ REACH AND 30m+ LIVE VIEWS



Music connects people, whatever the distance. As a brand that champions pioneering local artists and music scenes via its True Music platform, Ballantine's has continued to support these communities by giving them a global platform and investing in their future livelihood, particularly during lockdown. Ballantine's longstanding True Music partnership with Boiler Room has to date celebrated more than 35 local music communities and over 280 artists globally. In November 2019, Ballantine's and Boiler Room launched a first-of-its-kind programme, the True Music Fund, offering

promoters, musicians and creatives financial grants and one-to-one mentoring to help local music scenes thrive. To date the True Music Fund has launched in Spain and South Africa. When the pandemic hit, Ballantine's supported Boiler Room's 'Streaming From Isolation' series, committing a six figure sum in the form of monetary grants to under threat community-driven music collectives around the world. Content and performances from the artists were broadcast to the world from their homes, keeping music fans entertained whilst in lockdown.

"We wanted to modernise the iconic whiskey and coffee duo in a refreshing way to appeal to people looking for new flavours and a different Jameson experience."

Brendan Buckley
International Marketing Director, Irish Distillers



48%

PURCHASES ARE FROM CONSUMERS WHO ARE NEW TO THE WHISKEY CATEGORY⁽¹⁾



The past decade has seen a phenomenal rise in the popularity of Irish whiskey and craft coffee. Jameson Cold Brew reimagines the classic combination of whiskey and coffee, broadening the brand's reach into new consumer groups and conviviality occasions. Jameson Cold Brew infuses triple distilled Jameson Irish Whiskey with natural cold brew coffee extract from 100% arabica beans to bring a smooth and distinctive beverage with intense coffee aromatics. At 30% ABV, it is a versatile offering designed to appeal to whiskey lovers, coffee connoisseurs and bartenders alike. It can be enjoyed

over ice or in a low-sugar coffee cocktail such as an Espresso Martini. Following successful pilots in Australia and Ireland, Jameson launched its Cold Brew in the US on National Irish Coffee Day in January 2020. Named a #1 Innovation by Nielsen in March⁽²⁾, the product shows Jameson's continued dedication to innovation and commitment to recruiting a diverse fan base - one third are female consumers and one third are non-Jameson drinkers⁽³⁾.

(1) Nielsen, US Chains Performance, ending 11/07/20.
(2) Nielsen. (3) AMC US Global Purchaser Follow-Up Study, July 2020.

The Glenlivet

OUR RESULTS

"Our new campaign celebrates our pioneering heritage. We are embracing an appetite for innovation in Scotch to make single malts more accessible and relevant to a new generation of consumers."

Miriam Eceolaza
Marketing Director, The Glenlivet



1.5bn+

MEDIA AND SOCIAL IMPRESSIONS GENERATED BY THE CAPSULE COLLECTION IN ONE WEEK

The Glenlivet is no stranger to either tradition or innovation. A new global campaign has shown how the brand is challenging conventions to open up the single malt Scotch category.

Launched in 2019, the 'Original by Tradition' campaign showcases how The Glenlivet has continually set out to break traditions and define new ways to enjoy single malt beyond preconceptions and gender stereotypes. Led by a high-energy film, the campaign across TV, print and digital also introduced new, vibrant packaging reflecting the brand's forward-thinking mindset.

In a world first, The Glenlivet introduced its Capsule Collection, glassless whisky cocktails served in a seaweed-extract casing, during London Cocktail Week in October 2019. This ground-breaking innovation sparked a huge global conversation, increasing website traffic, and attracting thousands of new social followers.

The 'Original by Tradition' campaign played an important part in the brand's value growth (+15%) in the six months following its launch.

NATURALLY COMMITTED

"With Havana Verde, we're attracting new millennial consumers looking for a simple and surprising taste experience with an easy-to-mix concept."

Nicola Nashed
Marketing Manager Core Innovation, Havana Club



#1

HAVANA CLUB VERDE WAS THE TOP TRENDING SPIRIT INNOVATION IN GERMANY, JUST ONE MONTH AFTER LAUNCH⁽¹⁾



Light, long refreshing drinks are growing in popularity. Havana Club is revitalising the premium white rum market in Germany with a new offering. Havana Club Verde is a new botanically infused spirit that provides a versatile base for simply mixing with tonic or creating refreshing cocktails. Made using classic gin distillation methods combined with centuries-old rum traditions, it's inspired by Latin American flavours such as sun-ripened citrus fruits, herbs and Cuban

honey. Havana Club Verde is a bold example of how the brand is creating a new impulse for rum-based mixes to win over millennial drinkers within what is a very mature category. Following a successful launch winning market share and new fans in Germany, the brand's biggest export market, Havana Club will explore opportunities to introduce Verde to other mature rum markets.

(1) Nielsen Grocery + C&C Innovations, May 2020.

Havana Club

“We’re excited to grow our fan base in line with people’s desires to create conviviality wherever they are. Malibu Splash allows us to bring the refreshing taste of summer in an easy-to-enjoy format.”

Johan Radojewski
VP Marketing, Malibu

7m

CANS OF MALIBU SPLASH SOLD IN THE FIRST SIX MONTHS OF THE LAUNCH



Consumers want simple and great-tasting drinks for casual occasions with friends. Malibu is making it easier for them to find the right beverage to pair with their favourite people and fun experiences.

In February 2020, the brand launched Malibu Splash in the US, a sparkling ready-to-sip malt beverage in four fruit flavours and just 5% ABV. Packaged in a slim can, Malibu Splash has proved it packs a great taste into a portable and easy-to-use format. An innovative route-to-market

strategy has given the product great visibility and availability in independent grocery stores and retailers across over 40 states in the US.

This Malibu innovation has generated significant online buzz, especially among younger consumers who are always on the go and looking to create their own moments of conviviality, outdoors or wherever their day takes them. It’s a good example of how this progressive spirit brand is evolving its offer to changing consumer trends.

“Beefeater Blood Orange, our latest expression, builds on the brand’s long history of innovation and satisfies the growing global thirst for flavoured gins.”

Louise Ryan
Managing Director, The Gin Hub



#1

BEEFEATER HIGHEST VALUE CONTRIBUTION TO TOTAL UK GIN SALES IN FY20⁽¹⁾

A bright-tasting new gin from Beefeater is the latest way The Gin Hub is transforming its portfolio through innovation. Following successful pilots in the UK, Ireland and Global Travel Retail, Beefeater Blood Orange is now available in over 15 markets worldwide – most recently Canada. Inspired by the Orange Gin distilled by the brand’s founder, James Burrough, in 1876, Beefeater’s zesty new gin was created for the tastes of today’s cocktail and spritz drinkers. From concept to shelf in a record time of eight months, it’s

an innovation driven by the agility, speed and teamwork of The Gin Hub, Pernod Ricard’s Brand Company that focuses on the global development of its portfolio of International premium gin brands.

Beefeater’s Blood Orange Gin is proving a strong recruitment tool, attracting drinkers from other drinks categories and bringing incremental growth to the brand.

(1) Nielsen scantrack, MAT to 13/06/20.

“Our Ricard Bio Fruités range, almond or lemon flavoured pastis born in Marseille, appeals to pastis-lovers who are increasingly looking for freshness and authenticity.”

Anne Tremsal
Marketing Director, Pernod Ricard France



1ST

MAJOR FRENCH SPIRITS BRAND TO CREATE AN ORGANIC RANGE

The tang of lemon and the nutty creaminess of almond. These typically Mediterranean flavours have inspired two new original pastis recipes: Ricard Fruité Bio Citron and Ricard Fruité Bio Amande. Both are made in Marseille by distilling green anise in a copper still modelled on 19th-century traditional alembic stills, allowing the anise to express its full aromatic richness. An authenticity that makes Ricard the first major spirits brand to create a range with organic certification. This new innovation after Ricard Plantes Fraîches, appeals to

thirty-something urban consumers who are curious about the latest trends and care about the environment. For two years, these spirits will be available only at spirit shops and selected bars in city centres. This launch will be supported by targeted ‘pastis-ology’ training for professionals and a click-to-buy media campaign with the wine retailer Nicolas. Eighty-seven years after it was created, Ricard is writing a new chapter in the history of pastis.

“Blending digital convenience with exclusive and emotional experiences, Club RSRV allows us to create close relationships with Mumm champagne enthusiasts and share some of our most prestigious cuvées throughout the world.”

Laurent Fresnet
Cellar Master, Mumm

6,000

RSRV CLUB MEMBERS IN FRANCE, X2.5 COMPARED TO LAST YEAR



High-end customers expect premium service. The exclusive Club RSRV in France has created an innovative digital platform to bring champagne connoisseurs closer to the heart of Maison Mumm. Club RSRV gives a select circle of individuals, who are recommended for membership, privileged access to Maison Mumm cuvées and content. Taking a direct-to-consumer approach that cuts out intermediaries, members can order exceptional vintages for home delivery via the Club’s

website and mobile app. Maison Mumm also brings this premium service to life via exclusive monthly tasting events. Club RSRV reflects the brand’s and Pernod Ricard’s ambition to put the consumer at the heart of the user experience with a successful business model that is attracting new members, by developing new routes-to-market and an ever more exclusive offering. This strategy is increasing the premium perception of Maison Mumm and helping secure its place in the luxury market.



“We bring together artists across diverse fields of art, design, fashion, gastronomy and hospitality to create exceptional experiences that connect our savoir-faire with nature.”

Guillaume Pétavy Meynier
Global Brand Director, Perrier-Jouët

#2

IN THE PRESTIGE CATEGORY WITH BELLE EPOQUE⁽¹⁾

Through its Art of the Wild programme, Maison Perrier-Jouët whose Art Nouveau heritage is symbolised by the Japanese anemone created by Emile Gallé in 1905, continues to celebrate the essential role of nature in one of the world’s best-loved champagnes. 2019 saw creative collaborations between Cellar Master Hervé Deschamps, culinary chefs, visual artists and designers at events in China, Japan and the US. During the West Bund Art & Design Fair in Shanghai, Perrier-Jouët created a unique multi-sensory experience. Through the lens of Chen Man, visitors took a photographic journey into

the heart of the Maison’s vineyards and cellars before a gourmet pairing of champagne with creations by French chef Alain Passard. Visitors to DESIGNART Tokyo and Design Miami discovered Perrier-Jouët’s new artistic tasting ritual ‘Banquet of Nature’, featuring its newest Artisan of the Wild: Michelin-starred chef Pierre Gagnaire. A new collection of champagne glasses by Italian designer Andrea Mancuso gave new expression to the history and personality of each of the Maison’s six cuvées.

⁽¹⁾The Pernod Ricard Market View based on IWSR 2019.

“Maison Martell has preserved an ancestral savoir-faire in the art of blending, magnificently illustrated by Martell Chanteloup XXO. More than 300 years after it was founded, Maison Martell continues to open the way for new expressions of cognac.”

César Giron
CEO of Maison Martell



Drawing on savoir-faire spanning 300 years and nine generations of Cellar Masters, Maison Martell has initiated an entirely new ultra-prestige category with the launch of its landmark Martell Chanteloup XXO. A supreme demonstration of the art of blending, Martell Chanteloup XXO is crafted from 450 very old eaux-de-vie from four of the finest crus, united in a single cognac. It offers connoisseurs a complete expression of the very best of Cognac *terroir* and pays tribute to the consummate mastery

of Maison Martell. To underline the exceptional nature of this cognac and bring connoisseurs closer to the creative process, Maison Martell created Martell Chanteloup XXO Masterpiece, a made-to-order hand-crafted trunk, with each detail personalised for a truly bespoke experience. When opening a Martell Chanteloup XXO Masterpiece, cognac amateurs get a unique insight into Maison Martell’s blending expertise.

“These new outstanding whiskies embody our vision to open up the brand to a new generation of luxury consumers, inviting them to cultivate a life of enrichment and wonder through our portfolio of rare and precious Scotch whiskies.”

Mathieu Deslandes
Marketing Director, Royal Salute

+25%

VOLUME GROWTH IN TAIWAN, ROYAL SALUTE'S #1 MARKET IN FY20



Royal Salute continues to strengthen its position as the 'King of Whisky' by expanding its prestigious range and engaging the new luxury consumer through innovation, stretching the boundaries of luxury Scotch.

The new 21-year-old Snow Polo edition is the perfect winter Scotch and Royal Salute's first blended grain whisky. Bottled at 46.5%, it pays tribute to the winter sport's birthplace, St Moritz, by matching its latitude coordinates. In another first, Royal Salute unveiled its inaugural 25-year-old expression, The Treasured Blend, inspired by the Crown Jewels and honouring the Scotch's royal heritage.

For another new tasting experience, Royal Salute fully finished a 29-year-old blend in Pedro Ximénez casks, offering a one-of-a-kind Scotch with a unique Spanish influence. Finally, The Time Series is a 52-year-old Single Cask Finish whisky blended from some of Royal Salute's oldest and most valuable whiskies and finished in one single cask for 14 years. Exceptional in every way from the art of blending to the rich detailing evident on each flagon, these new Scotch whiskies capture Royal Salute's expert blend of tradition, craft and innovation.

“Speyside is home not only to our distillery but also to many of our team members and partners. We want to give something back to the community that has given us so much over the years.”

Miriam Eceolaza
Marketing Director, Aberlour



20,000

ATLANTIC SALMON EGGS PLANTED IN THE LOUR AS PART OF ABERLOUR'S S&R INITIATIVES

In line with the Nurturing Terroir and Valuing People pillars of Pernod Ricard's Sustainability & Responsibility (S&R) strategy, Aberlour has been taking social and environmental action to protect and preserve its local community.

2020 saw the start of a new cycle of life for Atlantic salmon in the Speyside area. Planting 20,000 eggs in the Lour near the Group's distillery is part of a unique partnership between Aberlour and the Spey Fishery Board to maintain the salmon population – a key resource for biodiversity and local tourism. In the wider Aberlour community, Covid-19

restrictions hit many local livelihoods. Through a donation to the Moray Emergency Relief Fund, Aberlour is helping support individuals from the nearby community facing financial hardship due to Covid-19, providing vital support to those most vulnerable as a result of the pandemic.

Aberlour is a whisky closely linked with the Speyside area and is proud to contribute to the continued well-being of its community. Actions like these strengthen its appeal to whisky lovers who identify more and more with brands that share their sense of sustainability and solidarity.

“Every bottle winds up empty at some point: so we thought, why not sell them that way for a good cause? A rather unconventional idea was born to raise awareness on the impact of deforestation and poaching.”

Alexander Stein
Founder, Monkey 47



47

HAND-PICKED BOTANICALS GO INTO EVERY GRAFTED BOTTLE OF MONKEY 47 SCHWARZWALD DRY GIN

Taking a stand on social and environmental issues, in a convincing way, builds strong connections between consumers and their preferred brands. Monkey 47 celebrated its 10-year anniversary with a unique campaign raising awareness of the impact of deforestation and poaching on the world's primates. Following a donation to the World Wide Fund for Nature, Monkey 47 launched its *Sad but true* campaign with a special edition of six unfilled gin bottles featuring primates under

threat of extinction on their label. The promise behind the idea is anything but empty. Profits from each unfilled bottle sold will be donated to primate protection programmes around the world.

Monkey 47 is showing how, with gin lovers worldwide, the brand can give something back and make sustainable and responsible conviviality a force for good.

“We’re thrilled to be increasing awareness and excitement about our brand by building on the image of entrepreneurial and independent women and what they have to share.”

Lucas Billaudel
International Brand Manager, Lillet

6m+

INFLUENCER REACH FROM THE LILLET SUMMER IN THE CITY EVENT HELD IN NEW YORK IN SUMMER 2019



2020 has been a year when many people in lockdown have looked for inspiration and entertainment ideas online. Lillet's global influencer strategy is helping the brand grow a worldwide community, on social media notably, inspired by female empowerment and positive lifestyle activations. To increase the impact of in-country initiatives, Lillet devised a global strategy to guide its teams on leveraging the power of influencers to win new fans in its core target of trendy chic women. Implemented from 2019 in countries from Belgium, Denmark, Germany, Spain to the US, the strategy focuses

on partnering with influencers across fashion, lifestyle and gastronomy. The aim: build brand awareness through uplifting social media content and events, such as inspiring talks about female entrepreneurship, self-confidence, healthy body and mind, as well as creative drinks and conviviality.

In choosing a wide variety of influencers sharing aspirational ideas and their own style of Lillet-themed drinks and occasions, Lillet has created the perfect link to its core brand purpose: craft your own lifestyle.

“We wanted to push the boundaries and create something that would seamlessly take its place at the head of the Redbreast Single Pot Still family, in a way that balances tradition and innovation with the use of ruby port barrels.”

Billy Leighton
Master Blender, Irish Distillers



100m+

REACH THROUGH LAUNCH
MEDIA COVERAGE

Connoisseurs value the time taken to craft a truly distinguished whiskey. In March, Irish Distillers introduced the oldest permanent expression to the Redbreast family – a product nearly three decades in the making. For over 30 years, Masters at Midleton Distillery have sought out only the finest bourbon and sherry casks to achieve a maturation style synonymous with Redbreast. Drawing on this tradition, Redbreast 27 Year Old also includes whiskey matured in ruby port barrels from Portugal's Douro valley.

Bringing new complexity and depth to the Redbreast taste experience, the barrels contribute fleshy fruit characteristics with notes of toasted oak to complement the rich and robust style of the distillate.

With this latest iconic addition, Redbreast Single Pot Still continues to delight super premium whiskey lovers around the world.

“Casa Altos reflects our close connection to our unique region and commitment to improving communities through sustainable and socially responsible conviviality.”

Carlos Andres Ramirez
Global Advocacy Team, House of Tequila



+32%

SALES IN US OFF-TRADE
IN FY20 ⁽¹⁾

Terroir and traditional craftsmanship are key to the Altos identity. With a recent revamp of its visitor centre, the brand is celebrating the Altos essence of Mexico and reinvesting in its local community.

Casa Altos opened its doors in January 2020 after a two-year redesign to give bartenders, distributors and influencers from across the world a unique brand experience. The Altos team created a traditional Mexican casa with a series of 10 themed rooms around a central courtyard, each

featuring a different aspect of tequila-making – from agave, tahona stone to wood casks and the red soil of the region. In addition to convivial tastings and Altos and Olmecca inspired cocktail workshops, guests can stay at Casa Altos to soak up contemporary Mexican culture or enjoy a convivial moment in the bar or on the terrace. Altos has also linked up with a range of local artisans to showcase and sell fair trade products and Mexican arts for the benefit of 30 communities across the region.

(1) Nielsen

Brancott Estate

OUR RESULTS

Campo Viejo has continued to transcend the Spanish wine category in its pursuit of becoming a leading global wine brand. The accelerating growth of Campo Viejo is underpinned by a long-term strategy focused on four key factors: stand-out packaging, unique and engaging activations, easy-to-navigate portfolio, and award-winning wines.

The brand continued its strong growth in key markets (US & UK) through the launch of new wines, including rosé, helping drive incremental double-digit growth.

In Australia, the brand identified a strong interest in international wines, even though the Spanish wine category was almost non-existent.

By executing its strategy and inviting consumers to embrace the Spanish lifestyle, through the Live Uncorked campaign, Campo Viejo is now the #1 international still wine in value in Australia within 12 months⁽¹⁾. Successfully expanding and premiumising its portfolio footprint has led to Campo Viejo achieving sales of three million cases in one year for the first time in the brand's history.



Being one of the early pioneers of the growing success of New Zealand wine around the world, Brancott Estate helped grow the category and is now faced with increasing competition. To remain competitive and capture consumers attention in our key global markets, the brand has re-assessed how it stands out from the competition at the point of purchase in a unique and engaging way. A new eye-catching look launched this year encapsulates the brand's originality and encourages wine lovers to 'taste life on the flip side'.

The new packaging design embraces the 'kiwi' culture of light-heartedness whilst paying tribute to the history of the Marlborough region which has transitioned (or 'flipped') from sheep farming to world renowned viticulture and winemaking.

With positive research results and early signs of success in New Zealand where it was first rolled out across Brancott Estate's range of red and white wines, the new look is now being adopted across other markets.

⁽¹⁾ IRI Australia Liquor, June 2020.



+4%

IN NET SALES
IN FY20⁽¹⁾

Campo Viejo

Jacob's Creek

NATURALLY COMMITTED

BETTER BY HALF BRUT RANKED

#1

SPARKLING INNOVATION
IN \$15-20 BRACKET⁽¹⁾



Inspired by a trend towards moderation amongst healthy-minded wine drinkers, Jacob's Creek is creating the mid-strength wine market in Australia with the launch of its 'Better by Half' range.

'Better by Half' is a new line of light and crisp wines that contain half the alcohol and calories of regular wine. Winemakers in the Barossa Valley used a special filtering approach to create the new Jacob's Creek 5.5 ABV offer in a range of popular and fast-growing varieties such as Pinot grigio, rosé and sparkling wines. This new range has been designed to meet increasing demand from millennial wine lovers who want to reduce their alcohol consumption whilst still enjoying great-tasting, quality wines.

The 'Better By Half' innovation gives the brand new opportunities to capture growth, disrupting the traditional wine market with a new category of mid-strength wines. It also highlights Jacob's Creek continued commitment to offering a wider selection of high-quality wines for people to enjoy whatever the occasion.

⁽¹⁾ Source: IRI Australia – Coles Liquor Group, MAT to 14/06/2020.

In a competitive wine space, packaging is key to capturing consumer attention. A new look for Kenwood Vineyards is helping its wines stand out on the shelf and improve perception of the brand as a premium US-origin wine.

California enjoys a rich diversity of *terroir* across its different mountain, river and valley vineyards. In September 2019, Kenwood introduced a dual appellation approach that highlights both the grape variety and the region where the wine is made. It embraces the brand's spirit of discovery in identifying wild terrains that bring a unique quality and flavour, as well as allow it to craft more premium expressions of Sonoma in higher tier ranges.

The new look positions Kenwood with a sharpened focus on winning consumer consideration and purchase at the shelf. The new bottles have improved shelf recall, are much faster to find than any other wine brand and have the highest likability scores in their category. Point-of-sale impact is one of the most valuable assets for wine contributing to higher purchase intent and improved brand perception.



Kenwood Vineyards



Luis Torres

Owner of Rancho La Garita

Jalisco, Mexico

Luis gives centre stage to his fields, which are located in the Jalisco Highlands. He considers that he is just passing through this land, while the blue agave that grows here has been harvested for over 2,000 years.

LANDSCAPE.

Have you ever seen a field of agave? The blue-green leaves of the cactus, the red earth, the perfectly geometrical pattern of the rows. Stefania and I are always amazed by so much beauty. I'm proud to say that our agave landscape has been designated as a cultural UNESCO World Heritage Site.

This is recognition of our work, our link to the land, and our identity, the *agaveros* and *jimadores* who farm this plant. The agave demands patience and attentiveness: harvest it too early, and the juice will be bitter. Too late, and there will be no juice at all. You have to watch it grow, helping it along, and decide when it's the right time to harvest it - after six or seven years.

The knowledge passed down over generations allows you to choose when the time has come. For me, being an *agavero* is about both craft and heritage. What makes all the difference with Stefania is that she understands this perfectly.

Stefania Elizalde

Liquids Coordinator, House of Tequila
Arandas, Mexico

With a degree in food chemistry followed by postgraduate studies in the tequila production process, Stefania's passion for the subject naturally led her interest to Olmeca Altos.

FLAVOUR.

The agave is more than just a plant, it reflects a complex and unique history. Cultivating agave is a story of effort, passion and tradition. All of this is on my mind when I'm involved in the production of tequila - the immense amount of collective work achieved by Luis and his team at every step of the process. It's about mutual trust, we both trust each other to do the best at each stage of the process.

Protecting the agave's flavours begins as soon as the crop comes in, through its transformation as it is cooked in the ovens, and during the extraction of the sugar that is needed to develop our yeast, which gives the tequila its notes of grapefruit, orange and caramel.

The explosion of flavours and sensations you experience when you taste it are the result of long and laborious teamwork and methods that are close to the land.

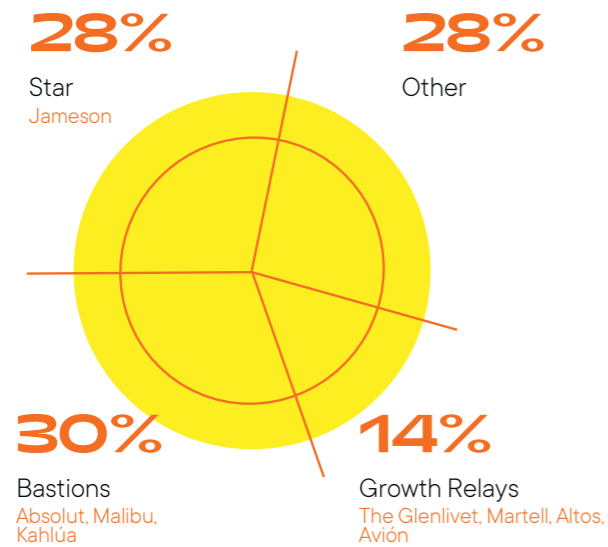


United States

Transform & Accelerate medium-term ambition: to grow mid-single digits and gain market share

PERFORMANCE FY20
+2%
 SELL-OUT
 Broadly in line with market by channel⁽¹⁾

PORTFOLIO STRATEGY TO DRIVE FUTURE GROWTH



SHIFT TO 'TRIED AND TRUSTED' BRANDS⁽²⁾



Malibu
+26%

Kahlúa
+15%

Jameson
+14%

Absolut
+3%

GROWTH RELAYS⁽²⁾

Altos +32%	Avion +29%	Jefferson's +22%	The Glenlivet +16%	Martell +4%
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FUTURE GROWTH STARS



(1) Internal estimate. (2) Nielsen 52 week value data ended 27 June 2020.

China

Transform & Accelerate ambition: high-single digit to low-double digit medium-term growth. Expand the imported spirit market to double its size from 1% to 2% between 2017 and 2025.

PERFORMANCE FY20
-16%
 SALES
 • Progressive recovery in last quarter after being severely impacted by Covid-19
 • Acceleration of digital initiatives with e-commerce and at-home consumption

1st

single malt distillery in China at Emeishan (Sichuan), scheduled to open in 2021



PARTNERSHIP WITH DBR LAFITE



Two routes-to-market

PRESTIGE BRANDS



Market leadership maintained

PREMIUM BRANDS



Strong growth

India

● **Transform & Accelerate ambition: low-double digit medium-term growth, consolidating leadership position in the industry**



PERFORMANCE FY20
-11%
 SALES
 Six-week nationwide full lockdown disrupted the end of the year

>45% Leadership consolidation with market share above 45% and continuing to grow value market share⁽¹⁾

(1) IWSR 2019 bottled in India Premium & Western style Spirits whiskies

Portfolio strategy

3 PREMIUM LOCAL BRANDS



In decline due to Covid-19 but positive pricing in 2019/20

INTERNATIONAL BRANDS



Strong growth of Ballantine's and Jameson in particular

Global Travel Retail

PERFORMANCE FY20
-27%
 SALES
 Due to passenger traffic in severe decline across the world



● **Transform & Accelerate ambition: develop premium & Travel Retail leadership**

25%
 Reinforced leadership at 25% market share, with gains overall and in all key categories

Performance

BETTER RESILIENCE OF SOME PRESTIGE BRANDS



SUCCESS OF RECENT INTERNATIONAL BRAND LAUNCHES



Europe

PERFORMANCE
FY20

-6%

SALES

Good overall resilience thanks to Germany, UK and Eastern Europe growing and partially offsetting declines in Spain and France



GERMANY

+11%

SALES

Growth driven by acceleration of Off-trade and share gains



UNITED KINGDOM

+2%

SALES



Strong resilience in second half of the year thanks to dynamic Off-trade share gains

FRANCE

-5%

SALES



Reconquer project implemented: new organisation effective 1 July 2020. Resilience in challenging environment

RUSSIA

-2%

SALES

Good price/mix. Dynamic first half of the year but On-trade closures in second half



Other markets

CANADA

+1%

SALES

Good growth driven by Strategic International Brands and dynamic innovations



JAPAN

-7%

SALES

Strong growth most of the year more than offset by weak last quarter



Dynamic Growth

BRAZIL

-1%

SALES

Strong first half of the year, more than offset in second half by On-trade closures. Very strong gin development thanks to Beefeater





Alejandro Bolívar
Head Bartender at El Floridita
Havana, Cuba

A native of Havana, Alejandro has been a mainstay for almost thirty years at this iconic bar frequented by Hemingway in 1932.

PASSION.

As a *cantínero*, I regularly go to the Havana Club distillery for tastings and training. That's where I met Asbel, who I know well. Producing sugar cane and making rum is a labour of love, a question of passion.

It's a state of mind, an outlook that you put in a bottle. That's what I share with my customers: what is in your glass, what is in this bottle, is the expression of the culture and soul of the Cuban people.

This is the spirit I like to help others discover when I visit different places. And I've had the chance to travel a lot in my work!

Asbel Morales
Maestro del Ron Cubano
Havana, Cuba

One of the very few Maestros del Ron Cubano, Asbel is the alchemist responsible for the Havana Club Professional Edition limited series.

BALANCE.

For Alejandro and I, Cuban rum has a big place in our lives. We were both born in the 1960s, and this singular spirit has been part of our life's work for a long time. While Cuban rum is diverse, it remains unique.

It's as connected to the land as it is to those who produce it. On the island of Cuba, sugar cane grows faster than elsewhere, as there is an ideal balance between the temperature and the degree of humidity. The extracted sugar is of exceptional quality, resulting in very pure molasses.

That's why Cuban rum can only be made and matured in Cuba!



Strong resilience and agility in FY20

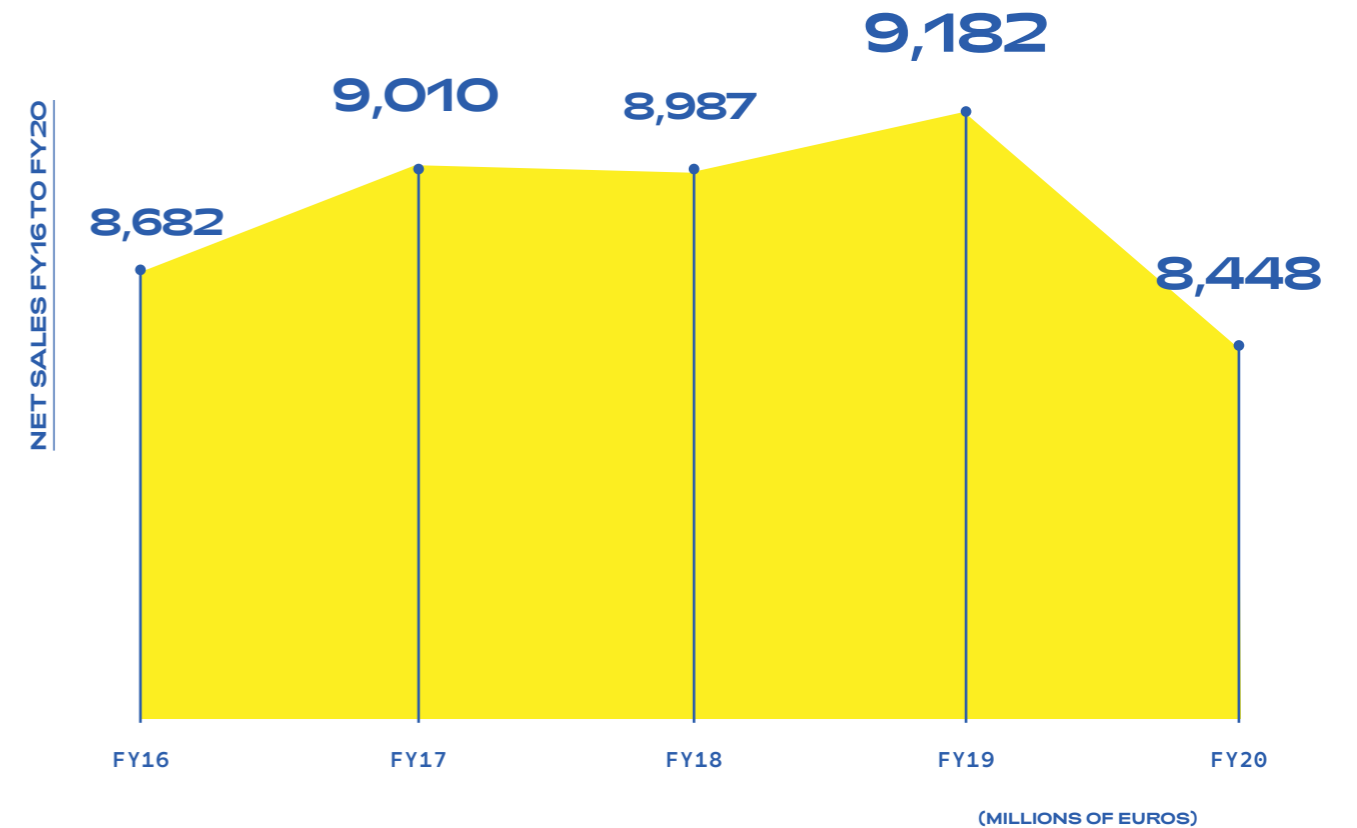
"The Group has proven very resilient through FY20 and demonstrated its agility and ability to keep its supply chains operational, control costs and manage cash. I would like to take this opportunity to praise the exceptional commitment of our teams during this difficult time.

For FY21, Pernod Ricard expects continued uncertainty and volatility, in particular relating to sanitary conditions and their impact on social gatherings, as well as a challenging economic climate. We anticipate a prolonged downturn in Travel Retail but resilience in the Off-trade in the US and Europe and sequential improvement in China, India and the On-trade globally.

We will stay on our strategic course and accelerate our digital transformation while maintaining strict discipline, with clear, purpose-based investment decisions. We will harness our agility and ensure we adjust quickly to seize new opportunities. Thanks to our solid fundamentals, our teams and our brand portfolio, I am confident that Pernod Ricard will emerge from this crisis stronger."

ALEXANDRE RICARD
Chairman & CEO

Our performance indicators FY20



€8,448m

NET SALES

€2,260m

PROFIT FROM RECURRING OPERATIONS

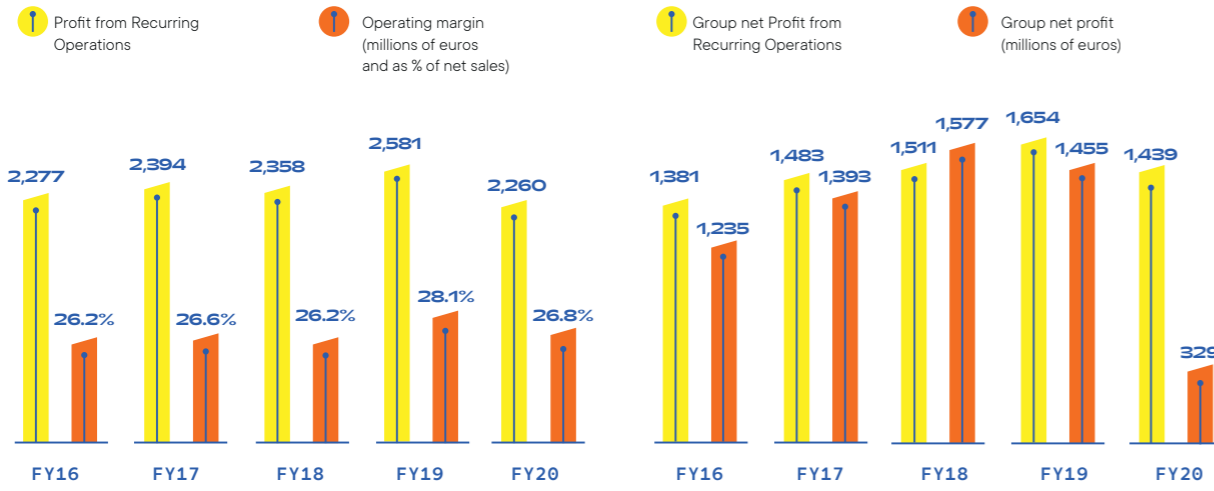
TOP 10

MARKETS MAINTAINING OR GAINING MARKET SHARE

-9.5%

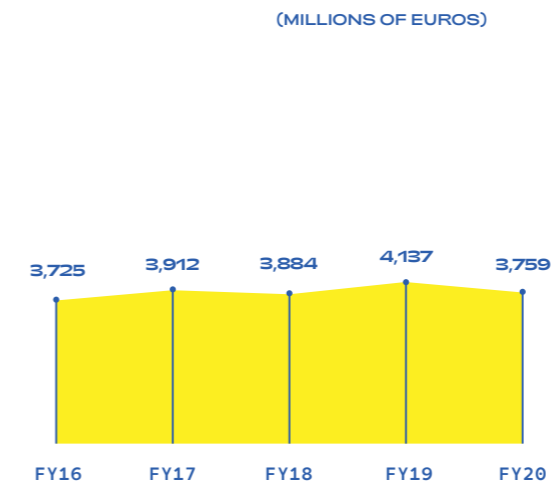
ORGANIC SALES DECLINE

OUR RESULTS

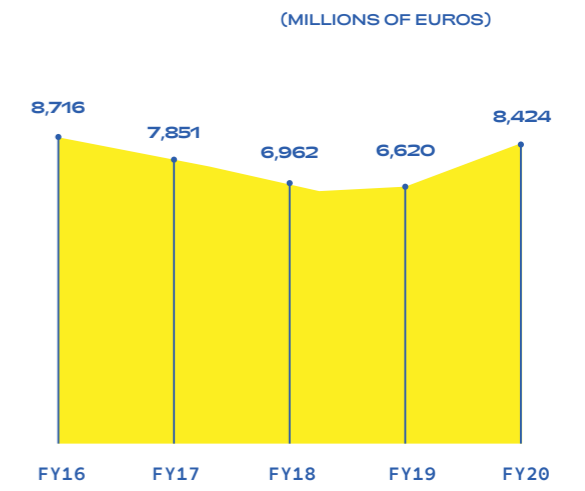


NATURALLY COMMITTED

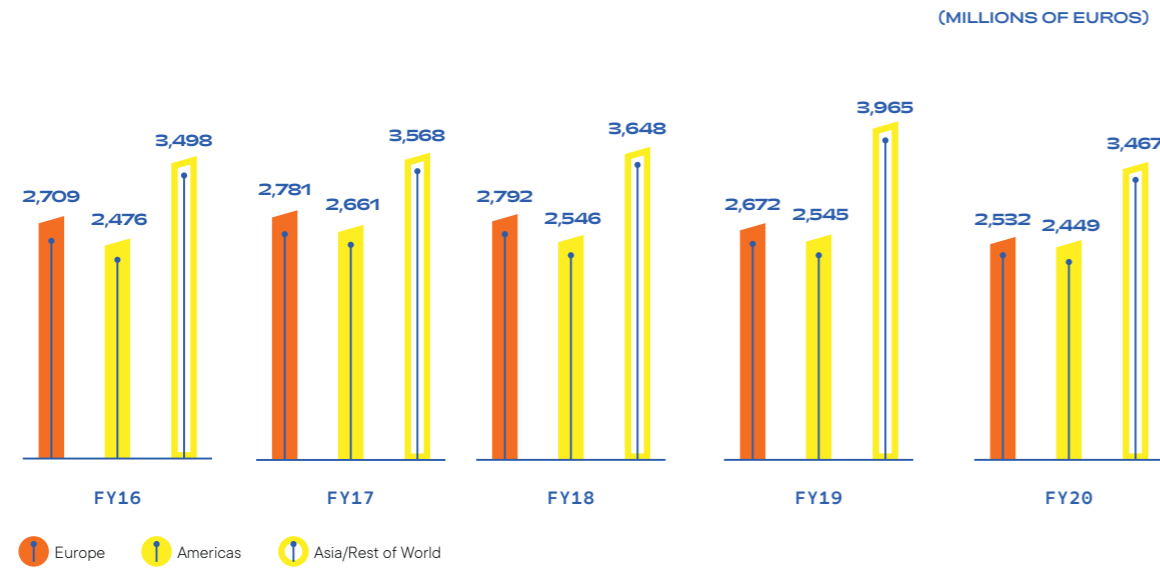
CONTRIBUTION AFTER ADVERTISING AND PROMOTION INVESTMENTS



NET DEBT



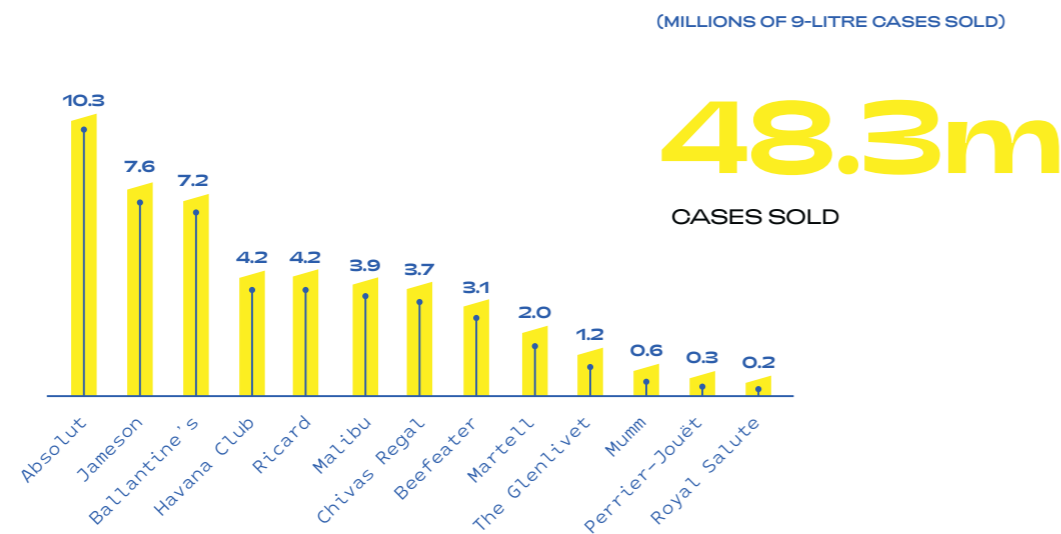
SALES BY REGION



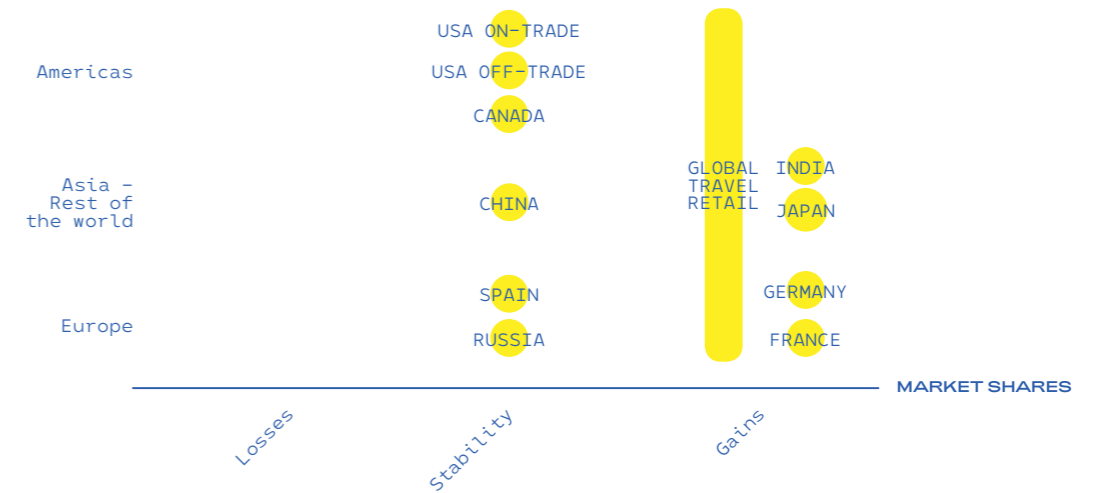
OPERATING PROFIT BY REGION



STRATEGIC INTERNATIONAL BRANDS



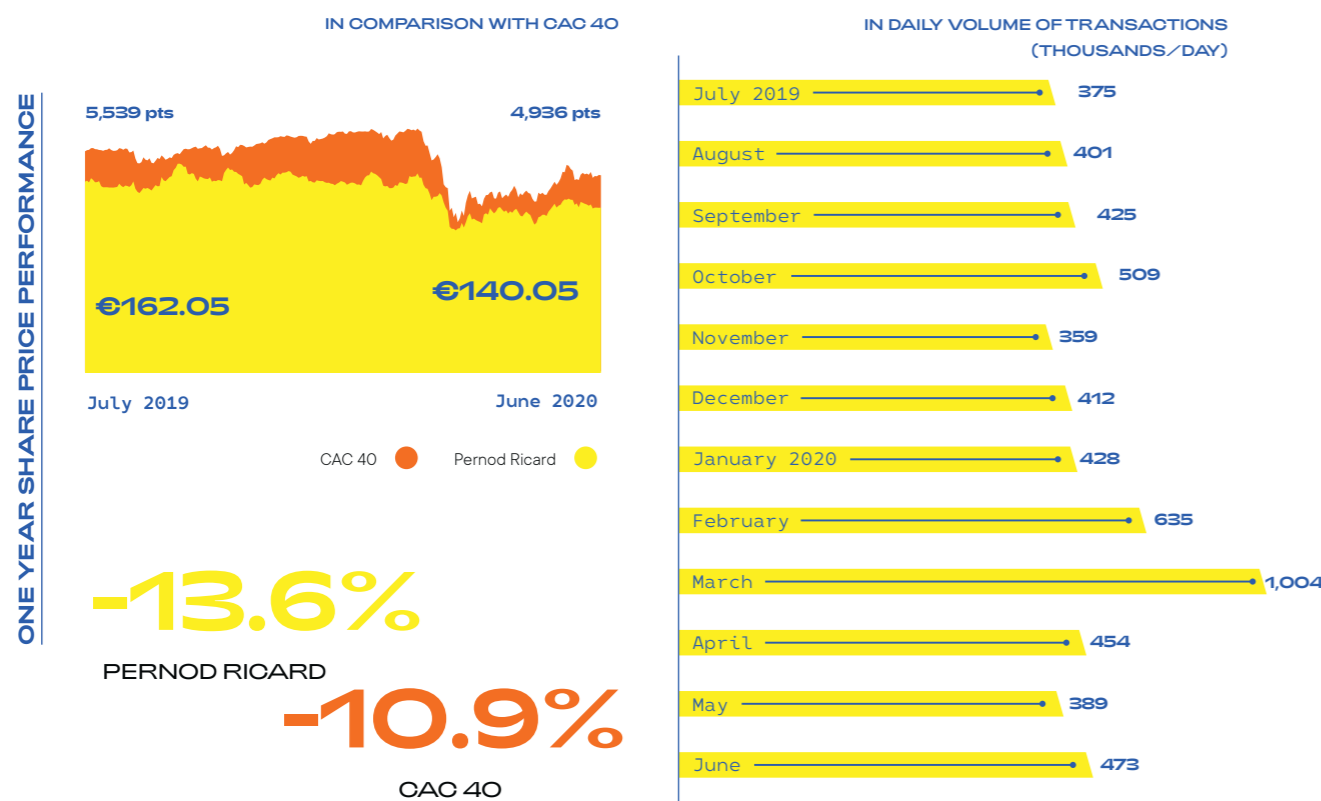
GAINING OR MAINTAINING VALUE SHARE IN ALL TOP 10 MARKETS



Source: latest 12 month Nielsen/IWSR/OTC to June 2020; internal estimates.

Pernod Ricard in the financial market

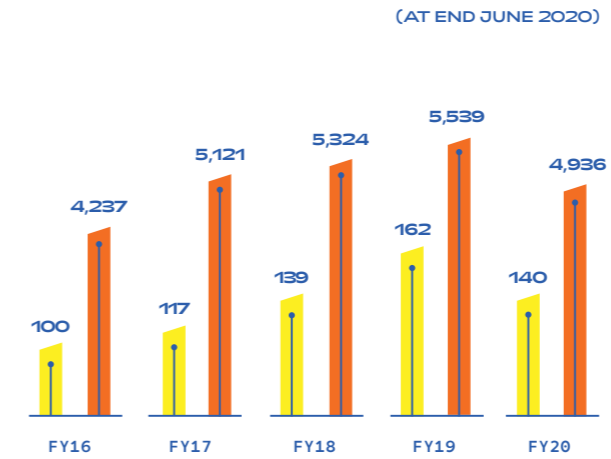
Despite outperforming in late August 2019 and making a new all-time high of €177.25 on 3 September 2019 following the release of better than expected FY19 results and capital return measures, Pernod Ricard shares fell by 13.6% during FY20, impacted by an indiscriminate market sell-off induced by the Covid-19 pandemic. The shares performed broadly in line with the STOXX Europe 600 Food & Beverage index (-11.6% over the period) and slightly underperformed the CAC 40 index (-10.9%). Pernod Ricard entered the Euro Stoxx 50 index on 18 September 2020 recognising its status as one of the leading listed European companies.



PERNOD RICARD STOCK MARKET DATA (1)

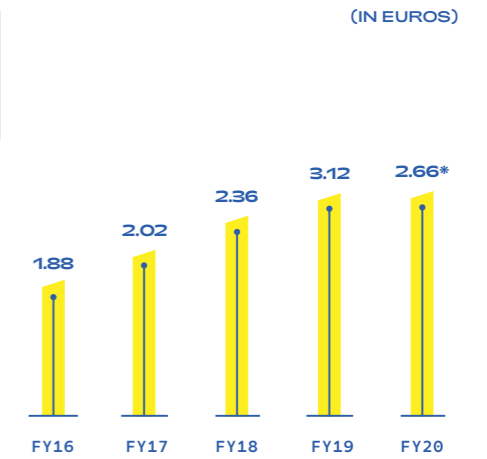
	FY18	FY19	FY20
Number of listed shares at 30 June	265,421,592	265,421,592	265,421,592
Average number of shares (except treasury shares) - diluted	265,543,003	265,419,549	264,036,831
Stock market capitalisation at 30 June (€m)	37,132	43,012	37,172
Group net profit per share - diluted (€)	5.69	6.23	5.45
Dividend per share (€)	2.36	3.12	2.66 ⁽²⁾
Average monthly volume of trades	8,879	9,253	10,441
Highest share price (€)	147.25	163.75	177.25
Lowest share price (€)	113.20	129.35	120.75
Average share price (€)	128.87	145.96	154.41
Share price at 30 June (€)	139.90	162.05	140.05

SHARE PRICE OF PERNOD RICARD & CAC 40 OVER FIVE YEARS



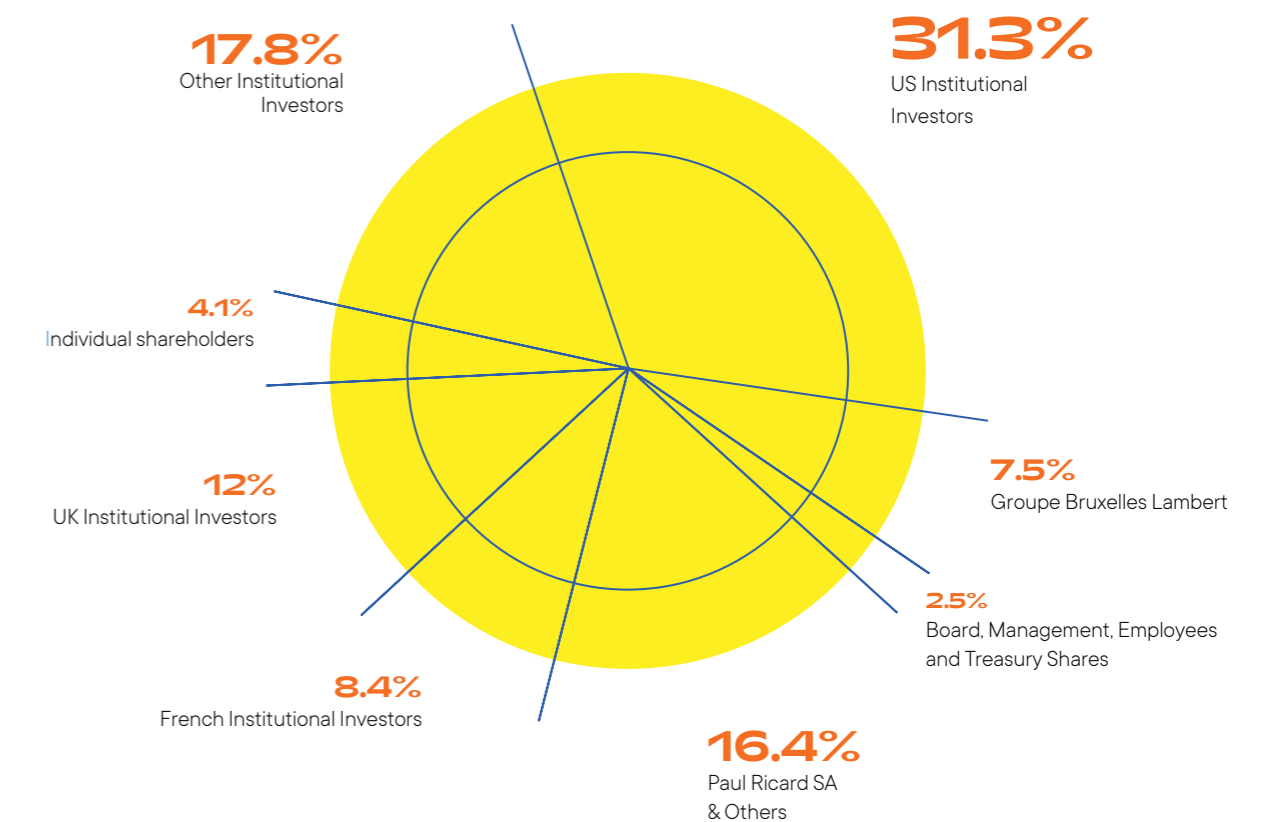
Pernod Ricard is traded on the Paris stock exchange on NYSE Euronext SA Paris Eurolist (compartment A) SRD (deferred settlement service). The Pernod Ricard share is eligible for inclusion in the French share savings plan, the PEA (Plan d'Épargne en Actions), and for the SRD (deferred settlement service).

DIVIDEND



* A dividend of €2.66 per share for the 2019/2020 financial year will be submitted for the approval of the Shareholders' Meeting on 27 November 2020.

BREAKDOWN OF SHARE CAPITAL AS AT 31 MARCH 2020



Explore the world of Pernod Ricard

Take a look at the full range of our publications to learn more about our Group.



Integrated Annual Report

Discover the success stories of our Brands and employees across the globe in FY20.



Universal Registration Document

Dive into an in-depth legal, economic, financial and accounting analysis of FY20 financial year.



At a Glance

Grasp the essentials of Pernod Ricard with this summary of key information.



Pernod Ricard website

Discover the digital edition of our Integrated Annual Report on our website.
www.pernod-ricard.com



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THANK YOU TO ALL OF OUR CONTRIBUTORS.

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Please consume our brands responsibly.

Carte Blanche 2010-2020

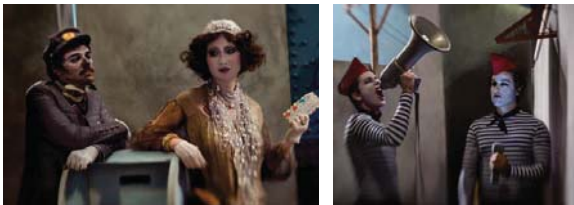
2010 — Marcos Lopez — *Portraits*



2011 — Denis Rouvre — *Blast*



2012 — Eugenio Recuenco — *Connected*



2013 — Olaf Breuning — *Co-Création*



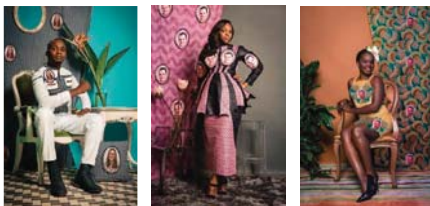
2014 — Vee Speers — *Transmission*



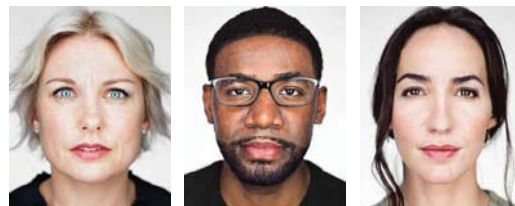
2015 — Li Wei — *Vision*



2016 — Omar Victor Diop — *Mindset*



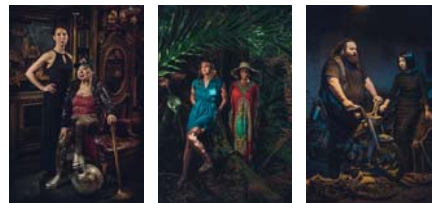
2017 — Martin Schoeller — *Inspiring Action*



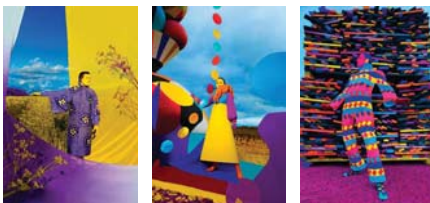
2018 — Kourtney Roy — *Go the Extra Mile*



2019 — Stéphane Lavoué — *Seriously Convivial*



2020 — Sanja Marušić — *Naturally Committed*





Pernod Ricard

Créateurs de convivialité